

Philippines-Australia Land Administration and Management Project

***KEY DOCUMENTS PREPARED BY
INSTITUTIONAL ARRANGEMENTS
ADVISER***

APRIL TO JUNE 2003

REPORT A11



This report is a result of technical assistance managed by Land Equity International to the Government of Philippines. The TA was funded by AusAID and the views expressed in this work do not necessarily represent the views of the Commonwealth of Australia.

PREFACE

This document contains a compilation of the main papers prepared by the Institutional Arrangements Adviser during the third assignment with the LAMP from April to June 2003. The purpose of the compilation is to provide ready access to the papers for future reference.

(John Mellors)
Institutional Arrangements Adviser
27 June 2003

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* Note: Amended version of a draft Bill prepared in the office of Congressman Baculio. This has been prepared in 3 versions: (i) version here, with changes shown but without comments shown; (ii) digital version 1: amended version with both changes and comments shown; (iii) digital version 2 – amended version with no changes/comments shown.

MEMORANDUM

To: Mylene Albano, Executive Director, LAMP
Danilo Antonio, Deputy Executive Director, LAMP

Cc: Ian Lloyd, Team Leader, Technical Assistance
Lirio Abuyuan, National Policy Adviser

Subject: Comments on latest version of draft Bill to establish LAA

Date: 9 May 2003

Please find attached my comments and recommendations in relation to the latest version of the draft Bill to establish the LAA, as provided to me by Noel Padilla on 7 May. In the attached comments the “JM version” of the Bill refers to that I prepared dated December 2002.

In summary, the latest version of the draft Bill would establish an LAA that:

- is headed by a Secretary (“Director General”) but is subject to detailed direction by a committee (“Board”) dominated by other Secretaries;
- limits to the point of irrelevance representation of users of land administration services in management/oversight of the LAA;
- essentially preserves intact, by legislation, the management and regional hierarchies and functions of the existing land administration agencies;
- has no legislative features to improve accountability and transparency in land administration.

One is bound to question whether any useful purpose would be served by establishing the LAA under these conditions, bearing in mind that it is likely to be several years before any establishing Act could be amended.

My understanding is that the Bill is undergoing further consideration and drafting within DENR. I will update the attached review if and when further versions of the Bill are made available to me.

(John Mellors)

**COMMENTARY AND RECOMMENDATIONS ON
LATEST VERSION OF A BILL TO ESTABLISH
LAND ADMINISTRATION AUTHORITY**

As at: 9 May 2003

John Mellors, Institutional Arrangements Adviser

Major Issue: Composition, powers and functions of the LAA Board, both generally and in relation to the powers and duties of the Director General.

Background:

The JM version of the draft LAA Bill vested all formal powers and functions of the LAA in the Director General, but established an advisory LAA Board of major government/non government stakeholders to provide advice to the Authority and monitor its efficiency/effectiveness. Board membership comprised the LAA Director General (Chair), one representative each of DENR, DAR, Housing Department, Finance Department, and up to six representatives of non government stakeholders in land administration appointed by the President. (JM Bill, Sections 20 to 25).

The latest version of the draft LAA Bill vests all corporate powers and functions of the LAA in the Board, composed of the Secretaries DENR, DOJ and Finance, the Director General of the Authority, and the Chair of the NCIP (as 'ex officio' members), and two appointed members representing non government stakeholders. The Chair of the Board is to be designated by the President from amongst this membership. (Current draft Bill, Sections 8 and 9).

Main concerns:

The current version of draft Bill:

- Substantially blurs responsibility and accountability for LAA performance.
- Provides inadequate stakeholder representation on the LAA Board.

Responsibility/accountability for LAA performance

The key issue here is *who is to be held responsible for LAA performance and how?* Either of the following two 'models' would be acceptable:

- √ Model 1: The Board is responsible/accountable for LAA performance. For this to be realized in practice, and to ensure that the Board has adequate control of the matters for which it is to be held responsible/accountable:
 - LAA powers and functions should be vested in the Board;
 - Board members should be appointed, and be subject to dismissal, as *individuals*, not 'ex officio' by virtue of other positions they occupy;
 - In principle, the Board should elect the Board Chair/Deputy Chair from amongst their membership;
 - The Board's Chair (at least) should be expected to manage the Board's responsibilities on a substantial basis (i.e. a full-time or not less than half-time basis);
 - The Board, not the President, should have the power to appoint and dismiss the LAA's Director General;
 - The LAA's Director General should not be a member of the Board (but can be invited to attend part or all of Board meetings);
 - The Board should be fully responsible and accountable for the LAA's performance. For example, the LAA's Annual Report and financial

statements should be ‘signed off’ by the Board Chair. The Board’s Chair, representing the Board, should be answerable before Congressional committees for the Board’s performance.

- √ Model 2: The LAA Director General is responsible/accountable for LAA performance. For this to be realized in practice, and to ensure that the Director General has adequate control of the matters for which he/she is to be held responsible/accountable:
- LAA powers and functions should be vested in the Director General;
 - The Director General should be appointed on a full-time basis and be capable of dismissal by the President;
 - The Director could (but need not) be assisted in the performance of his/her duties by a consultative/advisory Board of either ‘ex officio’ representatives or individuals, and could (but need not) either Chair the Board or sit as one of its members;
 - The Board should *not* exercise powers over the Director General in relation to management of the LAA (e.g. its structure and staffing).

The JM version of the Bill is consistent with Model 2. *The latest version of the Draft Bill is consistent with neither Model.* In effect, the latest version of the Bill vests the powers and functions of the LAA in a part-time committee. The ‘ex officio’ members of this committee/Board cannot be dismissed, either individually or collectively, unless they are also dismissed as Secretaries of their Departments. There is no provision in the Bill requiring Board members to accept responsibility/accountability, either individually or collectively, for LAA performance. The Director General is to have “the rank and privileges of a Secretary” but will nevertheless require the approval of a Board comprised mainly of other Secretaries before he/she can determine the LAA’s organizational structure, staffing pattern, staff appointments or transfers and a range of other matters essential to effective management of the LAA.

In summary, the present version of the Bill provides for a Board with the power to intervene and determine any significant aspect of the LAA’s operations but which bears no real responsibility or accountability for the LAA’s performance. This is a major weakness and one which may well deter worthwhile candidates for the DG position.

Stakeholder representation on LAA Board

The JM version of the draft Bill aimed to ensure that major users of land administration services have a substantial presence on the LAA Board, albeit in an advisory capacity. The latest version of the Bill deletes representation of DAR and the Housing portfolio – both of which have major interests in development of an efficient land administration – and reduces external representation from (up to) six members to two members.

Recommendations:

1. Adopt either Model 1 or Model 2 for operations of the Board and re-draft the Bill’s provisions accordingly (or re-instate the JM version if Model 2 is preferred).
2. Reconsider the composition of the Board and reinstate wider stakeholder representation.

Major Issue: Prescription in the draft Bill of LAA's management/organization structure

Background:

The JM version of the draft Bill prescribed the powers and functions of the LAA and the duties of the LAA's Director General *but deliberately omitted any description/prescription of the LAA's senior staffing arrangements (below DG level) or organization structure.*

The latest version of the draft Bill prescribes, notably, that the LAA shall:

- Have at least three Deputy Director Generals;
- Have at least fourteen Executive Directors and at least fourteen Deputy Executive Directors;
- Provide for the administration and supervision of at least fourteen individually-identified "areas of concern" (e.g. "Legal Affairs"; "Mapping Services"; Cadastral Surveys"). A note indicates that these areas are "based on the existing Organizational Units of the affected agencies with duplicating units merged";
- Have Regional Offices in the sixteen administrative regions of the country, provincial offices in every province and a District Office in municipalities "wherever deemed necessary";
- Staff each Regional Office with a Regional Director and at least three Assistant Regional Directors.

See latest version draft Bill Sections 22 to 25 inclusive.

Main concerns:

The inclusion of detailed legislative prescription of the LAA's management/organization structure in the above terms:

- Largely pre-empts the right and responsibility of the LAA Board or its Director General to determine the most efficient/effective structure of the LAA for the delivery of its functions/services, and vary it from time to time in the light of emerging needs/priorities;
- Replicates the rigid hierarchical structures of the present land administration agencies, thereby facilitating if not encouraging excessive tiers of management and decision-making delays;
- By prescribing the individual "areas of concern", effectively preserves for the foreseeable future existing functional units, thereby:
 - inhibiting if not preventing the emergence of structures designed by reference to more up-to-date principles (e.g. 'purchaser-provider' principles, outsourcing of 'non core' functions)
 - constraining the development of efficient structures for 'One Stop Shops' (e.g. by maintaining a structural separation between "Registration" and "Cadastral Surveys")

In summary, *this approach transfers to the LAA all the key structural defects of the present land administration agencies* as documented in the Institutional Arrangements Policy Study. It will enshrine them anew in legislation that – once passed - is likely to remain un-amended for a further 10-15 years. *It calls into major question one of the key objectives in seeking to create an LAA, namely to create an institutional framework for the development over time of more efficient service delivery structures and processes.*

Recommendations:

Preferred position

Delete Sections 22 to 25 inclusive (i.e. revert to the non-prescriptive approach of the JM version of the Bill)

Fall-back position

If it is judged that Congress will require the inclusion of *some* provisions in the Bill relating to LAA structure:

- Limit reference to positions below DG level to the establishment of at least three Deputy Director Generals;
- Include an indicative ‘top structure’ only, described in non-binding generalist words, having regard to (but not necessarily the same as) the indicative top structure included in the Institutional Arrangements Policy Study.

Issue: Deletions from JM version of draft Bill of provisions dealing with:
(a) corporate planning;
(b) preservation of records;
(c) powers of direction over the LAA;
(d) link between State Policies and LAA mandate.

Concerns:

Corporate Planning

Sections 31 to 33 of the JM version of the Bill set out requirements and procedures for the preparation by the LAA of corporate plans, annual operational plans and annual reports. The latest version of the Bill deletes these sections entirely (but requires elsewhere the preparation of an annual report).

The earlier requirements for corporate and annual operational plans might be regarded as unnecessary ‘details’. In fact, they aimed to address a fundamental defect of current accountability arrangements, namely that there is no structured basis on which to monitor and assess the performance of the land administration agencies against agreed objectives. Reflecting this, the annual reports of the present land administration agencies are worthless for the purpose of any performance assessment.

Preservation of records

Section 40 of the JM version of the Bill made it an explicit duty of officers of the present land administration agencies to preserve all land records intact pending their delivery into safe custody by authorized officers of the LAA. It also provided for significant penalties for breaches of this duty. The latest version of the Bill deletes these provisions.

Again, Section 40 might be regarded by some as an ‘unnecessary detail’. In fact, there must be serious concern that significant records will get ‘lost’ on establishment of the LAA, particularly if/when management arrangements and personnel change. This issue needs to be recognized and addressed, if not via the original Section 40 then in some other way.

Powers of Direction

The JM version of the Bill (Section 9) specified the President’s powers of direction over the LAA, including provisions that:

- “(d) Subject to the provisions of this Act, [the President] shall not otherwise purport or attempt to give direction in relation any powers that are explicitly vested in the Authority by this Act or any other law;”
- any Presidential direction to the LAA be by Executive Order and be reported and reproduced in the LAA’s Annual Report.

The intent of these provisions was to limit the scope for Presidential direction in relation to matters that Congress has determined are matters for impartial decision by the LAA, and to encourage transparency in the issuance of directions.

The latest version of the Bill deletes all reference to powers of direction.

Link between State Policies and LAA mandate

The JM version of the Bill enumerated State Policies for land administration (Section 2) and subsequently specified the LAA mandate to be “to lead and manage the implementation of the State Policies ...herein set forth....[and to provide land administration services efficiently to meet the needs of users]” (Section 6). There was thus a direct link between the State Policies and the LAA’s mandate. This was drafted deliberately so as to provide the LAA explicitly with a wide mandate for leadership and management of initiatives to implement the State Policies.

The latest version of the Bill retains sections specifying State Policies and LAA mandate (Sections 2 and 5). However, Section 5 simply provides, as the LAA’s ‘mandate’, a list of functional responsibilities narrowly defined (“surveying, mapping and charting, ...registration of titles....” etc). The link between State Policies and LAA mandate is broken. While not vital, restoration of that link is desirable.

Recommendations:

The reasons for the above deletions/changes have not yet been discussed. It may be that there are good reasons for them and/or that it is intended to address the matters in some other way. Accordingly:

1. The reasons for the above changes should be identified and discussed.
2. Unless there are good reasons to the contrary, provisions of the JM version of the Bill should be reinstated in the following priority order (highest to lowest): (a) corporate planning; (b) preservation of records; (c) powers of direction; (d) link between State Policies and LAA mandate.

Issue: Article III of the latest draft Bill dealing with ‘Capital and fiscal administration’, especially provisions relating to capitalization and taxation`

Background:

The latest version of the draft Bill effectively establishes the LAA as a Government Owned and Controlled Corporation as if it will trade as a business enterprise. In particular, the latest version of the draft Bill:

- Provides that the LAA shall have an authorized capital stock of five billion pesos, divided into 50 million ‘shares’ with a face value of P100 each, and specifies how this is to be ‘paid up’, including by transfers of assets to the LAA (Section 11).
- Exempts the LAA from a range of taxes (Section 16)

Concerns:

- It is questionable whether the LAA should be established as a quasi-business enterprise, rather than simply as a public corporation with its own legal identity and mandate.
- In any event, Sections 11 and 16 in particular need clarification.

Section 11: Capitalization

The purposes of defining ‘shares’ in a corporation are:

- To define the relative shares of individual shareholders in the assets and profits of the corporation after the claims of others (lenders) have been satisfied;
- To define the relative voting rights of individual shareholders (e.g. to elect a Board, to vote on changes to the corporation’s mandate) ;
- Possibly, in the case of a Government-owned corporation, to prepare the corporation for a full or partial sale of shares in the corporation to private stakeholders.

None of these purposes is currently or prospectively relevant to the LAA, which will be wholly-owned by the Government and who’s Board, mandate etc can only be varied in accordance with the enabling legislation, not by votes of the sole ‘shareholder’. *Why, then, do we need to provide for any ‘authorized capital stock?’* If there is some technical requirement, why not create a single share with a nominal value of one Peso (a ‘golden share’)?

Section 11(a) specifies that part of the capital stock will be ‘paid up’ by transfers to the LAA of the unexpended balances of appropriations in current Appropriations Acts for LRA/RODs, LMB/LMS and NAMRIA. Why not transfer also an ‘appropriate’ share of the funding provided to the Offices of the Secretaries for general oversight of the present DENR/DOJ? *If this is not done, additional funding will be required to fund the (hopefully ‘lean’) corporate support structure in the Office of the Director General.*

More generally:

- Why capitalization of 5 billion Pesos? – there is no reason or even likelihood for the components in Section 11 to sum to this particular amount.
- It would be more appropriate to initially capitalize a trading corporation with a mix of equity and debt rather than by equity alone, as the draft Bill proposes.

Section 16: exemption from taxes

The JM version of the draft Bill provided that “Section 30: The Authority shall not be subject to taxation under the laws of the Republic of the Philippines.”

The latest version of the Bill exempts the LAA from the taxes it identifies (all direct and indirect taxes on imports, capital gains tax, local government taxes) *but by omission appears to leave the LAA subject to other taxes, in particular corporate income tax*. Is this intended? If so, will the LAA’s ‘income’ for taxation purposes include the General Appropriations it receives?

There are other matters of detail in Article III requiring clarification.

Recommendations:

1. Clarify the above matters in discussion with the DENR drafter(s) of the Bill.
2. Discuss, and preferably agree, the provisions of Article III in particular with the Department of Budget and Management *before the Bill is introduced to the Congress*.

Issue: “Quasi Judicial Powers of the Authority”

Background:

Section 26 of the latest version of the draft Bill states “The Authority is hereby vested with quasi judicial powers to determine and adjudicate matters pertaining to survey, mapping, classification, titling and registration of lands *and shall have exclusive original jurisdiction over above said matters* (emphasis added). The Adjudication Board shall be composed of

 (Section proceeds to create a Board modeled on the DAR adjudication arrangements). The JM version of the Bill did not address the matter of adjudication.

Concerns:

- What is meant by “quasi judicial” powers? – the term is undefined in the Bill.
- Does the proposed wording intend that the Adjudication Board has exclusive original jurisdiction in relation to registration of lands? – isn’t this tantamount to abolition of judicial registration proceedings?

Recommendation:

Discuss and clarify Section 26, preferably on the basis of qualified legal advice regarding the wording necessary to achieve the desired effect (whatever that is).

Issue: Mandatory qualifications requirements for the LAA's Director General

Background:

The JM version of the draft Bill provided (Section 14(b)) that the DG “Shall be natural-born citizen of the Philippines, of good moral character and unquestionable integrity, possessing tertiary-level educational qualifications granted by a university or equivalent institution of high standard, with at least ten (10) years experience in management acquired through full-time employment in one or more senior management positions within reputable private or public sector organizations.”

The latest version of the draft Bill provides (Section 20) that the DG “...shall be a person who is a natural born citizen and resident of the Philippines, at least 35 years old, a member of the bar and/or geodetic engineer for at least ten (10) years, have at least five (5) years experience in land administration and management and of good moral character and unquestioned integrity.”

Concerns:

The latest version overstates the relevance of formal qualifications in the law or geodetic engineering and understates the importance of demonstrated skills, experience and performance in management.

The biggest challenges facing land administration reform and the LAA, especially in the early life of the LAA, are issues of leadership and management, not ‘technical’ legal or geodetic engineering matters. The mandatory prescription of legal/GE qualifications overlooks this point and will unnecessarily restrict the pool of candidates from which a DG may be appointed. There is no guarantee whatsoever that possession of legal/GE qualifications will produce a proven leader/manager as DG. Nor is prior experience of *land* administration and management essential, although other things equal it would be an advantage.

Recommendation:

Revert to the wording of the JM version (with addition of the residency requirement).

Issue: Transitional provisions in latest version of draft Bill

Background:

Sections 31 to 35 of the latest version of the Bill:

- Abolish LMB/LMS, LRA and NAMRIA and transfer properties/records vested in them to the LAA (Section 31 – no significant concerns)
- Require that the Authority’s organization structure, staffing pattern, duties of positions and compensation arrangements be fully implemented within nine months of the Act’s effectivity (Section 32)
- Provides that existing personnel continue to perform their present duties and functions on an interim basis until appointed by the LAA (on the basis of merit and fitness) or separated from the public service (part of Section 33 – no problems)
- Provides for payment of a gratuity for staff separated from the public service during the first two years of the effectivity of the Act equivalent to 5 months’ salary for every year of service (Section 33, part)
- Provides a funding arrangement for the “extraordinary expenses of the Authority upon its organization” , and specifically appropriates funds for separation gratuities (Section 34)
- Has a ‘Savings Clause’ (Section 35, no problems)

Concerns:

- The wording of Section 33 leaves it unclear whether or not existing employees must be formally employed by the LAA within 9 months – the deadline for implementation of the new structure set by Section 32. The JM version of the Bill made it clear that if existing employees are to be retained, they must be formally appointed by the LAA within 12 months.
- A two-year period of eligibility for a gratuity in the event of separation is too long – it reduces the pressure on both management and staff to reach timely decisions and end uncertainty. Eligibility for gratuity should be confined to any existing staff not formally employed by the LAA after nine months of the Act’s effectivity.
- The ‘5 months’ salary for each year of service’ is over-generous and will be unacceptable.
- I cannot understand at all the funding mechanism proposed by Section 34.

Recommendation:

Review and revise the wording of Sections 33 and 34 to address the above concerns.

Other matters:

Background:

The latest version of the draft Bill is an evolving piece of work. Understandably, it contains a number of minor typographical errors and other ‘glitches’ that will doubtless be corrected in subsequent versions. The following listing of ‘other matters’ omits minor matters of this kind.

Other matter:	Comment/query:
The definition of ‘records’ included in the JM version of the Bill has been deleted in the latest version.	Definition was included to place beyond doubt that ‘records’ encompasses not just formal land records but also a range of other records e.g. records of meetings, briefing notes etc.
JM version of the Bill provided that the LAA would be assigned to whichever portfolio the President determined, from time to time. Latest version of Bill is silent on this.	Where will the LAA ‘sit’ in the administrative structure? Attached to Office of the President? Another portfolio? And how will this be determined?
Section 7(a) of latest version empowers LAA to “(a) establish and maintain offices and other places of work to cover as many provinces, cities and congressional districts whenever and wherever it may be expedient, necessary and feasible for the delivery of its services.”	Amend to read: “...wherever it may be <i>feasible and efficient</i> for the delivery of its services.” (my emphasis)
Latest version Section 19: Reference to “staff offices”	What are “staff offices”?
Latest version Section 28: Requires LAA to establish a ‘National Land Administration and Management Education System’.	A worthy aim but how will it be achieved and funded? If to be mentioned at all, a shorter reference to this could be included in the ‘State Policies’ at Section 2.
Latest version Section 29: requirement for annual report.	Include requirement that annual report include audited financial statements of the Authority and be ‘signed off’ by LAA DG and/or Board Chair (depending on role determined for the Board).
Latest version Section 36: requires LAA to adopt and promulgate the implementing rules and regulations “to carry out the provisions of this Act” within 90 days of effectivity of the Act.	What does this mean and is it realistic?
Latest version Section 39: makes Act effective 15 days after its gazettal/newspaper publication, as did the JM version of the Bill.	On reflection, it might be better to specify a 1 January (2004? 2005?) date for effectivity, to avoid a within-year split in financial accounts/budgets.

PRINCIPAL CHANGES TO DRAFT LAA BILL THAT WOULD BE NEEDED IF THE LAA IS TO BE A NON-CORPORATE GOVERNMENT AGENCY

Current provision of draft Bill ¹	Changes needed if LAA non-corporate
<u>Section 4</u> : creates the LAA and defines it as “a corporate body, with principal place of business in Metro Manila”	Delete the words “a corporate body with principal place of business in Metro Manila”
<u>Section 7</u> : enumerates the powers of the Authority, commencing with the words “The Authority shall have the general powers provided in the Corporation Law, insofar as they are not inconsistent with this Act, and such other powers necessary to enable it to attain the purposes of this Act, such as but not limited to the following:(a), (b),” etc	<p>Re-word introduction to Section 7 to read: “The Authority has power to do all things necessary or convenient to be done for, or in connection with, the performance of its functions including, but not limited to, the following (a), (b) etc”</p> <p>Delete from the present listing of powers: “(n) adopt and use a corporate seal”</p> <p>Delete the word “corporate” from item (p)</p>
<p><u>Section 8</u>: vests the Authority’s powers in the <u>LAA Board</u> and sets out the composition etc of the (<u>Management</u>) Board.</p> <p><u>Section 9</u>: specifies the powers and functions of the LAA Board</p>	<p>Revert to the structure and general wording of the original LAA Bill, which</p> <ul style="list-style-type: none"> • First provides for the position of <u>Director General of the Authority and vests the powers of the Authority in the Director General</u> • Later in the Bill, provides for the functions and membership of the <u>LAA Advisory Board</u> <p>With minor re-wording, assign the powers and functions set out in the existing Section 9 to the Director General, not the Board.</p> <p>Re-word the functions of the <u>Advisory Board</u> along the lines included at Section 21 of the original Bill.</p>
<u>Section 11</u> : specifies the capitalization of the LAA, commencing with the words “The Authority shall have an authorized capital stock. The entire amount shall be subscribed by the National Government and to be paid as follows:	Delete the words providing that the LAA have an authorized capital stock. Reword the introduction to money/assets to be transferred to the LAA specified in the remainder of the current Section 11. Relocate the section to the Transitional Provisions part of the Bill (as in original version).
<u>Section 12</u> : Source of Funds includes, at 12(e) “drawings upon the capital or surplus of the Authority”	Delete 12(e) – there will be no formal capital or surplus.

¹ Most recent version of the Bill seen by JM, being that presented to Basic Sectors on 16 May 2003

Current provision of draft Bill	Changes needed if LAA non-corporate
<u>Sections 13, 14, 15, 17, 18</u> : These deal with management of funds, obligations, annual budget, audit and distribution of profits.	Several wording changes of a technical nature needed to reflect the LAA's non-corporate status. However, no significant policy issues involved in these changes.
<u>Sections 20, 21</u> : Establish the position of LAA Director General and specify his/her powers and duties.	Several wording changes consequential upon making the LAA Board an advisory, not management, Board – see above
<u>Section 22</u> : Provides for at least 3 Deputy Director Generals appointed by the LAA Board upon recommendation of the Director General.	Re-word to give DG, not Board, the power to appoint the Deputy DGs
<u>Section 28</u> : Provides for an annual report of the Board, representing the Authority.	Amend to require an Authority annual report, signed of by DG, and a report of the Advisory Board (as in original version of the Bill)
<u>Other sections</u> : various other sections require the Director General to do things “subject to approval by the LAA Board” or similar words.	Re-word as necessary to delete requirements for approval by Board of Director General actions

As discussed, it would also be desirable to include/re-introduce into the Bill

- A brief requirement for corporate planning by the LAA
- A provision that the performance of the LAA be reviewed and reported to Congress in (say) seven years, including any suggestions at that time for changes in the LAA's Act (e.g. to convert it at that time to a Corporation)

MEMORANDUM

To: Ian Lloyd, Team Leader, Technical Assistance

Cc: Mylene Albano, Executive Director, LAMP
Danilo Antonio, Deputy Executive Director

Subject: Draft Bill to establish Land Administration Authority (LAA)

Date: 2 June 2003

Purposes:

- a) To summarize issues and options arising from the LAMP Task Force meeting on 30 May 2003 that considered the draft Bill to establish the LAA.
- b) To place on record, prior to the Bill's lodgment with the Congress later today or tomorrow, my view that the Bill as now drafted will not provide a satisfactory institutional framework for a Phase 2 of the LAMP, and therefore to suggest a course of action to improve the Bill.

Background:

At its meeting of 16 August 2002 the LAMP Task Force, with the Executive Secretary, World Bank and AusAID in attendance, endorsed a framework for reform of the land administration system based on the LAMP Policy Studies Integration Report. A core element of the recommendations endorsed by the Task Force was the creation of a Land Administration Authority. Specifically, the Task Force endorsed:

- The aims of achieving "a single institutional focus for leadership and management of land administration reform" and "institutional arrangements that are: *strongly focused on meeting the needs of the public; fully merged in a single agency; and efficient, responsive, transparent and accountable*";
- The recommendation that "The roles, functions and services of LMB/LMS, LRA and NAMRIA be undertaken by a single, *autonomous*, Land Administration Authority [my emphasis added].

Following that meeting, and in the absence of any substantive action by agencies represented on the Task Force to implement its decisions, a draft Bill to establish the Land Administration Authority was prepared within the LAMP PMO. This first draft, finalized in December 2002, sought to reflect the aims and recommendations endorsed by the Task Force and provide a starting point for consultation with stakeholders (both within government and non-government) and finalization of a Bill.

Changes have been made to the original version of the draft Bill prepared within the PMO as a result of consultations between DENR and the LRA, and with the Basic (non government) Sectors. Further important changes are now being made as a result of the Task Force meeting on 30 May 2003. I note that while you and I were in attendance at that meeting, neither of us was provided an opportunity to offer advice.

In summary, the overall effect of these changes and the manner in which they have been made, relative to the first draft of the Bill prepared within the PMO, is as follows.

Autonomy:

In line with the original framework, the first draft Bill provided for creation of the LAA as an autonomous government agency with its own corporate identity and powers. Based on views expressed by DENR, LRA, DBM and NEDA the Task Force has determined, for reasons that are largely specious, that the LAA will be a non-corporate agency attached to an existing Department or the Office of the President. Provisions of the original draft Bill providing for:

- limitations on the President's powers to direct the Authority in relation to matters within its powers;
- a fixed term of office for the Authority's Director General;
- definition of the conditions for a Director General's dismissal prior to expiry of his/her term of office; and
- autonomy in relation to Authority staffing and finances;

have been deleted in their entirety².

Meeting the needs of the public, responsiveness, transparency and accountability:

A key aim of the institutional framework endorsed by the Task Force last year was to substantially improve the responsiveness of land administration services to users of these services, both within government and the public at large. Provisions of the original draft Bill provided for:

- a policy commitment to the establishment of One Stop Shops;
- an LAA Advisory Committee composed of key (user) stakeholders) with a specific mandate to advise the LAA on land administration policies and implementation, monitor LAA efficiency and effectiveness, and report annually to the President and Congress on these matters.

The Task Force directed that reference to One Stop Shops be deleted from the statement of policies (however, the reference remains in the most recent draft sighted of the Bill). The Task Force has brushed aside the proposal of the Basic Sectors that stakeholders be given a *management*, not *advisory*, role in relation to the Authority, and has diluted (but not removed) the requirement for an annual report on the Authority's performance by the Advisory Committee.

The original draft of the Bill also contained a number of provisions intended to strengthen transparency and accountability in land administration. In addition to those already noted (autonomy to administer the land administration laws impartially, some constraint on arbitrary dismissal of the Director General, annual report to Congress by the stakeholders' Advisory Committee) these included provisions for:

² The latest version sighted of the Bill still provides for 50% retention by the Authority of its revenue from fees and charges, and for the Authority's exemption from the Salary Standardization Law. However, given the change in the Authority's status to that of a 'mainstream' government agency it is virtually certain that these provisions will not survive Congressional scrutiny.

- the preparation of corporate and annual operational plans by the Authority including the performance targets and measures to be used by the Authority in assessing its efficiency and effectiveness;
- inclusion in the Authority's annual report of specific information relating to the Authority's performance and finances;
- reproduction in the Authority's annual report of any directions issued to the Authority by the President together with an assessment of their impact on the operations of the Authority;
- explicit duties of the Director General in relation to establishment and maintenance of ethical standards and standards of service to the public;
- lifestyle checks on applicants for appointment to the Authority to ensure their suitability for appointment.

At various stages of the drafting process since December 2002, all these provisions have now been deleted in their entirety from the draft Bill.

I note that, in the process of finalizing the Bill, while key stakeholders within government (notably DAR and the national housing agencies) have been consulted on the Policy Studies Integration Report, they have had no opportunity to comment on the Bill. Non government stakeholders other than the Basic Sectors were unaware of the proposed Bill's contents until last week.

Efficiency:

The key provisions of the original draft Bill seeking to provide the basis for future efficiency improvements were those establishing the Authority as a corporate body (see above) and explicitly providing for the abolition of LMB/LMS, LRA and NAMRIA as a prelude to the full merger of these bodies within the LAA and related elimination of duplicated and overlapping activities.

As a government agency rather than a corporation, the LAA will almost certainly be subject to the full range of bureaucratic limitations and constraints that frustrate efficient service delivery by government agencies³. It is noteworthy, in this connection, that in recently certifying for immediate enactment House Bill 5465, to create a National Authority for Revenue Administration as a corporate body, the President is reported to have referred to the urgent need to "reverse the declining tax effort attributable primarily to weak tax administration, corruption *and institutional constraints* in the Bureau of Internal Revenue" (my emphasis). Given that the principal functions of the LAA will be to provide services to other government agencies and members of the public, precisely the the same considerations warrant establishment of the LAA as an autonomous corporate body.

As regards abolition of the existing land administration agencies, as a prelude to merger of their functions and activities within the LAA, the Task Force agreed on 30 May that the "identities" of the existing agencies should be "preserved" within the LAA for up to 12 months prior to approval by the President of a longer-term organization structure for the LAA. The latest draft Bill provides a mechanism to meet this requirement while still including explicit provision for abolition of the existing

³ However, see footnote 1.

agencies. Any 'backtracking' on the provision to abolish the existing agencies would be the final nail in the coffin of prospects for efficiency improvements through LAA establishment.

Implications and options:

In my view, the version of the draft Bill to be lodged with Congress today or tomorrow in accordance with the latest Task Force decisions:

- is not consistent with either the spirit or letter of the principles for establishment of the LAA adopted by the Task Force in August 2002;
- will do little if anything directly or in the foreseeable future to increase the autonomy, responsiveness, efficiency, transparency or accountability of the present land administration agencies;
- does not, therefore, provide a satisfactory institutional framework for land administration to support implementation of a LAMP Phase 2.

Options to remedy this situation at this very late stage appear to be limited to:

- seek to have lodgment of the Bill deferred until a later session of Congress while negotiating support from government and non-government stakeholders for improvements to the latest draft;
- accept that lodgment of the latest Bill this week is almost certainly a 'fait accompli' and seek to have improvements made to it during its consideration by the Congress.

Deferral of lodgment of the Bill may well be equivalent to an indefinite deferral this side of the mid-2004 Presidential elections. Given the highly questionable benefits anticipated from the Bill in its present form, a good case could be made for accepting an indefinite deferral until the prospects for achieving substantive reform have improved. However, preparations to lodge the Bill are in full swing and almost certainly unstoppable. The second option appears the only realistic option available to us.

Recommendations:

- a) That you note the above, particularly my suggestion that we work to build support for changes to the draft Bill during its scrutiny by Congress with a view to better aligning its contents with the framework for the LAA endorsed by the LAMP Task Force in August 2002.
- b) That we discuss shortly the implications of these developments for my work during the remainder of my assignment.

(John Mellors)
Institutional Arrangements Adviser

Philippines Australia Land Administration and Management Project

MEMORANDUM

To: Ian Lloyd, Team Leader, Technical Assistance

Cc: Mylene Albano, Executive Director, LAMP
Danilo Antonio, Deputy Executive Director

Subject: **Possible Alternative LAA Bill**

As you know, I have substantial concerns that House Bill No. 6070 to create the Land Administration Authority, lodged on 2 June 2003, does not provide a satisfactory institutional basis for future reform of the land administration system or a LAMP Phase 2 (my memorandum of 2 June 2003 refers). My principal concerns are that HB No. 6070:

- does not contain any provisions that would serve to increase the transparency and accountability of land administration services;
- does not establish the LAA as an autonomous corporate body, making it difficult if not impossible to achieve significant improvements in administrative efficiency unless and until the financial and staffing policies applicable to all GOP agencies are reformed.

I suggested in my earlier memorandum that consideration be given to seeking changes to HB No. 6070 during its passage through scrutiny by the Congress. In this connection, I have now examined closely – as a possible alternative to HB No. 6070 – the draft Bill prepared in the office of Congressman Augusto Baculio, which is based in part on earlier drafts of an LAA Bill prepared within the PMO. The main advantage of Congressman Baculio's draft Bill is that it would establish the LAA as an autonomous corporate body. However, a number of changes would still be needed to improve, in particular, transparency/accountability aspects of the Bill.

Please find attached an amended version of Congressman Baculio's draft Bill including comments indicating the reasons for the suggested amendments. The attached version of his Bill shows both suggested deletions (text struck through) and suggested insertions (text highlighted in grey). I have also prepared a version in its suggested final form (i.e. without comments or changes marked). I will provide both versions as part of annexures to my Exit Report.

In reviewing Congressman Baculio's draft Bill I have aimed to retain most of what is there and limit changes to the minimum necessary to achieve an adequate, rather than a 'perfect', result. That is, I have aimed to ensure that Congressman Baculio could still recognize and 'own' the amended Bill as being his own. If I were to propose more substantial changes, these would focus primarily on the powers, functions and composition of the LAA Board and its relationship to the LAA's General Manager, since I have continuing concerns about establishing a large management Board for the LAA with powers over both policy and operational matters. However, changes to

address these concerns would involve a more substantial re-writing of the relevant sections of Congressman Baculio's Bill.

With or without further changes, the attached version of Congressman Baculio's draft Bill would be a major improvement on House Bill No. 6070.

For consideration.

(John Mellors)
11 June 2003

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWELFTH CONGRESS
Second Regular Session

HOUSE BILL NO. _____

INTRODUCED BY CONG. AUGUSTO H. BACULIO

**AN ACT RATIONALIZING THE LAND ADMINISTRATION AND
DISPOSITION SYSTEM THROUGH THE ESTABLISHMENT OF THE
NATIONAL LAND ADMINISTRATION PROGRAM, AND FOR OTHER
PURPOSES**

Be it enacted by the Senate and the House of Representatives in Congress assembled:

CHAPTER I

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as “The Philippine Land Administration and Disposition Act of 2003.”

SEC. 2. *Declaration of Policy.* – It is the policy of the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty. Towards this end, the state shall promote the efficient and effective survey, mapping, classification, valuation, disposition and registration of lands to optimize their contribution to national economic development, eradication of poverty and social justice.

SEC. 3. *Definition of Terms.* – For the purposes of this Act, the following terms shall, unless the context indicates otherwise, have the following meanings:

- (a) *Adjudication* refers to the investigation and resolution of land claims and conflicts;
- (b) *Alienable Lands* refer to lands of the public domain that are disposable. They are limited to agricultural lands;

- (c) *Cadastral Survey* refers to a survey conducted when public interest requires that title to lands be settled and adjudicated for the purpose of issuing titles over the lands covered by the survey;
- (d) *Certificates of Land Ownership Award (CLOA)* refer to certificates issued for all other types of land under the Comprehensive Agrarian Reform Program by the Department of Agrarian Reform (DAR);
- (e) *Certificates of Ancestral Domain Title (CADT)* refer to certificates issued by the National Commission on Indigenous Peoples (NCIP) for ancestral domain identified and delineated pursuant to the Indigenous People's Rights Act (IPRA);
- (f) *Certificates of Ancestral Land Title (CALT)* refer to certificates issued by the NCIP for ancestral land identified and delineated pursuant to the IPRA;
- (g) *Emancipation Patents (EP)* refer to patents for rice and corn lands covered by agrarian reform and issued by the DAR;
- (h) *Foreshore* refers to that part of the shore that is alternately covered and uncovered by the ebb and flow of the tide;
- (i) *Free Patent* refers to a grant of land of the public domain suitable for and actually devoted to agricultural purposes acquired through confirmation of imperfect title of an actual occupant;
- (j) *Homestead* refers to a grant of public land to persons seeking to establish and maintain agricultural homes on condition of actual, continuous, and personal occupancy of the area as a home including cultivation and improvement of the land;
- (k) *Judicial Patent* for lands applied for titling through judicial proceedings;
- (l) *Land* refers to a delineable area of the earth's terrestrial surface, encompassing all attributes of the biosphere immediately above or below this surface, including those of the near-surface climate, the soil and terrain forms, the surface hydrology (including shallow lakes, rivers, marshes and swamps), the near-surface sedimentary layers and associated groundwater and geohydrological reserve, the plant and animal populations, the human settlement pattern and physical results of past and present human activity (terracing, water storage or drainage structures, roads, buildings, etc.);
- (m) *Land administration and management* refers to the administration of all functions, powers and activities related to the mapping, land survey, classification, valuation, disposition and registration of land; and management of public lands;
- (n) *Lands Management Bureau (LMB)* refers to the staff Bureau of the department of Environment and Natural Resources (DENR) of this name and, for the purposes of this Act, all other land administration and management functions

and powers heretofore undertaken or exercised by DENR at its national, regional, provincial and all other levels by any Office of DENR, including the Office of the Secretary.

- (o) *Land Registration Authority (LRA)* refers to the agency of that name attached to the Department of Justice (DOJ) including the Register of Deeds (RoD) and, for the purposes of this Act, all other land administration and management functions heretofore undertaken or exercised by that Department at its national, regional, provincial and all other levels by any Office of that department, including the Office of the Secretary.
- (p) *National Mapping and Resource Information Authority (NAMRIA)* refers to the agency of that name attached to DENR.
- (q) *Patrimonial Properties* refer to friar lands and insular government properties;
- (r) *Regional Lands Management Service (LMS)* refers to all to the lands management sector/offices of the DENR at the regional, provincial and district level.
- (s) *Reservation* refers to any track or tracks of land of the public domain proclaimed by the President of the Philippines for the use of the government or any of its branches or instrumentalities or of the inhabitants thereof for public or quasi-public uses, i.e. civil, military, townsite, mineral and forest reservations;

CHAPTER II

LAND ADMINISTRATION PROGRAM

SEC. 4. *Establishment of the National Land Administration Program.* – There is hereby established a National Land Administration Program, hereinafter referred to as the NLAP, for the rationalization of the land administration and ~~disposition~~ **management** system.

SEC. 5. *Objectives of the NLAP.* – The NLAP shall be developed and implemented for the following general purposes:

- (a) To accelerate and complete the titling and registration of alienable and disposable lands, thereby providing security of land tenure for all;
- (b) To improve the efficiency, effectiveness, client focus, transparency and accountability of land administration services, including the elimination of duplicate and fake titles;
- (c) To establish One-Stop Shops to provide accessible, efficient and affordable land administration services to the people;
- (d) To reform and codify all land administration laws and regulations;

- (e) To establish one valuation system for the purpose of all real estate property transactions; and
- (f) To establish an effective land information system, thereby providing easy and affordable access to land information to members of the public.

SEC. 6. *Components of the NLAP.* – In order to achieve its objectives, the NLAP shall formulate the framework plan, policies, standards and guidelines, and procedures for the rationalization of the land administration and ~~disposition~~ **management** system. It shall consist of the following components:

- (a) Integrated Planning, budgeting and implementation of the long term land titling program, including the development of integrated land classification, land titling, records management and land information and services;
- (b) Institutional Reform to provide a management structure for the creation and extension of a One-Stop Shop network for the efficient, timely and inexpensive delivery of land titling, registration and information services to members of the public;
- (c) Capacity Building for consolidation of staffing patterns, assessment of skills and information requirements, and conduct of training programs for government staff engaged in the provision of land administration services, thereby establishing the basis for the major training and professional development of staff needed to support the long term program and improve career structures and opportunities; and
- (d) Procedural Reform for streamlined processes and procedures through elimination over time of duplicated administrative support services and other costs arising from the fragmentation of land administration **and management** services.

CHAPTER III

INSTITUTIONAL ARRANGEMENT

SEC. 7. *Creation of the Land Administration Authority (LAA).* – To carry out the purposes of this Act, the Land Administration Authority, hereinafter referred to as the ‘Authority’, is hereby created. The Authority shall be an autonomous corporate body attached to the ~~Department of Justice~~ **Office of the President**. It shall be a non-stock Government Owned and Controlled Corporation with functions and powers as provided for by this Act. It shall lead and manage the reforms in the land administration and ~~disposition~~ **management** system to be undertaken through the NLAP.

SEC. 8. *Functions of the Authority.* – The Authority shall perform the following functions:

- (a) Formulate and adopt the NLAP Framework Plan, policies, guidelines and

- procedures for reform in the land administration and disposition system;
- (b) Survey, map and maintain data base leading to the classification of lands of the public domain into agricultural or alienable and disposable lands, forestlands or timberlands, mineral lands and national parks by the Congress as provided under Sections 3 and 4, Article XII of the Constitution;
 - (c) Survey, administer, manage and dispose of all alienable and disposable lands of the public domain under the provisions of Commonwealth Act No. 141, as amended, otherwise known as the Public Land Act;
 - (d) Manage, sell and/or dispose the remaining Friar Lands under the provisions of Act No. 1120, as amended by Commonwealth Act No. 32, otherwise known as the Friar Lands Act;
 - (e) Manage and dispose by sale or lease lands of the private domain of the National Government under the provisions of Act No. 3038, or such other Government or public lands as have not been placed under the administration, management, control or exclusive use of any other Government agency by legislative or executive issuance;
 - (f) Manage and dispose by sale or lease lands that may be declared as alienable and disposable by Congress as a result of its classification or reclassification as provided for under Sections 3 and 4, Article XII of the Constitution;
 - (g) Execute cadastral surveys in accordance with the provisions of Act No. 2259, as amended by Presidential Decree No. 1529, and all other kinds of surveys for national mapping and land titling purposes;
 - (h) Register original titles to land and of subsequent dealings in registered lands under the provisions of Act No. 496 and Presidential Decree No. 1529, otherwise known as the Land Registration Act and the Property registration Decree, respectively;
 - (i) Establish standards and systems for the valuation of lands for taxation, expropriation or other Government purposes;
 - (j) Such other functions and activities relating to the survey, mapping classification, management and administration, disposition, valuation and registration of lands as are, or may in future, be provided by law; and
 - (k) Such other functions and activities as are consistent with the law and, in the judgment of the Authority, are necessary to implement the policies and purposes of this Act.

SEC. 9. *Powers of the Authority.* – The Authority shall have the ~~general powers provided in the Corporation Law, insofar as they are not inconsistent with this Act, and other powers~~ necessary to enable it to attain the purposes of this Act, such as but not limited to the following:

- (a) exercise powers transferred to or vested in the Authority by this or any other Act;
- (b) establish and maintain offices and other places of work to cover as many provinces, cities, congressional districts and/or municipalities whenever and wherever it may be expedient, necessary and feasible for the delivery of its services;
- (c) employ staff;
- (d) promulgate such rules and regulations necessary for the attainment of the purposes of this Act;
- (e) form, establish, organize and operate and/or contract to operate such subsidiaries, divisions, functional units, offices and departments of the Authority as it may deem necessary or useful for the attainment of the purposes of this Act;
- (f) negotiate for funds and obtain grants and loans from national and international sources for funding its operations;
- (g) impose fees and make charges for costs incurred, work done, services rendered and goods and information supplied, by or on behalf of the Authority;
- (h) incur obligations as necessary for the conduct of its operations;
- (i) sue and be sued in its official name;
- (j) adopt and use a corporate seal;
- (k) enter into and perform contracts, execute instruments, and determine the character of, and necessity for, its expenditures;
- (l) determine and keep its own system of accounts following generally accepted principles of accounting, as well as the forms and contents of its contracts and other business documents;
- (m) acquire, in any lawful manner, such personal or real property, or any interest therein, as it deems necessary or convenient in the performance of its functions; to hold maintain, sell, lease or otherwise dispose of such property or any interest therein, and to provide services in connection therewith and charges therefor;
- (n) conduct, operate, lease and maintain buildings facilities, equipment and other improvements on any property owned, controlled or leased by it;
- (o) accept gifts, donations bequests, services, or properties, real or personal, as it deems necessary or convenient in the transaction of its business;

- (p) settle, under such terms and conditions or amounts most advantageous to it, any claim by or against it;
- (q) exercise the power of eminent domain as may be necessary in carrying out the purposes of this Act; and
- (r) exercise all other powers incidental, necessary, or appropriate to its functions in survey, mapping, management and administration, disposition, valuation, and registration of lands.

SEC. 10. *The LAA Board; Its Composition; Tenure and Compensation.* – ~~The powers and functions of the Authority shall be vested in and exercised by the Land Administration Board, hereinafter referred to as ‘Board’, composed of the Secretary of Justice, the Secretary of Environment and Natural Resources, the Secretary of Finance, the Secretary of Agrarian Reform, the Chair of the National Commission of Indigenous Peoples, the Chair of the HUDCC, the General manager of the Authority and four (4) appointive members, two (2) of whom shall represent the real estate/land valuation/survey practitioner sectors, and two (2) shall represent the farmers/urban poor/indigenous peoples, to be appointed by the President of the Philippines. Each member of the Board shall designate a permanent alternate representative: *Provided*, That the alternate representative designated by any Department Secretary shall have a rank not lower than Director.~~ The powers and functions of the Authority shall be vested in and exercised by the Land Administration Board, hereinafter referred to as ‘Board’. The Board may, by instrument in writing, delegate any or all of these powers and functions to the General Manager of the Authority.

The Board shall be composed of ten (10) members to be appointed individually by the President of the Philippines. Five (5) Board members shall represent the users of land administration and management services within the Government of the Philippines and shall be appointed by the President from nominees of each of the following agencies: DENR; Department of Agrarian Reform; the Housing and Urban Development Coordinating Council; National Commission on Indigenous People; Office of Muslim Affairs. Two (2) Board members shall represent the real estate, survey and/or land valuation practitioner sectors and three (3) Board members shall represent the farmers, urban poor and indigenous peoples, these five members to be appointed by the President from nominees of the sectors they are to represent.

~~The appointive members shall be chosen from the nominees of the corresponding sectors’ organizations.~~ The Chairman of the Board shall be designated by the President of the Philippines from among its members. The terms of the ~~appointive Board~~ members shall be three (3) years: *Provided*, That they shall continue to hold office until their successors shall have been appointed and duly qualified. All vacancies, prior to the expiration of the term shall be filled for the unexpired term only. ~~The appointive members of the Board shall receive per diem for each meeting actually attended by them and in the amount to be determined by the Board: *Provided*, That the members of the Board shall also receive reasonable transportation and representation allowances as may be fixed by the Board.~~ The members of the Board shall receive per diem, the rates of which shall be approved by the President, for each meeting of the Board they attend.

SEC. 11. *Powers and Functions of the Board.* - The Board shall have the

following powers and functions:

- (a) to adopt, implement, review and amend the NLAP;
- (b) to adopt, amend and rescind rules and regulations, policies, guidelines and programs to effectively carry-out the purposes of this Act;
- (c) to promulgate such rules and regulations, policies, guidelines and programs as may be necessary or proper for the effective exercise of the powers and functions as well as the discharge of the duties and responsibilities of the Authority and its personnel;
- (d) upon the recommendation of the General Manager, to approve three-year corporate plans and annual operational plans for the Authority specifying, for the relevant financial years or year ahead, the objectives, work programs and performance targets to be achieved by the Authority.
- (e) upon the recommendation of the General Manager, to approve the annual and supplemental budget of receipts and expenditures of the Authority and to authorize such operating and capital expenditures and disbursements of the Authority as may be necessary or proper for the effective management, operation and administration of the Authority;
- (f) upon the recommendation of the General Manager, to approve the Authority's organizational and administrative structures and staffing pattern, including the personnel's duties and responsibilities and to establish, fix, review, revise and adjust the appropriate compensation packages for the personnel of the Authority with reasonable allowances, incentives, bonuses, privileges and other benefits as may be necessary or proper for the effective management, operation, and administration of the Authority, which shall be exempt from Republic Act No. 6758, otherwise known as the Salary Standardization Law and Republic Act No. 7430, otherwise known as the Attrition Law;
- (g) to appoint, promote, assign, reassign and transfer upon the recommendation of the General Manager personnel to the rank of assistant general manager and above, confirm the appointment, promotion, assignment, reassignment and transfer by the general manager of personnel with the ranks of assistant general manager and director, and upon the recommendation of the General Manager approve the removal of personnel, subject to the existing Civil Service rules and regulations;
- (h) to approve, confirm, pass upon or review any and all actions of the Authority;
- (i) to fix and periodically review and adjust the fees and charges of the services provided by the Authority;
- (j) upon the recommendation of the General Manager, to consider, and to authorize the Chairman of the Board to sign and transmit, the annual report of the Authority required by Section 23 of this Act.
- ~~(k) to approve, upon the recommendation of the General Manager, the standards~~

~~and systems for the valuation of lands for taxation, expropriation or other government purposes; and~~

- (l) to do and perform any and all acts necessary, proper or incidental to the attainment of the purposes and objectives of this Act.

CHAPTER IV

CAPITAL AND FISCAL ADMINISTRATION

SEC. 12. *Capitalization.*—~~The Authority shall have an authorized capital stock of Five billion pesos (P5,000,000,000.00) divided into fifty (50) million shares having par value of One hundred pesos (P100.00) each. The entire amount shall be subscribed by the National Government and to be paid up as follows:—~~ The capital of the Authority shall be comprised of:

- (a) the unexpended balances of appropriations in the current General Appropriations Act and other Acts in force upon approval hereof, pertaining to, held or used by, or available to the ~~Land Registration Authority (LRA) and Registers of Deeds (RoD) of the Department of Justice, National Mapping and Resources Information Authority (NAMRIA), Land Management Bureau (LMB) and Regional Land Management Services (RLMS) of the Department of Environment and Natural Resources and the Bureau of Local Government Finance (BLGF) of the Department of Finance;~~ LMB, RLMS, LRA including RoD and NAMRIA.
- (b) ~~the values of all the existing assets of the LRA, RoD, NAMRIA, LMB, RLMS and BLGF and the various offices throughout the country owned by them,~~ the values of which are to be determined by an independent appraiser within a year of the effectivity of this Act;
- (c) such other unexpended balances of appropriations and assets as may be deemed appropriate by the Department of Budget and Management for transfer to the Authority;
- (d) any surplus income that may be derived from or accrued to the Authority upon its organization into a corporate body and its assumption of the assets and liabilities of the LRA, RoD, NAMRIA, LMB, RLMS and BLGF; and
- (e) such amount as may be appropriated from time to time from the funds of the National Treasury not otherwise appropriated, including any outlay from the Land Administration and Management Program Loan

SEC. 13. *Sources of Funds.* The following shall constitute the sources of funds against which the operating expenses of the Authority may be drawn:

- (a) all revenues from survey, mapping, management and administration, disposition, valuation, and registration of lands and allied services;
- (b) proceeds of grants donations, disposition of assets, loans and other forms of

indebtedness entered into by the Authority;

- (c) interest which may be earned on investments or on idle cash of the Authority;
- (d) ~~subsidy from the national government as may be appropriated through the General Appropriations Act~~ funds appropriated by the Congress through the General Appropriations Act or any other Act ; and
- (e) drawings upon the capital or surplus of the Authority.

SEC. 14. *Management of Funds.* The Authority may, from time to time, invest any of its funds not immediately required to be expended in meeting its obligations or in the discharge of its functions, in such secured notes, government securities, and other negotiable instruments that satisfy the guidelines prescribed by the Board.

All funds of the Authority shall be deposited in such commercial and universal banks as may be accredited by the National Treasurer as depository of government funds. The Board shall designate the official signatories of the Authority with regard to the deposit or withdrawal of its monies in such banks.

SEC. 15. *Obligations.* The Authority is authorized to ~~may~~ secure or contract domestic or foreign loans, credits and other indebtedness, and to issue bonds, notes, debentures, securities and other instruments of indebtedness as it may deem necessary to carry out the purpose of this Act: *Provided*, That the terms and conditions of any proposed obligations shall be subject to prior approval by the National Treasurer and the Board.

- ~~(a) the outstanding liabilities, and obligations, foreign and domestic, shall not exceed, at any time fifty percent (50%) of its net worth;~~
- ~~(b) the foreign indebtedness can only be contracted with the concurrence of the Department of Finance, or under such terms and conditions established by the Bangko Sentral ng Pilipinas;~~
- ~~(c) the annual amortization on principal and interest shall not be more than twenty percent (20%) of the prior year's gross revenues;~~
- ~~(d) where appropriate, obligations incurred from private sources of capital may be secured by suitable assets or backed by priority claims against property of the Authority;~~
- ~~(e) the obligations shall be considered the sole liability of the Authority, unless otherwise guaranteed by the Republic of the Philippines through the Secretary of Finance; and~~
- ~~(f) issuance of bonds or long term notes shall be with prior approval of or in accordance with the rules issued by the National Treasurer.~~

SEC. 16. *Annual Budget.* - The Authority shall, every year, prepare and adopt estimates of income and expenditures and capital budget of the Authority for the ensuing year. ~~These estimates shall be consistent with and support achievement of the~~

annual operational plan approved by the Board for the ensuing year. Unless the Authority shall require subsidy and/or guarantee of its liability from the National Treasury, its budget for the year need not be submitted Congress for approval and inclusion in the General Appropriations Act. Supplementary estimates may be prepared and adopted at any of the Board meeting called for that purpose.

SEC. 17. *Exemption from Taxes, Customs, and Tariff Duties.* - The importation of equipment, machineries, spare parts, accessories, and other materials, including supplies and services used directly in the operations of the Authority, not obtainable locally on favorable terms, shall be exempt from all direct and indirect taxes, customs duties, fees, imports, tariff duties, compensating taxes, wharfage fees and other charges and restrictions, the provisions of existing laws to the contrary notwithstanding.

All obligations entered into by the Authority and any income derived therefrom, including those contracted with international banking and financial institutions, shall be exempt from all taxes on both principal and interest.

The Authority is also exempt from the payment of capital gains tax, local government imposts and fees.

SEC. 18. *Auditor.* - In consonance with existing laws and regulations, the Commission on Audit shall appoint and assign such personnel as may be necessary to audit the accounts of the Authority. Said personnel shall, soon after the close of each calendar year, but not later than three months after the accounts have been submitted for audit, submit to the Board an audited statement showing the financial condition and progress of the Authority for the calendar year just ended.

~~The subsidiary corporation/s of the Authority formed and registered with the Securities and Exchange Commission shall be audited by independent Certified Public Accountant/s selected by the Board.~~

The Board shall determine the remuneration, compensation or reimbursement of expenses of the Auditor that may be reasonable and appropriate under the circumstances. ~~for either or both of the internal and external auditors mentioned above.~~

CHAPTER V

MANAGEMENT, PERSONNEL, IMPLEMENTING AND COORDINATING MECHANISM

SEC. 19. *Executive Officers.* - The general conduct of the operations and management functions of the Authority shall be vested in ~~the General manager~~ ~~President~~ a General Manager who shall serve as the chief executive officer immediately responsible for carrying out the program of the Authority and the policies of the Board. The General Manager shall be a person who has had previous experience in the technical and administrative fields related to the purposes of this Act, a citizen of the Philippines, at least 35 years old, holder of at least a college degree and of good moral character. He shall be appointed by the President of the Philippines pursuant to a recommendation of the Board and shall receive salary to be fixed by the Board, upon the approval of the President of the Philippines, payable from the funds of the Authority.

The General Manager shall be assisted by one or more deputy general manager, assistant general managers, directors and assistant directors in addition to supervisory and rank and file personnel. Personnel above the rank of director shall be appointed by the Board upon the recommendation of the General Manager. Personnel ranked director and below shall be appointed by the General Manager: *Provided*, That the appointment of managers and assistant managers shall be subject to confirmation by the Board. The removal of all personnel shall be approved by the Board. ~~All appointment, promotion, designation, removal and other personnel action shall be in accordance with the existing Civil Service (including Career Executive Service) rules and regulations.~~

The Board shall, upon the recommendation of the General manager, approve the organizational and administrative structures and staffing pattern of the Authority, including the personnel's duties and responsibilities and to establish, fix, review, revise and adjust the appropriate compensation packages for the personnel of the Authority with reasonable allowances, incentives, bonuses, privileges, and other benefits as may be necessary or proper for the effective management, operation, and administration of the Authority, which shall be exempt from Republic Act No. 6758, otherwise known as the Salary Standardization Law and Republic Act No. 7430, otherwise known as the Attrition Law.

SEC. 20. *Powers and Duties of the General Manager.* - As Chief Executive Officer, the General Manager shall have the following powers and functions:

- (a) to represent the Authority in all dealings with other offices, agencies and instrumentalities of the Government and with all other persons and entities, whether public or private, domestic or foreign;
- (b) to sign for and on behalf of the Authority contracts and debt instruments authorized and approved by the Board **in accordance with the provisions of this Act**;
- (c) subject to the approval of the Board, to determine the organizational and administrative structures and staffing pattern, including the number of personnel and their duties and responsibilities and fix their salaries and emoluments in accordance with the approved compensation structure of the Authority;
- (d) to appoint, promote, assign, reassign and transfer personnel to/with the ranks of manager and below: *Provided*, That in the case of directors and assistant directors, such actions shall be confirmed by the Board; to recommend to the Board the appointment, promotion, assignment, reassignment and transfer of personnel to/with the ranks of assistant general manager and above; and to recommend to the Board the removal of personnel;
- (e) to exercise all powers and undertake all functions delegated to the General Manager by the Board;**
- (f) to delegate any of his powers, duties or functions to any official of the Authority, subject to the approval of the Board;

- (g) to establish a performance-and merit-based management system which shall govern the selection, hiring, appointment, transfer, promotion, and removal of personnel with a view to attracting and retaining professionally competent, honest, courteous and efficient personnel of the Authority;
- (h) to provide for the continuing education and training of the Authority's personnel; and
- (i) to perform such other functions and duties as the Board may direct.

SEC. 21. *Legal Counsel.* – ~~The Secretary of Justice~~ **The Office of Government Corporate Counsel** shall be the ex-officio counsel of the Authority. He or his representative shall act as legal adviser and counsel thereof.

SEC. 22. *Quasi Judicial Powers of the Authority.* – The Authority is hereby vested with quasi judicial powers to determine and adjudicate matters pertaining to survey, mapping, classification, titling and registration of lands and shall have exclusive original jurisdiction over above said matters.

The Authority shall have the powers to punish for contempt and to issue *subpoena*, *subpoena duces tecum*, and writs to enforce its orders and decisions. When authorized by the Board, an official or employee thereof shall have the power to administer oath and affirmation, take depositions, certify to official acts and issue *subpoena*, *subpoena duces tecum* to compel the attendance of witnesses and the production of books, papers correspondence and other records deemed necessary as evidence in connection with any question arising under this Act. Any case of contumacy shall be dealt with by the Board in accordance with law.

Any dispute arising under this Act with respect to survey, mapping, classification, titling and registration of lands shall be cognizable by the Board and any cases filed with respect thereto shall be heard by the Board, or any of its members, or by hearing officers duly authorized by the Board and decided within twenty (20) days after submission of the evidence. The filing, determination and settlement of disputes shall be governed by the rules and regulations promulgated by the Board.

Any decision of the Board, in the absence of an appeal therefrom as herein provided, shall become final and executory fifteen (15) days after the date of notification, and judicial review thereof shall be permitted only after any party claiming to be aggrieved thereby has exhausted his remedies before the Board. The Board shall be deemed to be a party to any judicial action involving such decision, and may be represented by an attorney employed by the Board, or when requested by the Board, by the Solicitor General or any public prosecutor.

The decision of the Board upon any disputed matter may be reviewed both upon the law and the facts by the Court of Appeals. For the purpose of such review, the procedure concerning appeals from the Regional Trial Courts shall be followed as far as practicable and consistent with the purpose of this Act. Appeal from a decision of the Board must be taken within fifteen (15) days from notification of such decision. If the decision of the Board involves only question of law, the same shall be reviewed by the Supreme Court. No appeal bond shall be required. The case shall be heard in summary manner, and shall take precedence over all cases, except that in the Supreme Court, criminal cases wherein either life imprisonment or death has been imposed by the trial court shall take precedence. No appeal shall act as a *supersedeas* or a stay of

the Order of the Board unless the Board itself, or the Court of Appeals or the Supreme Court shall so order.

The Board may, *moto proprio* or on motion of any interested party, issue a writ of execution to enforce any of its decisions, after it has become final and executory, in the same manner as the decision of the Regional Trial Court by directing the city or provincial sheriff or the sheriff whom it may appoint to enforce such final decision or execute such writ; and any person who shall fail or refuse to comply with such decision or writ after being required to do so shall, upon application by the Board pursuant to Rule 71 of the Rules of Court, be punished for contempt.

SEC. 23. *Annual Report.* – The Authority shall submit annually not later than April 30, a public report to the President of the Philippines and to the Congress of the Philippines covering: its activities in the formulation and implementation of the NLAP and the administration and enforcement of this Act during the preceding year; a review of the Authority's achievements for the year relative to the performance targets previously set for the Authority by the Board through the annual operational plan for the year; copies of any directions issued by the President to the Authority during the year together with the Authority's assessment of the impact of each direction on the operations of the Authority; and the audited financial statements of the Authority for the preceding year.

CHAPTER VI

TRANSITORY PROVISIONS

SEC. 24. *Transfer of Powers.* – All powers to perform the functions of the Authority heretofore vested by law in the DENR, DOJ, LRA/RoD, LMB/LMS, NAMRIA and DENR-CARP National Secretariat, or in any Office within or attached to these agencies, are hereby transferred to and vested in the Office of the Director General of the Authority.

SEC. 25. *Creation of Interim Offices.* - Pending approval of a long-term organizational structure for the Authority, there are hereby created three (3) Offices within the Authority, namely: a) the Lands Management Office, to perform the functions through the structures of the former LMB/LMS; b) the Land Registration Office, to perform the functions through the structures of the former LRA/RoD; and c) the National Mapping and Resource Information Office, to perform the functions through the structures of the former NAMRIA. These interim offices shall continue until the long-term organizational structure for the Authority has been approved.

SEC. 26. *Organization of the Authority.* - The Authority's organizational and administrative structure and functions and staffing pattern, including the personnel's duties and responsibilities and the appropriate compensation package shall be submitted by the Director General for approval of the President within six (6) months from the effectivity of this Act and shall be fully implemented within a period of three (3) months after such approval is given.

SEC. 27. *Transfer of Personnel.* - To ensure a smooth transition, all incumbent personnel of the DENR's LMB/LMS, NAMRIA, DENR-CARP National Secretariat and its field offices, and LAMP; the DOJ's LRA/RoD shall continue to perform their

present duties and functions as interim personnel of the Authority until such time, being not later than twelve (12) months from the effectivity of this Act, that they have been appointed as regular staff of the Authority based on the new staffing pattern, or separated from the service: *Provided*, That such personnel shall be appointed by the Director General, or his/her duly authorized representative, on the basis of merit and fitness: *Provided further*, That only personnel who are not offered appointment under the new staffing pattern of the Authority on at least equivalent terms and conditions as their present employment within twelve months of this Act's effectivity shall be entitled to a gratuity at a rate equivalent to three (3) months' salary for every year of continued and satisfactory service rendered, or the equivalent nearest fraction thereof favorable to them on the basis of highest salary received, in addition to the retirement benefits or pensions under existing retirement law.

SEC. 28. *Abolition of LMB/LMS, NAMRIA, DENR-CARP National Secretariat, and LRA/RoD.* - The DENR's Lands Management Bureau, Land Management Services, National Mapping and Resources Information Authority and CARP National Secretariat and its field offices; and the DOJ's Land Registration Authority and Register of Deeds, are hereby abolished.

SEC. 29. *Unexpended Appropriations and Transfer of Assets.* - The unexpended balances of appropriations in the current General Appropriations Act and other Acts in force upon approval hereof, pertaining to, held or used by, or available to the LRA and RoD, NAMRIA, LMB, LMS, DENR-CARP National Secretariat and its field offices, and the Land Administration and Management project (LAMP), are hereby transferred to the Authority.

Such other unexpended balances of appropriations as may be deemed appropriate by the Department of Budget and Management for transfer to the Authority shall be so transferred.

All real and personal properties, assets, liabilities, records, documents, positions, appropriations, contracts, and agreements which, upon the effectivity of this Act, are vested in, or owned, by the LMB/LMS, NAMRIA, DENR-CARP National Secretariat and its Field Offices, LRA/RoD, and LAMP, are hereby transferred to the Authority.

SEC. 30. *Preservation of Records.* - Pending a written notice of receipt issued by a duly authorized officer of the Authority, it shall be the explicit duty of any and all personnel responsible for, or in possession of records relating to the affairs of the LMB, LMS, NAMRIA, the DENR-CARP National Secretariat and its field offices, the LRA and the RoDs to protect and preserve such records.

Without prejudice to any other penalties provided for by law, any person who fails to fulfill his/her duty pursuant to the above paragraph, shall be guilty of an offense against the provisions of this Act, punishable by a fine of not more than One million Pesos (PhP 1,000,000.00) or imprisonment of not more than five years, or both, upon the discretion of the Courts. He/She shall also be removed from the office, forfeit all retirement benefits, except for accumulated leave credits and be perpetually disqualified from holding any public office.

SEC. 31. *Saving Clause.* - All orders, determination, rules, regulations, permits, certificates, licenses and privileges which have been issued, made, or granted effective by the former LMB, LMS, NAMRIA, LRA, RoDs, DENR-CARP National Secretariat and its field offices, and LAMP or their predecessors shall continue to be

in effect according to their terms until modified, terminated, superseded, set aside, or repealed.

No suit, action or other proceeding commenced by or against any officer in his official capacity as an officer of any division or unit of the former LMB, LMS, NAMRIA, LRA, RoDs, DENR-CARP National Secretariat and its field offices, and LAMP, the functions of which are transferred by this Act to the Authority shall abate by reason of this Act. In like manner, no cause of action by or against such division or unit or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, or other proceedings may be asserted for or against the Authority or such official of the Authority as may be appropriate.

CHAPTER VII

MISCELLANEOUS PROVISIONS

SEC. 32. *Separability Clause.* - If any provision of this Act or the application of such provision to any person or circumstances is declared unconstitutional, the remainder of the Act or the application of such provision to other persons or circumstances shall not be affected by such declaration.

SEC. 33. *Repealing Clause.* - All laws, decrees, issuances, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 34. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved:

STRUCTURING THE LAND ADMINISTRATION AUTHORITY (LAA): PRINCIPLES, ISSUES AND OPTIONS

SUMMARY/KEY POINTS

- House Bill No. 6070 to establish the LAA avoids detailed specification of a long-term organization structure for the LAA. This feature of the Bill is desirable and should be preserved as the Bill passes through scrutiny by the Congress.
- Options for the LAA's long-term organization structures should be evaluated against six key design principles, namely the extent to which they: meet the needs of service users; promote and support delegation of decision-making to the point(s) of service delivery; merge/co-locate like functions and segregate unlike/potentially conflicting functions; minimize barriers to information flows within and between functions; distinguish between 'core' and 'non-core' services; and are cost efficient.
- Incoming LAA management will also need to consider several issues of a more detailed kind before a long-term LAA structure can be finalized (the paper enumerates these).
- Two possible options are presented for the LAA's long-term organization structure, for illustrative purposes:
 - Option 1: minimal change;
 - Option 2: full merger of functions and services.These options are broadly consistent with the 'Worst Case' and 'Best Case' scenarios projected in the 16 June 2003 paper 'Budget impacts arising from establishment of the LAA'.
- Option 1 would essentially preserve the existing structures of LMB/LMS, LRA/RoD and NAMRIA within an LAA 'corporate shell' (as does the *interim* structure provided for by HB 6070). As a possible long-term structure this option is without merit and would call into question the purpose of establishing the LAA.
- Option 2 described by the paper would create a long-term organization structure in which:
 - there is a 'fixed' long-term structure for the delivery of core LAA services at national and sub-national levels combined with a 'Mobile Project Team' approach to the delivery of other services including mass titling, CARP and records reconstitution projects;
 - core services are delivered through a regional network of 74 Provincial service centers and a variable number of sub-Province service centers, the latter established and closed over time in the light of workload. This regional network also provides logistical support (but not management supervision) for Mobile Project Teams.
 - title registration, receipt/verification/approval of survey plans and maintenance of CIMs are integrated within the 'One Stop Shop' service centers;
 - basic corporate services (e.g. LAA payroll processing) are provided by a national corporate services department rather than through corporate support units at regional/sub-regional levels.

Purpose⁴:

People want to know how the proposed Land Administration Authority will be structured as an organization. In particular, they want to know what organization structure will be put in place within the LAA at national and regional levels to bring together functions and staff currently located in separate agencies and a wide range of geographic locations.

The purpose of this paper is to:

- place the question “how will the LAA be structured?” in context;
- propose some design principles for the LAA’s future organization structure;
- identify some more detailed issues that need to be addressed in order to identify a preferred long-term organization structure;
- present two illustrative options for the LAA’s organization structure, and evaluate them broadly against the design principles.

Context:

The LAA will bring together approximately 7,500 staff currently within the LMB/LMS, NAMRIA, and LRA (including the Register of Deeds).⁵ Of these, at least 75 per cent are currently located in the regional offices⁶ of DENR and the Register of Deeds, and the bulk of land administration services to the public are delivered through these regional offices. The most recent data available on the staffing establishment of these agencies (filled and unfilled positions) are at [Annex A](#).

House Bill No. 6070 introduced to Congress on 2 June 2003 provides for the creation of three *interim* Offices within the LAA that will continue until a long-term organizational structure for the LAA has been approved: Lands Management Office; Land Registration Office; and National Mapping and Resource Information Office. The Bill provides for approval of a *long-term* organization structure within six months of the LAA’s formal creation, and a further six months to make formal appointments of staff to positions in the LAA’s approved long-term structure. The Bill provides that the LAA’s long-term structure shall consist of:

- The Office of the Director General;
- The Offices of (at least three) Deputy Director Generals;
- The Offices of (five) Assistant Director Generals; and
- Field Offices.

⁴ This paper is a revised and extended version of the 26 May 2003 paper on ‘Structuring the LAA: principles and issues’. Thanks are due to Danny Galano, Felino Cortez and Ian Lloyd for background information and comments on issues canvassed in the May paper. This present paper should be read in conjunction with the 16 June 2003 paper on ‘Budget impacts arising from establishment of the LAA’.

⁵ In addition, the Budget Impacts paper estimates that approximately Pesos 270 million should also be transferred to the LAA, representing an appropriate share of funding and positions currently provided to the Offices of the Secretary, DENR and DOJ, for management supervision and/or corporate services provided to the land administration agencies.

⁶ In this paper the term “regional offices” describes any office of DENR or LRA established to service Regions, Provinces, Cities, Municipalities, Communities or other local districts – whatever their formal designation. Where reference to a formally-designated type of regional office is necessary, it is indicated by the use of capitals (e.g. “Regional Office”).

However, the Bill prescribes no other details of the long-term organization structure of the LAA, leaving this for consideration by the incoming LAA management team.

Legislation establishing other agencies of the Government of the Philippines has often adopted a more prescriptive approach, specifying organization structures in significantly greater detail. It may be that, during examination of HB 6070 by Congress, proposals will be made to specify the LAA's long-term organization structure in greater detail. If made, such proposals should be resisted (i.e. Congress should *not* attempt to answer in detail the question "what will be the LAA's long-term organization structure?"). The reasons for this are, in summary:

- The incoming Director General of the LAA and his/her senior management team should be responsible for designing the LAA's long-term organization structure since it is they who will have to manage it and be responsible for LAA performance. In doing this, they should assess the requirements for services the LAA is expected to deliver and engage in meaningful consultation with users of land administration services so as to align service delivery structures with user needs;
- Related to this, the perspectives applied by the present DENR/LRA/NAMRIA in considering structural options for the LAA appear to differ and each may, in turn, differ from the perspectives that will be adopted by incoming management of the LAA and users of LAA services.
- In any event, it is unnecessary and inappropriate to enshrine detailed organization structures in legislation – the LAA should have the flexibility to organize and reorganize itself efficiently over time in the light of changing user requirements, work loads, technologies and other developments, unconstrained by legislation that cannot possibly foresee such developments for years ahead but cannot readily be amended once enacted.

The remainder of this paper outlines proposed organization principles, issues and options on the assumption that these will not be pre-empted by the provisions of the LAA Act that the Congress eventually enacts. These principles, issues and illustrative options aim to assist development of specific proposals by incoming management of the LAA following its establishment.

Design principles: ⁷

In assessing future proposals for the LAA's long-term organization structure it would be helpful to assess alternative options having regard to the following key principles.

⁷ Principles for design of organization structure. Establishment of the LAA aims to promote many principles (e.g. greater transparency and accountability in decision-making; greater integrity of land-related information). The achievement of more general goals of this kind is not primarily a matter of organization structure.

Key Principles

The organization structure of the LAA should:

- meet the needs of service users (i.e. provide the services required of the LAA conveniently, quickly and efficiently);
- promote and support delegation⁸ of decision-making as close as possible to the point(s) of service delivery;
- merge/co-locate like/similar functions and segregate unlike/potentially conflicting functions;
- minimize barriers to information flows within and between functions/activities;
- distinguish the LAA's 'core' continuing public services from its other services;
- be cost efficient.

Meeting the needs of service users

Acceptance of this principle implies that, in designing an organization structure for a 'customer-focused' agency, the designer should:

- identify, *as the starting point*, the services to be provided to end-users and the best way(s)⁹ of organizing resources (e.g. staff) to deliver them *at the point(s) of final delivery to end-users*;
- then work backwards from organization of the final delivery point to identify the characteristics of *support* services needed to produce the services to end-users, and how best to organize these support services. This in turn requires identification, with reasons, of the functions/activities that can/should *not* be undertaken exclusively at individual points of service delivery;
- consult closely with and be guided by users in identifying the services to be provided and how best to organize their delivery from a user perspective.

In other words, in terms of traditional management hierarchies the organization structure for a 'customer-focused' agency should be designed and determined 'from the

⁸ The terms 'delegation' and 'devolution' need to be distinguished. Decision-making is 'delegated' when powers vested in one Office (e.g. a Director General) are formally permitted by that Office to be exercised by others (e.g. Regional Directors) on behalf of that Office. The first Office remains responsible/accountable for the manner in which the power is used and can modify/withdraw the delegation at any time. Decision-making is 'devolved' when powers previously vested in one Office are formally transferred from that Office to another, 'lower level' Office, which henceforth becomes responsible/accountable for exercise of the powers. Provided a general power to delegate exists under a piece of legislation, no legislative amendment is required to delegate decision-making powers. In contrast, powers vested in an Office by legislation can only be devolved by amendment of that legislation. If powers under the existing land administration laws are to be devolved, the laws in question must be amended to implement this.

⁹ 'Best ways' having regard to timeliness, cost, quality of services provided.

bottom up' rather than 'top down', starting with decisions on the structure(s) to be employed at the point of service delivery to end-users of the service.

Delegation of decision-making

This principle reflects the observed fact that, generally speaking, services to end-users will be faster and more responsive to user needs if the decisions needed to deliver the service are taken as close as possible to the user (i.e. as close as possible to the point of service delivery):

- e.g. if the 'french fries' run out while serving a customer in a fast-food outlet, the counter staff should have the authority to order cooking of more fries 'on the spot' rather than being required to refer the matter to Head Office for decision;
- e.g. if survey plans are lodged for approval, authority to approve the plans should be held at the point of lodgment unless there are compelling reasons to the contrary.

In practice, a range of factors will influence the extent to which decision-making can and should be delegated. For example, approval functions requiring the exercise of professional qualifications and judgments may (or may not) need to be located 'at one remove' from end-users because there are insufficient numbers of staff with the necessary qualifications to permit their dispersal amongst all service centers at the 'lowest'/local level. The principle should be applied flexibly and the structure of delegations should be reviewed at regular intervals (e.g. annually). For example, approval functions might be delegated to local levels in some cases, but only to provincial or regional levels in others, having regard to skills availability and other factors.

Merging of like functions

Identical/similar functions should be merged and delivered through single organization units in the interests of cost efficiency and 'seamless' service delivery. Indeed the elimination of duplication/overlap of functions constitutes one of the key reasons for seeking to establish the LAA. The following functions/activities, currently undertaken by separate organization units within LMB/LMS, LRA and NAMRIA would appear to be prime candidates for organizational merger within the LAA structure:

- the undertaking of land surveys;
- land information records storage, retrieval and Government-wide/public access;
- recording and storage of cadastral information in map form;
- survey verification and approval functions currently performed by both LMB and LRA (consolidation and splitting of titles);
- the corporate support services of the three agencies.

Consideration needs to be given by those familiar with current operations as to whether there are any other significant duplications of functions and/or staffing within the three agencies. For example, are staff currently allocated by the LRA to service the Courts in judicial registration proceedings in any way inter-changeable with those allocated by LMB/LMS to first-time titling of A&D public land by administrative process? To what extent, if at all, are NAMRIA resources allocated to topographic mapping interchangeable with those allocated by LMB to cadastral mapping?

Segregation of unlike/conflicting functions

‘Good practice’ in organization design generally aims to separate functions/activities that are potentially in conflict with each other, serve the needs of different categories of user and/or require substantially different skills and procedures for their delivery. In some cases, the rationale for this will be self-evident and clear-cut, for example:

- those responsible for setting or otherwise regulating service standards on behalf of service users should be organizationally separate from those producing the service;
- those responsible for determining formal appeals against administrative decisions should be organizationally separate from those responsible for the decisions appealed against;
- services provided by public sector agencies that are actually or potentially in competition with private sector suppliers should be organizationally separate from ‘core’ services that can only be provided by the public sector agency.

In other cases matters may be less clear-cut. For example, some people believe that policy-making functions should be organizationally separated from service delivery functions. However, it can also be argued that policies developed separately from knowledge/experience of service delivery may prove inappropriate/impractical. Separating policy development and service delivery functions may not be cost efficient if both functions require input of high-level professional/technical skills and these are in scarce supply.

In terms of the proposed functions of the LAA, the following functions/activities appear to merit organizational separation within the LAA structure:

- classification and disposition of public land separated from the ongoing management of public land retained in public ownership;
- planning and negotiation of service program levels and service performance standards separated from the ‘doing’/delivery of the services;
- setting of mapping and survey standards separated from the undertaking of mapping/survey projects;
- setting of land classification criteria separated from the undertaking of land classification projects;
- hearing and determination of appeals against administrative decisions in relation to land titling and registration matters separated from those responsible for the initial administrative decisions on these matters;
- integration, storage and provision of public access to land information records separated from the ‘doing’ of mapping/survey projects;
- verification/approval of cadastral surveys and subdivision survey plans separated from the ‘doing’ of subdivision surveys;
- performance review and audit functions separated from service delivery functions;

Consideration needs to be given to whether there are other prospective functions of the LAA that should, in principle at least, be managed separately within the LAA’s organization structure.

Minimizing barriers to information flow

To meet the requirements of service users efficiently and effectively, information must flow freely with the service agency and between the agency and users. Barriers to free-flowing information can take a variety of forms including several that are unrelated to the structure of the service agency as such (e.g. barriers arising from the use of multiple, incompatible technologies for information transfer; barriers arising from inconsistent application of quality standards for the gathering and storage/indexing of data).

The LAA's organization structure can best minimize barriers to information flows between the LAA and users of its services through application of the principles for meeting the needs of service users and delegation of decision-making.

Barriers to information flows *within* the LAA can best be minimized by merging of like functions (as outlined above) *and* reducing to the essential minimum the number of management 'layers' through which information is filtered between the internal source and internal destination of the information. The latter point in turn suggests the desirability of aiming for the 'flattest' management hierarchy that can be achieved, subject to maintaining effective spans of management control within the organization. It also suggests the desirability, in principle, of maintaining and storing all operational data at the points within the LAA's organization structure that are closest to the main users of the data (albeit with essential back-up data held at other points).

'Core' and 'Non-core' services¹⁰

The LAA's organization structure should distinguish between core services the LAA is expected to provide on a continuing basis in the public interest and other services that are not required on a continuing basis and/or have potential to be contracted, in whole or part, from the private sector. This means distinguishing, in particular, ongoing land title registration and survey plan verification/approval services from mass titling projects including CARP projects and land records reconstitution projects. The latter may represent a substantial element of LAA work for some years to come, and are undoubtedly in the public interest, but they will ultimately be completed and cease. While they continue, they are best budgeted and managed on a project-by-project basis rather than 'institutionalized' within the LAA's long-term management/regional structures.

Cost efficiency

The principle that any organization structure should strive for cost efficiency reinforces some of the above principles but may also moderate their application in practice. For example, the merging of like functions will help to eliminate unnecessary duplication of activities and hence also be in the interests of cost efficiency. On the other hand, placing the principle of meeting the needs of service users above all others may not be cost efficient unless service users are required to bear the full costs of service delivery

¹⁰ This distinction is not equivalent to a distinction between services provided in the public interest and other services. The latter distinction is useful in considering whether services should be funded through general taxation or by user charges. 'Core services' may or may not be appropriately considered for user charging.

so as to fully inform their preferences. For example, it will not be cost efficient for the LAA to operate a service center anywhere in the Philippines that people have land transactions they wish to register unless people are prepared to pay the full (high) cost of providing this extreme degree of convenience.

This illustrates a more general point. In using the above principles to assess long-term organization proposals and options for the LAA there will be a need to make ‘trade-offs’ between them in arriving at an overall, balanced, judgment as to the best option(s).

More detailed issues for consideration:

The following, more detailed, issues will also need to be addressed in developing specific options for the LAA’s organization structure. In addressing them, senior management of the LAA should aim to draw extensively on the knowledge and experience of those familiar with the operations of the present land administration agencies, including those involved in the piloting of new working methods through the LAMP’s POI1 and POI2.

The present

1. *What are the existing regional structures of LMB/LMS, LRA/RoD and NAMRIA in specific detail? What are the main locational overlaps/points of difference in the current regional coverage?*

Compilation of the information needed to address this issue should start with assembly of the following data for *every* existing office at regional levels:

	LMB	LMS	LRA/RoD	NAMRIA
Office title (Regional, Provincial, or Municipal/City/Community)				
Office address (Town, street, building)				
Number of staff based in office				

For each office, supporting information will be needed in relation to whether the office accommodation is leased or owned and whether shared with other agencies/occupants. The approximate amounts of space in each office allocated to/needed for public areas and records storage will also need to be established as basic data input for the consideration of future alternatives.

The future

2. *What is to be the geographical ‘hierarchy’ of LAA offices in the future?*

The basic geographical ‘hierarchies’ at present are:

- LMB/LMS: Office of DENR Secretary, National Office (LMB); Regional Offices, Provincial Offices, Community Offices (LMS)
- LRA: Office of DOJ Secretary, National Office (LRA); ‘Regional Centers’ and Provincial/City Registries (RoDs)

- NAMRIA: Office of the DENR Secretary, National Office (Manila), Branch Office (Binondo), sales outlets for NAMRIA products through DENR regional network.

Options¹¹ for the LAA's future geographical 'hierarchy' include:

- (a) Maintain 'dual regional structures', namely:
 - Head Office, Regional Office, PENRO, CENRO structure for functions currently performed by LMB, LMS
 - Head Office, Provincial/Municipal structure for functions current performed by LRA/RoDs
 - This option has no merit, for reasons elaborated later in this paper
- (b) Implement a National Office/Regional Office/PENRO/CENRO structure for all LAA functions
- (c) Implement a National Office/Provincial/City structure built on the existing RoD structure

Note that whatever structure is adopted, it need not be uniformly 'hierarchical'. For example, a Provincial Office could provide services for a group of Municipalities/Cities within the Province as well as undertake any required functions for the Province as a whole. Other Municipalities/Cities within the same Province might have their own individual offices if their workloads justified this.

3. *Are the primary lines of management supervision, control and accountability within the LAA to be structured on a 'functional' basis, a 'regional' basis, or some combination of the two?*

Under a 'functional' approach, the main services of the LAA would be distinguished organizationally at national level and each service would establish its own regional structure and associated management hierarchy as necessary to deliver its services. Under a 'regional' approach, LAA services at regional levels would be delivered through a single regional network and management hierarchy. The choice made in relation to this issue has significant implications for, amongst other things, the appropriate position classifications and remuneration of the office managers at regional levels, since the range and complexity of their responsibilities will differ significantly under the different approaches.

4. *What are the individual LAA functions/activities that are to be undertaken wholly or primarily by staff at the 'lowest level' within the regional hierarchy?*

Annex B provides a summary listing of the principal functions to be undertaken by the LAA. For each of these (and any omitted), consideration and decisions are needed - having regard to the principles outlined above - as to which will form the *primary* functions of the 'lowest level' offices.

¹¹ It might be suggested that continuation of the present 'dual regional structure' is not a long term option since it would perpetuate current overlaps, separation of inter-related functions and other inefficiencies. In fact, as debate over content of the LAA Bill demonstrated, preservation of the existing agencies as separate attached agencies of an LAA 'corporate shell' is clearly a long-term option in the minds of some, and one that may well be raised during Congressional examination of the Bill.

5. *What formal delegations of LAA statutory powers will 'lowest level' managers of the functions at (4) (i.e. the managers of the 'lowest level' regional offices) need in order to fully perform the functions at this 'lowest level'?*

Decisions on this issue will determine the long-term structure of management delegations to be put in place within the LAA to enable regional/sub-regional offices to perform their primary functions. The delegation structure must, of course, be aligned and consistent with the preferred long-term organization structure. Identifying the delegation structure will require examination of the individual land administration laws underpinning the functions identified under issue (4) in order to ensure there is a proper legal basis for delegating the relevant powers within the LAA.

6. *How should the functions at (4) be organized in management units within each 'lowest level' LAA office?*

This may be seen as equivalent to the question "what is to be the 'model structure' for a One Stop Shop?"¹². Options include a 'model structure' based on:

- (a) the current division of functions between LMB/LMS on the one hand and LRA/RoDs on the other;
- (b) functional units (e.g. land survey verification and approval unit; title registration unit; land records and information unit, etc);
- (c) groupings of work activities judged, on the basis of pilot 're-engineering' of processes by POI1 and POI2, to represent the most efficient way of organizing work units within a One Stop Shop;
- (d) no formal structure at all below office manager level – the office manager could exercise direct planning and management responsibility for all office staff and supervise all their day-to-day work on a flexible 'team' basis in the light of day-to-day needs.

Note that the structure *within* the 'lowest level' offices need not mirror the structure adopted for the regional network as a whole. For example, it would be possible and might (or might not) be desirable to adopt a 'regional' (not functional) structure for operational management down to the 'lowest level' office but nevertheless manage units within the lowest level office along functional lines.

As for issue (3), the preferred approach to issue (6) has significant implications for the appropriate position classification and remuneration of individual staff positions within each 'lowest level' office.

7. *What are the LAA functions and/or decision making approvals that should/must be undertaken at a 'higher' level within the regional hierarchy, and where/by whom/at what level?*

¹² There can be widely divergent concepts of what constitutes a 'One Stop Shop', ranging from co-location of separate agencies in the same building (with or without separate entrances!) to a single point of contact within the OSS for members of the public seeking any or all of the services concerned, this point of contact being responsible for final delivery of the service(s) to the user and empowered to organize/manage 'back office' production of the services in question. Senior management of the LAA will need to define its preferred concept.

These are the LAA functions and related decision-making powers that are to be *excluded* from the designated ‘lowest level’ functions/activities emerging from consideration of issue (4). They are likely to include functions that should be organizationally separated from the day-to-day delivery of LAA services to the public (see ‘segregation of unlike/conflicting functions’ under Principles above). Decisions will be needed on the preferred level(s) ‘above’ the ‘lowest level’ offices at which these functions are to be performed (e.g. at higher regional levels or at National level?).

The transition

8. *How and over what time period should the LAA ‘migrate’ from the current regional structures identified as issue (1) to the preferred long-term structure emerging from responses to issues (2) to (7)?*

This cannot be answered in advance of a decision regarding the preferred long-term structure, assessment of the differences between that and the existing structures, and identification of the practical constraints in bridging these differences (e.g. extent to which staff may be required to re-locate, extent of ‘lock in’ to current office accommodation and availability of funds for replacement accommodation). Suffice to suggest that a time horizon of at least 3-5 years will be required if any genuinely new structure is to be established for the LAA, with possible phasing by regions.

9. *What should be the criteria, in future, for the opening and closing of LAA offices at the ‘lowest level’ in the regional hierarchy?*

Subject to the provisions of the Act establishing the LAA, the LAA will need to determine its management policy towards periodic review and adaptation of its organization structure over time. In particular, the incoming Board/management of the LAA will need to establish at an early stage the basis on which individual ‘lowest level offices’/One Stop Shops are to be opened and closed in the future. This will be important as the LAMP program accelerates title issuance in some Provinces and as land markets in some areas become more active. Options include:

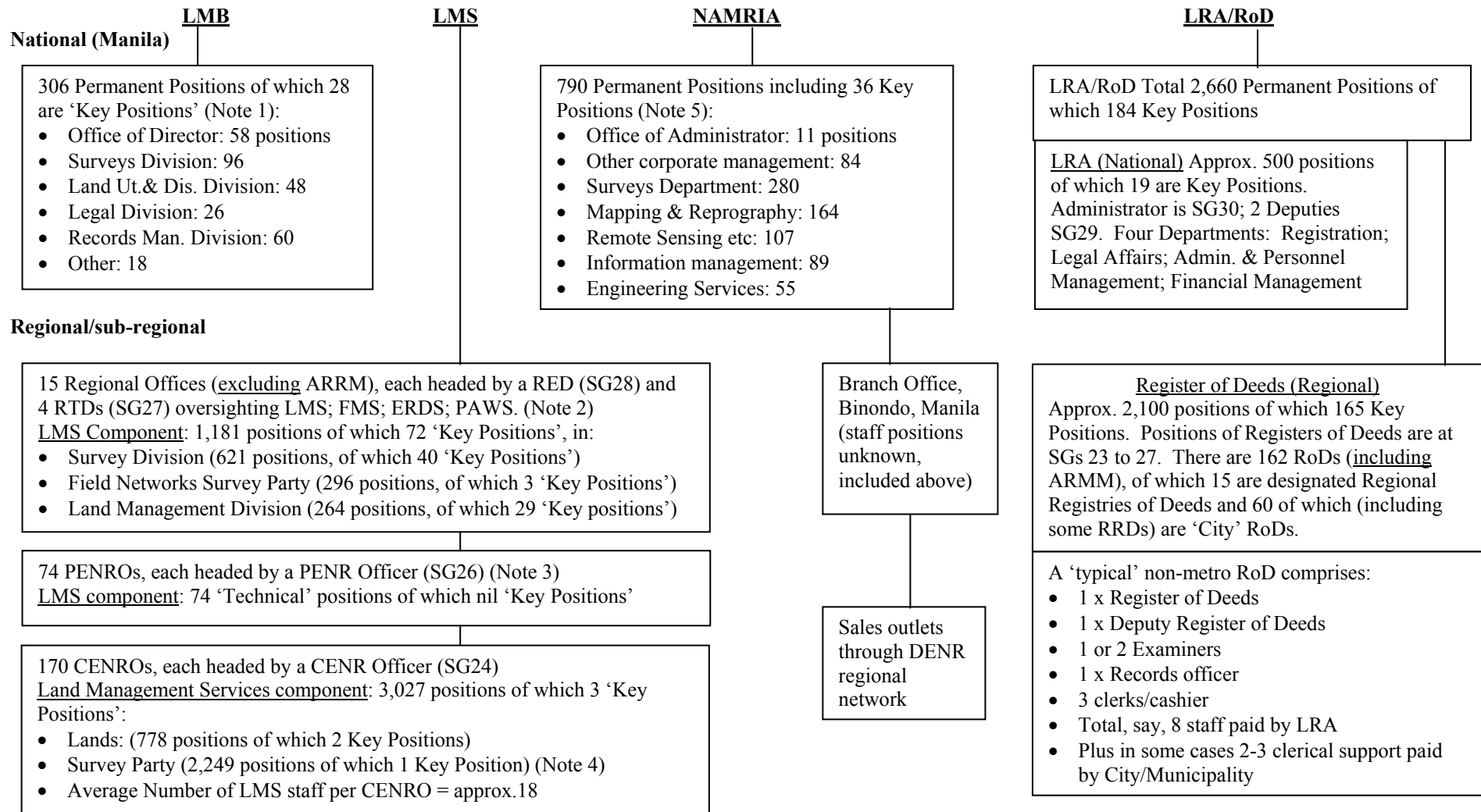
- opening/closure of individual offices based on requests by users, Municipalities/Cities, members of Congress and/or other stakeholders (perhaps guaranteeing that no office would ever close);
- opening/closure based on ‘objective’ criteria such as the anticipated volume of land title transfers and volume of land record holdings in the locality and anticipated workload in relation to first-time titling of land (what should these criteria be?);
- no further opening/closure of offices after finalization of the LAA’s preferred long-term organization structure.

If opening/closure decisions are to be based on objective criteria then the LAA will need to agree these and establish the information system(s) to record supporting data.

Current structures:

The *current* organization structures and staff establishments of the land administration agencies, based on data currently available, are summarized in the following Chart.

PRESENT ORGANIZATION STRUCTURES



Note (1): Permanent Positions = filled and unfilled. Key Positions = positions at Salary Grade 20 and above. Source: 2003 General Appropriations Act/DENR data. **Note (2):** 4 PENROs and 8 CENROs were transferred to the ARRM by R.A. 6733. **Note (3):** DENR website refers to 73 PENROs and 171 CENROs. Apparently one CENRO also serves as a PENRO. **Note (4):** Advice is that 'many of the Survey Party are doing other things'. **Note (5):** Excludes 2 somewhat curious Key Positions on higher SGs than NAMRIA head.

Additional features of the present structures of particular note in a reorganization context are:

- Basic corporate services for LMS staff (e.g. payroll processing) are provided through the Regional Offices and PENROs of the Office of the DENR Secretary, whereas those for RoD staff are provided through LRA's national office.
- While the number of DENR CENROs (170) is around the same as the number of RoDs (162), their respective locations differ: as might be expected, CENROs are better represented in non-metropolitan, non-City locations.
- Senior established positions within LRA/RoD are both more numerous (relative to other grades) and better paid than those within LMB/LMS. This has implications for the grading of, and recruitment to, senior positions within a combined organization.
 - LMB/LMS has 103 established positions at Salary Grade 20 and above, within 4588 permanent positions (filled and unfilled), or 1 in 45 positions. The weighted average monthly base salary of LMB/LMS key positions is P19,824 (slightly below Step 1 of Salary Grade 23).
 - The LRA/RoD has 184 established positions at Salary Grade 20 or above within 2,660 permanent positions, or 1 in 14 positions. The weighted average monthly base salary of LRA/RoD key positions is P20,483 (around mid-point of Step 1 for Salary Grades 23 and 24).
- Senior established positions within NAMRIA are both (relatively) more numerous and better paid than those in either LMB/LMS or LRA/RoD (1 in 10 positions at Salary Grade 20 or above; weighted average salary just below Step 1, Salary Grade 24).

Illustrative options:

Two options are presented here (amongst many that might be considered) to illustrate different approaches towards a long-term structure for the LAA:

- Option 1: Minimal Change;
- Option 2: Full merging of functions and services.

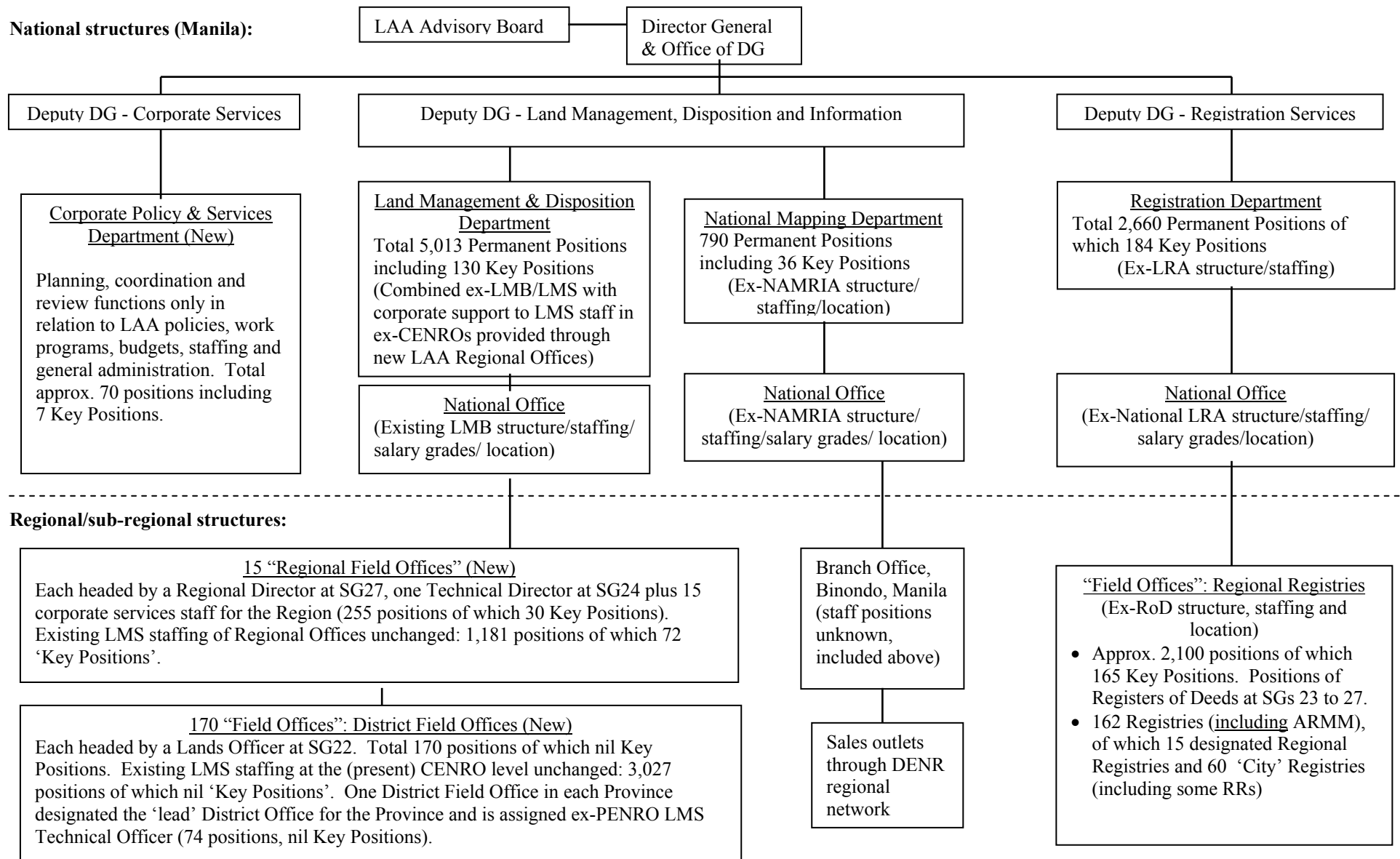
These two structural options are broadly consistent with the 'Worst Case' and 'Best Case' scenarios respectively presented in the 16 June 2003 Budget Impacts paper.

Illustrative Option 1: Minimal Change

Under this option, the present structures of LMB, LMS, NAMRIA and LRA/RoD would essentially be preserved within an LAA 'corporate shell'. That is, the LAA Director General and three Deputy DGs would 'sit atop' structures mirroring those of the present agencies (albeit with possible re-naming of Departments). The only 'new' feature of this structure would be the creation of a small corporate planning and services unit at national level to support the Director General and a corporate services structure to manage and service the present staff of LMS at regional/sub-regional following detachment of LMS staff from the DENR Regional Offices/PENROs/CENROs. An illustrative organization chart for this option follows.

LAA ORGANIZATION STRUCTURE OPTION 1: MINIMAL CHANGE

National structures (Manila):



Evaluated against the principles suggested earlier, Option 1 rates very poorly.

Principle	Assessment of Option 1
Meet the needs of service users	Separate regional networks for LMS and the RoD are retained, hence precluding the establishment of a national network of One Stop Shops to better service users.
Promote and support delegation of decision-making	The option is 'neutral' in this regard - it neither encourages nor discourages increased delegation of decision-making relative to present structures.
Merge/co-locate like functions and segregate unlike/conflicting functions	The option does nothing to merge like functions of LMB/LMS and LRA/RoD. It fails to separate, in organizational and budgetary terms the setting of national standards from service delivery functions.
Minimize barriers to information flows	The option does nothing to reduce barriers to information flows between/within functions and activities. Registration activities and records continue separate from records relating to first time titling of public land. Data bases and records relating to the national spatial infrastructure and topographic mapping remain segregated from cadastral data and records.
Distinguish core continuing functions	The option fails to separate in organizational and budgetary terms 'core' (ongoing) land administration functions (notably title registration/registration of deeds, survey plan approvals and maintenance of cadastral records) from functions that have a finite life and are best budgeted and managed on a project by project basis.
Be cost efficient	This option creates no scope for savings through merger and rationalization of activities. It entails costs in the creation of a national corporate services unit and a regional corporate services network to support ex-LMS staff. Unless re-couped by appropriate transfers from the existing DENR Budget, this will involve a net additional cost to the Budget.

In summary, Option 1 would essentially perpetuate the deep flaws in current institutional arrangements and hence call into question the purpose of establishing the LAA. It has no merit as an option for the LAA's long-term structure other than the dubious 'merit' of avoiding change and the challenges associated with managing change.

Option 2: Full merger of functions and services

The starting point for consideration of alternatives to Option 1 is to consider the services the LAA is to provide. The LAA and its organization structure are not 'ends' in themselves, but simply means of organizing and managing the resources provided to the LAA to deliver services to the public.

Viewed from this perspective, there are some significant unknowns limiting the degree of detail in which any long-term organization option can be specified at this stage:

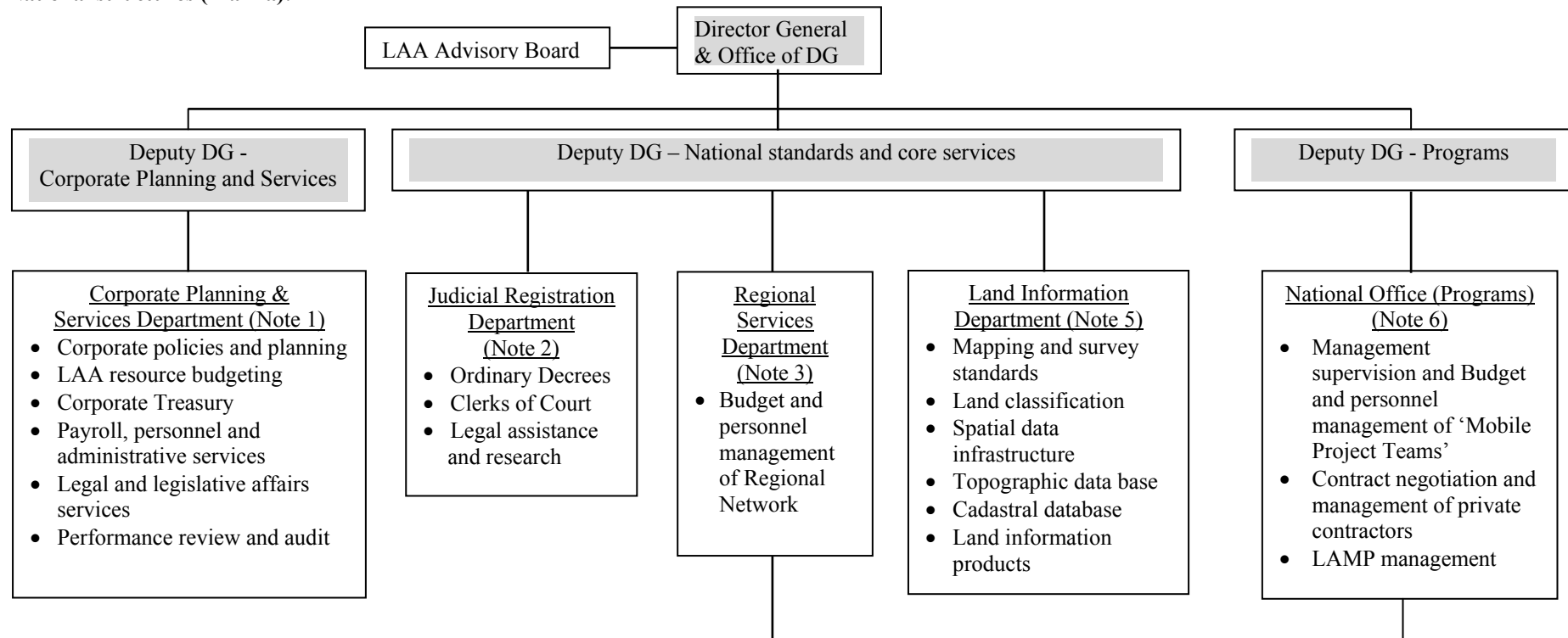
- There are some significant gaps in the facts available about the organization structures, workloads and resourcing of the present agencies (e.g. the numbers, tasks and workloads of staff currently located within the LRA's national office).
- Forward work programs and targets for some elements of the LAA's future work are unknown.
- The extent to which the skills of staff currently located in the separate agencies are currently interchangeable, and can therefore be managed in future by the LAA as combined resource, is unknown.
- More generally, the LAA's future capacity and willingness to plan and implement changes in employment conditions and work practices is unknown (e.g. conditions determining management's capacity to transfer staff between positions and regions over time).

Given these unknowns, Option 2 is presented in the form of a possible *framework* for the LAA's future organization rather than as a more detailed staff establishment and management structure (see Chart, next page). Its main features are:

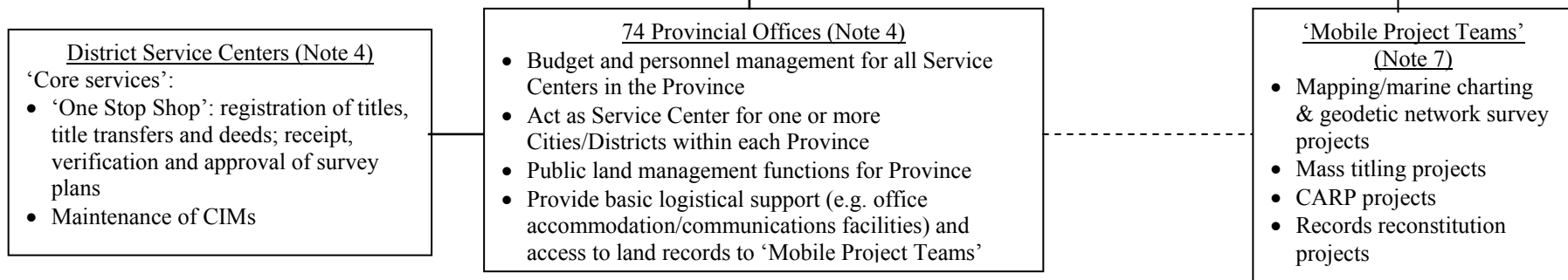
- A 'fixed' long-term structure for delivery of 'core' LAA services at national and regional levels, namely: the development and maintenance of the Nation's spatial data infrastructure and data base (topographic and cadastral); registration of rights in land; and verification/approval of survey plans defining the land 'parcels'/'lots' to which these rights apply.
- A 'Mobile Project Team' approach to the delivery of other LAA services which, while they currently/prospectively absorb substantial resources, will ultimately be completed and cease (notably mass titling of public land, reconstitution of land records and CARP-related services) – 'Mobile' in the sense that resources would be sized, regionally located and logistically supported by the 'core' LAA structure in a mobile/flexible way geared to work programs, available budgets and the geographical location of the work required from time to time, rather than be inflexibly 'institutionalized' by fixed positions and staff establishment within the LAA's core national and regional structures.
- 'Core' service delivery at regional levels through a network of 74 Provincial service centers (one for each Province) and an unspecified further number of sub-Province service centers established/closed over time in the light of workload. Provincial offices would undertake both Province-wide management supervision and service delivery for one or more districts within the Province wherever establishment of a sub-Province office cannot be justified. Full integration of 'core' service delivery (registration of titles and deeds; receipt, verification and approval of survey plans; maintenance of CIMs) in One Stop Shops at Provincial/District levels.
- Provision of basic corporate services (e.g. LAA payroll processing) from a national corporate services department rather than through corporate support units at regional/sub-regional levels.

LAA ORGANIZATION STRUCTURE OPTION 2: FULL MERGER OF FUNCTIONS AND SERVICES

National structures (Manila):



Regional/sub-regional structures:



SEE NEXT PAGE FOR NOTES

NOTES ON OPTION 2

Note	Main Features of Organizational Units	Approx. Annual Budget/Staff
1	Corporate Planning & Services Department: Provides corporate planning and services for the LAA as a whole including advice to the DG on work programs and resource allocation within LAA Budget. Provides support services to LAA Advisory Board. Merges and rationalizes current corporate services of LMB/LMS, LRA and NAMRIA	P200 million Approx. 800 staff
2	Judicial Registration Department: Combines Law and Clerks of Court Divisions of LRA. Represents a 'core' service of LAA unless and until judicial registration proceedings are abolished by legislative reform.	P62 million Approx. 250 staff
3	Regional Services Department: At national level, a small coordinating Department for overall management of the regional network. Its suggested budget and staffing assumes that all or virtually all decision-making powers and functions in relation to the LAA's core services are devolved to Provincial and/or District Service Center levels.	P25 million Approx. 100 staff
4	Provincial Offices/District Service Centers: 74 Provincial Centers, some of which may also be designated as either 'Regional Registries of Deeds' and/or service a particular City or group of municipalities. The number of District Service Centers within a Province, additional to the Provincial Center, will depend on workload and budget considerations. Each District Center (or its equivalent within a Provincial Center) might, on average, require around 20 staff to provide integrated 'one stop shop' core services including registration of deeds and titles (10 staff); survey plan verification/approval and maintenance of CIM (4 staff); land information and records (2 staff); front desk, cashier, clerk and Center Manager (4 staff). However, actual sizing will differ significantly from one Center to another and over time. Availability of necessary skilled staff to fully devolve survey approval/CIM functions to District Service Centers is an issue for further consideration/study.	P740 million Approx. 3,700 staff (Including ex-RoDs and some former survey staff of LMS)
5	Land Information Department: At national level, this Department undertakes the core land and coastal waters information functions that any country requires in the national interest. It is segregated from the 'doing' of mapping and survey projects 'on the ground', the latter undertaken by the relevant Mobile Project Team(s) in accordance with budgeted 'tasking orders' from LID to the National Office-Program. Some such projects may be undertaken by the private sector under contracts with the National Office – Programs.	P90 million Approx. 300 staff
6	National Office (Programs): Delivers mapping/survey/charting of National waters, Hydrographic mapping for shipping, mass titling, records reconstitution and CARP projects in accordance with specified budgets, outputs and other project tasking instructions authorized by LAA DG and Deputy DGs within annual LAA budget and overall work program. Determines most efficient means of delivering specified outputs including whether by use of in-house or contracted resources. <i>Indicative sizing/budget assumes all day-to-day management of the project teams is undertaken by, and budgeted within, individual projects.</i>	P25 million Approx. 100 staff
7	Mobile Project Teams: Mapping and geodetic network projects; Mass titling projects; CARP projects; Records reconstitution projects. Although 'mobile' in terms of organization structure, these teams may well be formed and remain in a given locality/region for several months, if not longer. Requirements for logistical support (but <i>not</i> management oversight) by the relevant Provincial or District Service Center to be arranged and budgeted as part of individual projects. Available budget for projects and its distribution across project teams determined annually alongside budgets for LAA 'core services' within agreed 3-year rolling work programs. An annual budget of P613 million would fund approximately 100 teams of 20 persons each on average.	Based on the above estimates and a 'Best Case' total LAA expenditure budget of P1.755 billion (excluding CARP funds), some P613 million would be available.

(*) The indicative annual budgets and staffing estimates are derived from assessment of current resourcing (to the extent data are available) together with broad judgments regarding the potential for savings through merger/co-location of like functions, notably corporate management and support functions. These broad estimates and the total annual budget they imply are consistent with those of the 'Best Case' scenario contained in the 16 June 2003 Budget Impacts paper.

Evaluated against the principles suggested earlier, Option 2 provides a suitable organizational *framework* for the LAA's long-term operations, although other suitable options could also be developed.

Principle	Assessment of Option 2
Meet the needs of service users	The proposed structuring of both the core regional network and the Mobile Project Teams provide an organizational framework for marked improvement on current structures in terms of convenience for service users and/or accountability to users for achieving results.
Promote and support delegation of decision-making	The option assumes delegation of survey verification/approval functions to the District Service Center level. It also creates an organizational framework for more rigorous performance management by reference to budgeted outputs/targets, with scope for an associated reduction in senior management oversight of day-to-day operations.
Merge/co-locate like functions and segregate unlike/conflicting functions	<p>The option:</p> <ul style="list-style-type: none"> • merges land information bases and responsibility for the geodetic infrastructure at the national level and co-locates/merges core title registration and survey functions within One Stop Shops; • separates 'core' ongoing standard-setting and services from the delivery of functions with (in principle) a finite life and/or which can be contracted in whole or part from the private sector.
Minimize barriers to information flows	<p>Barriers to information flows are reduced in three key ways:</p> <ul style="list-style-type: none"> • by co-locating title registration and survey verification/approval functions within the One Stop Shops; • by merging within the Land Information Department management of the topographic and cadastral spatial infrastructure and data bases; • in the case of ex-DENR functions, by reducing from three to two the tiers of management below National level within the core structure.
Distinguish core continuing functions	The structure envisaged by Option 2 is designed to deliver the LAA's core <u>continuing</u> public services. Some of these are nevertheless appropriately subject to some degree of 'fee for service'. A significant part of projects to be undertaken by the Mobile Project Teams are also, arguably, in the public interest and appropriately subsidized, in whole or part, through general taxation rather than user charges.

Principles (continued)	Assessment of Option 2 (continued)
Be cost efficient	Option 2 is broadly consistent with the assumptions and budget impacts of the 'Best Case' scenario contained in the 16 June 2003 Budget Impacts paper. It is judged realistic in the context of the Philippines, as distinct from theoretically achievable using 'international best practice'.

Conclusion:

This paper has identified a range of issues to be considered in developing a preferred long-term organization structure for the LAA. Decisions will depend, in part, on better factual information than is currently available and in part on judgments regarding – for example – the scope in practice for reform of employment conditions and work practices. This in turn suggests that the development of a long-term structure for the LAA might, if undertaken thoroughly, extend over a period of several months. While subsequent implementation of a preferred long-term structure may then take many further months (if not years), there is no obvious way that a merger of the present structures can or should be 'staged' in the sense of proceeding beyond the initial (12-month) Start Up Phase through a series of further 'interim' organization structures.

(John Mellors)
 Institutional Arrangements Adviser
 23 June 2003

ANNEX A: STAFFING DATA (as available at June 2003)

The following data relate to 'Permanent Positions' (both filled and unfilled) within the approved staff establishments of the agencies. Budget data suggest that, for FY2003, an average of 94% of these positions have been funded as 'Permanent Filled Positions'.

Land Management Bureau (DENR)

(Head-quartered and staffed in Manila)

Office of the Director	58
Surveys Division	96
Land Utilization and Disposition Division	48
Legal Division	26
Records Management Division	60
Coterminous Position LMB	12
Coterminous Position Real Property Mgmt. Office	6
TOTAL	306

Land Management Service (DENR)

(Staffed within the DENR Regional/PENRO/CENRO structure comprising 14 Regional Offices (excluding ARRM), 74 PENROs and 170 CENROs)

REGIONAL OFFICES:	
Survey Division	621
Field Networks Survey Party	296
Land Management Division	264
Sub-total: DENR Regional Offices	1181
PENROs (Technical)	74
CENROs:	
Lands	778
Survey Party	2249
Sub-total: CENROs	3027
TOTAL	4282

NAMRIA (Attached Agency of DENR)

(Head-quartered and staffed in Manila)

Office of the Administrator	11
Intelligence Security Unit	21
Financial and Management Division	17
Administrative Division	38
Planning Division	9
Sub-total: 'corporate management'	96
Office of the Director (Surveys Division)	6
Ship Support Division	72
Hydrographic Survey Division	77
Oceanographic Survey Division	45

NAMRIA (continued):

Geodetic and Geophysics Surveys Division	80
Sub-total: Coast and Geodetic Surveys	280
Office of the Director (Photogrammetry)	4
Photogrammetry Division	27
Cartography Division	69
Reprography and Printing Division	46
Aerial and Spatial Survey Division	18
Sub-total: Mapping and Reprography	164
Office of the Director (Land)	4
Land Resource Data Analysis Division	30
Physiography & Aquatics Division	12
GIS Applications & development Division	16
Land Classification Division	45
Sub-total: Remote Sensing etc Department	107
Office of the Director (Data Management)	4
Data Management Division	31
Systems Development and Programming Division	21
Media Production Division	18
Information Services Division	15
Sub-total: Information Management Department	89
Office of the Director (Engineering Services)	5
Transport Engineering Division	8
Computer Engineering Division	19
Engineering Services Division	23
Sub-total: Engineering Services Department	55
TOTAL	791

LRA including Register of Deeds (Attached Agency of DOJ)

The LRA is Head-quartered and staffed in Manila. The current LRA Directory posted on the LRA website indicates that there 10 RoD 'Regional Centers' and 130 Provincial/City Registers of Deeds. Budget data indicate that LRA (including Register of Deeds) has a total staff establishment of 2,660 'Permanent Positions' and has been funded for 2,340 'Permanent Filled Positions' in FY2003. Current actual staffing of the Register of Deeds is estimated to be some 1,880 persons (excluding clerical assistants paid for by LGUs). All other LRA staff are based in Manila.

Estimated total Permanent Positions (filled and unfilled):

LMB	306
LMS	4,282
NAMRIA	791
LRA/RoD	2,660
GRAND TOTAL	8,039

**ANNEX B:
SUMMARY LISTING OF MAIN FUNCTIONS TO BE PERFORMED BY LAA**

Corporate functions
<p>Integrated policy development and coordination; program planning; 'customer relations'; performance standards, indicators, reporting and review.</p> <p>Corporate finance, personnel management, information systems and property/asset management</p> <p>Technical standards (e.g. survey, records management) and quality control</p>
Functions currently performed by NAMRIA
<p>Mapping & survey standards and reference points; surveys, hydrographical and bathymetric charting, remote sensing and mapping services to produce base (topographic) land information.</p> <p>Storage of and provision of ongoing access to base land information maps/records.</p> <p>Land classification criteria (with other DENR agencies).</p> <p>Land classifications (recommendations to DENR Secretary for decision).</p>
Functions currently performed by LMB/LMS
<p>Cadastral survey of public lands. Approval of cadastral surveys (including splitting and consolidation of titles). Preparation, storage of and provision of access to cadastral maps/records.</p> <p>Disposition of public A&D land (via Secretary DENR) including:</p> <ul style="list-style-type: none"> • identification of beneficiaries & consideration of claims; • preparation of subdivision plans; • issuance of Patents <p>Ongoing management of public lands not disposed of (and not 'owned' by other GOP agencies), including management of leases and enforcement of lease conditions.</p> <p>Approval of subdivision plans for untitled and titled land</p> <p>Comment/clearance of proposals for conversion of agricultural lands.</p>
Functions currently performed by LRA (including ROD)
<p>Assistance to the Courts in land registration cases and issuance of decrees of registration pursuant to Court judgments.</p> <p>Verification/approval of subdivision plans (splitting & consolidation of titles)</p> <p>(ROD) Issuance of Certificates of Title and registration of Patents, CLOAs, CADTs etc</p> <p>(ROD) Assessment of instruments for registration, registration records, records storage and provision of access to records</p> <p>Disposition/sale of some properties (to be confirmed)</p>

BUDGET IMPACTS ARISING FROM ESTABLISHMENT OF THE LAND ADMINISTRATION AUTHORITY (LAA)

Purpose and summary:

Purpose and scope

The potential Budget impacts of establishing the proposed Land Administration Authority (LAA) will be a major focus of attention and questioning in forthcoming examination by the Congress of draft legislation to establish the LAA.

This paper present estimates of the current Budget costs, revenues and staffing of the Land Management Bureau (LMB), Land Management Service (LMS), National Mapping and Resource Information Authority (NAMRIA) and Land Registration Authority (LRA) including the Register of Deeds (RoD). These estimates provide the 'Start Point' for subsequent sections of the paper in which projections are presented of Budget impacts arising from merging these agencies within the proposed LAA.

The paper's projections are presented for 'Best Case' and 'Worst Case' scenarios using assumptions summarized in the first (summary) table below. A projection period of ten years in total has been adopted in order to provide an adequate period for recovery of potential 'up front' costs following restructuring of LAA functions and regional networks during the first five years.

The paper's projections are confined to the direct Budget impacts of LAA establishment and do not encompass other possible elements of a long-term land administration reform program (e.g. abolition of judicial procedures for titling; changes to the land-related tax structure). These other reform elements have not been agreed to date and are not, in any event, directly dependent upon or attributable to the establishment of the LAA.

Summary/key points

- There are major data limitations, uncertainties and unknowns at present. These include: lack of data on the actual spending, staffing and office networks of the present land administration agencies; uncertainty regarding future policies towards key determinants of the LAA's future costs and revenues (notably future policy towards rationalization of structures/functions and associated reductions in staffing, if any); and an unknown/unspecified program for future ('accelerated') first-time land titling by the LAA and its related resourcing requirements. This paper therefore presents *projections*, not *forecasts*, of Budget impacts that are entirely dependent on the assumptions made in deriving them, using the best available information as at June 2003.
- The total direct Budget costs, revenues and staffing of LMB, LMS, NAMRIA and LRA for Financial Year (FY) 2003 are estimated to be: total Budget expenditures P1,500 million; total non-tax revenues P1,441 million; total permanent staffing 7,495 persons.

- Additional management supervision and corporate services attributable to land administration functions, currently provided through the Offices of the Secretary, DENR and DOJ (including, in particular, DENR’s regional/sub-regional office structure), are estimated to add a further P274 million to FY2003 Budget expenditures on the land administration functions of agencies to be absorbed within the LAA.
- Combining expenditure and revenue estimates, the present (FY2003) overall net cost to the Budget of land administration functions/activities to be undertaken by the LAA is estimated to be P333 million.
- Using these estimates as the ‘Start Point’, summary Budget impacts arising from establishment of the LAA are projected as follows.

	Total net cost to Budget of the LAA in Years 1 to 10 inclusive	Annual net cost to Budget of LAA in Year 10	Ongoing LAA permanent staff number
‘Best Case’ scenario: Current structures are thoroughly merged within the LAA. Corporate support is rationalized and associated staff numbers/costs reduced. Surplus staff receive 3 months salary per year of service. New office/One Stop Shop (OSS) network created and funded. HRD and IT systems budgets provided. Incentives to grow revenues (notably non-LRA revenues) provided.	P1,325 million	- P192 million (LAA revenue exceeds LAA expenditure)	7,230 staff
‘Worst Case’ scenario: The current (separate) structures of LMB/LMS, NAMRIA and LRA are retained within an LAA ‘corporate shell’. There is no rationalization of corporate support or staff reduction. The LAA Budget does not receive an appropriate share of DENR/DOJ corporate overheads. LAA is required to establish new positions to service the present LMS structure. No incentives provided for revenue growth.	P5,223 million	P531 million	8,395 staff

- The biggest contributors to the large differences in these projected outcomes are, in descending order of significance, the differences in the assumptions made regarding:
 - whether or not the LAA is provided incentives to increase land administration revenue;
 - whether or not establishment of the LAA is followed by action to thoroughly merge existing structures and thereby reduce corporate overheads and functional overlaps (with associated reductions in the number of LAA staff required to service any given level of LAA outputs);
 - whether or not the LAA is obliged to duplicate management supervision and corporate services currently provided through the Offices of the Secretary, DENR and DOJ.

Present costs/revenues and staffing of the land administration agencies ('Start Point' estimates)

Uncertainties/unknowns

Annex A outlines information needed to prepare for the establishment of the LAA including the data necessary to document the actual costs, revenues and staffing of the present land administration agencies. These data remain unavailable at present. As a consequence, both the 'Start Point' estimates of current costs, revenues and staffing and the subsequent projections of future scenarios are derived from published data sources, notably the General Appropriations Act for Financial Year 2003 enacted by Congress and signed by the President on 23 April 2003.

The Budget's General Appropriations are subject to a number of significant limitations as a proxy for the actual costs incurred by the land administration agencies and their staffing:

- Departmental agencies receive no direct Budget funding through the General Appropriations Act for (and do not measure) a range of costs, notably costs incurred in their use of capital (e.g. the capital costs of their existing office accommodation; depreciation charges for vehicles and IT equipment).
- The LMB and LMS are, respectively, a Staff Bureau and part of DENR's regional/sub-regional network. As such, their Budget appropriations are contained within the appropriations for the DENR's 'Office of the Secretary'. This gives rise to important gaps in the Budget appropriations and staffing data that have to be filled by extrapolation/residuals techniques and/or informed guesswork.
- Staffing data included as an annex to the General Appropriations Act are confined to 'Permanent Positions'. There is no direct means of estimating the numbers of contract/temporary employees funded from the General Appropriations.
- As their title suggests, the General Appropriations do not encompass provision for the funding of costs chargeable to Special Funds or Continuing Appropriations. However, with the exception of land administration costs funded through the CARP Fund these other sources of Budget appropriations are thought to be relatively minor insofar as relevant to the land administration agencies.
- More generally and for various reasons, the Budget appropriations may (or may not) be a reasonable guide to actual authorized expenditures and their distribution across different expenditure components.

A further complication in respect of FY2003 is that the General Appropriations Act for 2003 contains, in effect, two Budgets: a 'First Preference' and a 'Second Preference'.

The 'First Preference' appropriations provide for ongoing personal services (salaries), maintenance and other operating expenditure (MOOE) and (minor) capital outlays. The 'Second Preference' appropriations provide for additional expenditures on MOOE and, in particular, additional GOP counterpart funding for foreign-assisted development projects.

Excluding ‘one-off’ development projects, the ‘Second Preference’ appropriations would add some 8 per cent to the ‘First Preference’ General Appropriations to the land administration agencies for their ongoing programs. DBM advises that these ‘Second Preference’ appropriations will only be activated later in 2003 if overall budgetary circumstances (notably GOP revenue collections) permit this. The ‘Start Point’ estimates of this paper assume that these ‘Second Preference’ appropriations for FY2003 will not be activated/spent.

Assumptions

The principal assumption underpinning the following estimates of the direct cash costs to the 2003 Budget of the land administration agencies is that the ‘First Preference’ 2003 Budget appropriations to the agencies and their distribution across appropriation items are reasonable proxies for the actual direct costs to be incurred by these agencies in 2003. There is no way at present of testing the realism of this assumption.

Several other, more detailed, assumptions and estimation methods have been used to address gaps in the available Budget appropriations data. The more significant of these are mentioned in the notes to the tables that follow and in Annex B.

Start Point estimates

Arising from these uncertainties/unknowns and assumptions, the following table provides the best estimates currently available of the direct cash costs to the Budget, the Budget revenues and the ongoing (‘permanent’) staffing of LMB, LMS, NAMRIA and LRA in FY2003.

'START POINT': ESTIMATES OF FY2003 CURRENT COSTS, REVENUES AND STAFFING OF LAND ADMINISTRATION ACTIVITIES FOR POTENTIAL TRANSFER TO LAA					
<u>Expenditures and staff numbers</u> (Note 1)					
Agency/unit	Personal Services (P million)	MOOE (P million)	Capital Outlays (P million)	TOTAL OUTLAYS (P million)	Permanent staff (Note 2) (number)
LMB	47.2	11.0	nil	58.2	335
LMS	625.2	49.3	nil	674.6	4,070
NAMRIA	172.3	68.0	nil	240.4	750
LRA:					
- base funding	389.3	38.2	nil	427.5	2,340
- MOOE from revenue (Note 3)		100.0		100.0	
Sub-totals	1,234.1	266.6	nil	1,500.7	7,495
Share of DENR Central Office 'overhead' (Note 4)	-	-	-	57.2	200
Share of DENR Regional Offices 'overhead' (Note 4)	-	-	-	203.2	800
Share of DOJ Office of Secretary 'overhead' (Note 4)	-	-	-	13.7	45
TOTAL OUTLAYS/STAFF	-	-	-	1,774.8	8,540
<u>Revenues (P million)</u> (Note 5)					
LMB/LMS	54.0				
NAMRIA	10.4				
LRA	1,377.0				
TOTAL REVENUES	1,441.4				
NET FY2003 BUDGET OUTLAYS: P 333.4 million					
Notes:					
<p><u>Note (1):</u> Expenditure estimates from FY2003 General Appropriations Act 'Preference 1'. Excludes LAM project, funding from CARP special fund and any other special/continuing appropriations.</p> <p><u>Note (2):</u> Estimated permanent filled positions. Figures for NAMRIA and LRA sourced from FY2003 General Appropriations Act staffing data. Figures for LMB and LMS estimated from DENR data on their total permanent positions (filled and unfilled).</p> <p><u>Note (3):</u> See Footnote 6 to Table 1 at Annex B.</p> <p><u>Note (4):</u> The central offices of DENR/DOJ provide a variety of general administrative and support services on behalf of all their portfolio agencies including planning and budgeting services, legal services and review of matters requiring approval by the relevant Secretaries. Similarly and (in resource terms) more significantly, DENR's Regional and Provincial offices undertake a range of supervisory and support service activities such as payroll processing on behalf of the various DENR Services, including LMS. A part of the costs of these support services are properly attributable to land administration functions. Expenditure estimates shown are based on the shares of LMB/LMS/NAMRIA expenditure in total DENR portfolio expenditure (21%), the share of LRA expenditure in total DOJ portfolio expenditure (10%), and the share of LMS operations in total expenditures of DENR regional/sub-regional offices (28%). These shares have been applied to expenditure on 'general administration' and 'support for operations' by the DENR 'Central Office Proper', DOJ Office of the Secretary and DENR Regions respectively to derive the estimates given. The estimated personal services component of these amounts together with actual/estimated average salary data have been used to provide estimates of the notional number of staff positions funded by these expenditure shares.</p> <p><u>Note (5):</u> Non-tax land administration fees/charges. Estimates for NAMRIA and LRA are for FY2003 from the National Non-Tax Revenue Program Table C.5. This provides no break-down for LMB/LMS, the estimates for which are for FY2001, sourced from the LAMP Financial Model (August 2002).</p>					

Key features of the Start Point estimates

- Salaries and salary on-costs ('Personal Services') amount to **82%** of the direct cash costs of the present land administration agencies. Obviously, future policy towards staff numbers, reductions in staffing and staff remuneration will be by far the largest single determinant of future direct costs to the Budget arising from land administration.
- The direct cash costs of the present agencies are **81%** recovered by their fees and charges (before allowance for expenses not directly attributed to them such as office accommodation, depreciation charges and unfunded employee entitlements). This is almost solely attributable to the fact that LRA revenue is nearly three times its estimated direct costs to the Budget in 2003. Future policy towards user charges, including the extent to which functions/activities undertaken in the general public interest will in future be funded Budget appropriations or user charges, will also be a critical influence on net costs to the Budget.
- The estimated costs of corporate management and support services provided to the land administration agencies by DENR and DOJ, especially the regional and sub-regional offices of DENR, amount to **15%** of total direct cash costs. Expressed differently, if no funding provision is made for such 'overhead' costs when the present land administration agencies transfer to the LAA, then their present cash budgets and staffing would need to be cut by some **18%** in order to fund the same level of corporate management and support services from within the LAA's overall resources. However, the 'Best Case scenario' for the future assumes substantial reductions from current levels of corporate overhead (see below).
- NAMRIA's average salary costs are substantially higher than those of LMB, LMS and LRA (see Table 4, Annex B). They are also markedly higher than other agencies within DENR that might be expected to have similar patterns of technical staffing (e.g. Mines and Geosciences Bureau). The reasons for this, and for a substantial discrepancy between the number of 'Permanent filled positions' for which NAMRIA has been budgeted in 2003 (750 filled positions, down from 760 filled positions in 2002) and the reported number of current NAMRIA employees (706 employees), are not known.

Budget impacts of LAA establishment: two scenarios

Uncertainties/unknowns

Enabling legislation: Whether, when and in what form the Congress will enact legislation to establish the LAA - and hence the timing of any commencement of LAA operations and Budget requirements - is unknown.

LAA Organization Structure: The draft Bill to establish the LAA provides for an initial 12-month period following LAA establishment during which LAA management will define a longer-term organization structure. Its decisions in this regard cannot be forecast. In particular, it is unknown at this stage whether and over what period LAA management will act to thoroughly merge the structures and corporate support and operational activities of the existing land administration agencies. The longer-term structure that emerges (including the possibility, as one option, that the existing structures of LMB, LMS, NAMRIA and LRA are retained within an umbrella LAA

‘corporate shell’) will have a major bearing on the scope - if any - to achieve cost savings through establishment of the LAA.

A companion paper, ‘LAA organization structure: issues, options and scenarios’, addresses this area of uncertainty in more detail. It includes two scenarios for the LAA’s long-term organization structure that are consistent with the Best Case/Worst Case scenarios contained in this paper.

Policy towards staffing reductions: Related to, but distinct from, questions of organization structure is the issue of future policy towards LAA staffing. Salaries and salary on-costs amount to 82 per cent of the ongoing budgets of the present land administration agencies. Obviously, if the costs of producing any given volume of work are to be reduced through cost savings by the LAA then these savings must overwhelmingly derive from reductions in staffing. Current rates of ‘natural’ staff attrition are unknown but appear most unlikely to produce significant reductions in staff numbers within a reasonable period. Reductions by attrition are, in any event, a highly haphazard and inefficient means of matching staff numbers, skills and locations to work requirements. Whether the Government and/or LAA management will be prepared to initiate sizable reductions in staff numbers through *involuntary* means - with appropriate severance payments - is unknown.

Future LAA workload: No systematic time-series indicators of past/present workload are available for LMB/LMS or NAMRIA.¹³ No work program exists to provide a basis for forecasting the volume of future services the LAA will provide or their resourcing requirements. General references have been made to an ‘accelerated’ program of first-time land titling under LAA management but the acceleration of what to what, where and over what time period has yet to be specified and quantified. These and other data limitations in turn make it impossible to forecast the scope for any future internal re-assignment of staff who may otherwise become surplus to LAA requirements. This paper’s Best Case/Worst Case scenarios both assume there is no future change in the overall volume of land administration services to be provided.

Funding sources for LAA establishment and operations: Aside from Budget appropriations and revenues from fees/user charges, future sources of funding for LAA establishment and operations cannot be quantified by reference to past/current sources and amounts. In particular the amount, timing and form (grant or loan) of foreign funding assistance for LAA establishment or its future land titling activities - if any - is unknown.

Given the major influence of the above uncertainties/unknowns on the LAA’s future funding requirements it is impossible to prepare any confident *forecast* of the Budget impacts likely to arise from establishment of the LAA. The best that can be done is to *project* the Budget impacts associated with different sets of assumptions, leaving others to judge the realism of these assumptions and/or to specify alternative assumptions.

¹³ In contrast, quite good time-series data on transactions undertaken by the LRA/RoD are available from the annual reports of the LRA.

Assumptions

Under the Best Case scenario it is projected that:

- current organization structures are thoroughly integrated within the LAA, involving rationalization of corporate support and overlapping operations and an associated reduction in the number of staff required to service current workload;
- existing staff surplus to LAA requirements receive a gratuity of 3 month's basic salary for every year of service;
- As a consequence of structural reorganization, there is a need to provide new or refurbished office/OSS accommodation for up to half of the ongoing LAA staff over a five-year period;
- A moderate ongoing budget to install/upgrade the LAA's IT and communications systems is provided;
- A moderate ongoing budget equivalent to 3% of LAA salary costs is provided to institute an LAA Human Resource Development (HRD) program;
- Incentives are provided to grow LAA revenue over time, notably non-LRA revenues, through DBM/LAA agreement on retention arrangements for additional revenue.

Under the Worst Case scenario it is projected that:

- The current structures of LMB, LMS, NAMRIA and LRA, including their different regional structures, are preserved essentially unchanged for the indefinite future within an LAA 'corporate shell' under the LAA Director General/General Manager;
- There is, accordingly, no rationalization of corporate support or overlapping operations, no associated staffing reductions and no savings from this source;
- The LAA does not receive an appropriate share of the corporate support budgets/staffing currently provided to the Offices of the Secretary, DENR and DOJ, attributable to management supervision and corporate servicing of activities transferred to the LAA - accordingly, the LAA has to duplicate funding of these resources to establish a 'lean' office of the LAA Director General/General Manager and a management supervision/corporate service capacity for ex-Land Management Service functions/staff at regional/sub-regional levels;
- No incentives are provided for growth of LAA revenues.

An alternative Worst Case scenario might be that the LAA is established with no funding additional to that directly provided in FY2003 to LMB, LMS, NAMRIA and LRA, and no agreement to increase the proportion of LAA revenues it may retain. This alternative Worst Case scenario would entail substantial cuts to existing land administration operations (and staff redundancies) in order to fund unavoidable start-up costs for the LAA. It would represent 'strangulation at birth' for the LAA and is of little interest in the context of this paper since, by definition, net Budget impacts would be zero.

Further details of assumptions and projection methods are provided in the notes accompanying the Best Case and Worst Case projection tables that follow.

'BEST CASE' SCENARIO FOR LAND ADMINISTRATION AUTHORITY
(All projected Budget amounts in Pesos millions, FY2003 prices)

	Start Point	Initial StartUp	Restructuring Phase				Ongoing operations				
Indicative Financial Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Year		1	2	3	4	5	6	7	8	9	10
EXPENDITURES											
Existing (Start Point) expenditure base	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775
Expenditure additions:											
Severance payments for surplus staff	-	94	187	187	-	-	-	-	-	-	-
Rationalization/renewal of office/OSS network	-	16	47	78	117	156	156	156	156	156	156
Ongoing budget for IT systems upgrading	-	10	25	50	50	50	50	50	50	50	50
Ongoing budget for HRD	-	-	37	37	37	37	37	37	37	37	37
Expenditure savings:											
Rationalization corporate support and operations	-	-	- 53	- 158	- 263	- 263	- 263	- 263	- 263	- 263	- 263
Projected expenditures (Base+additions-savings)	1,775	1,895	2,018	1,969	1,716	1,755	1,755	1,755	1,755	1,755	1,755
REVENUES											
Existing (Start Point) revenue base:	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441
Revenue additions:	-	-	48	97	149	202	258	316	377	440	506
Projected revenues (Base + additions)	1,441	1,441	1,489	1,538	1,590	1,643	1,699	1,757	1,818	1,881	1,947
NET BUDGET EXPENDITURES (Projected expenditures less projected revenues)	334	454	529	431	126	112	56	- 2	- 63	- 126	- 192
Memorandum Item: Indicative Staff Number	8,540	8,280	7,750	7,230	7,230	7,230	7,230	7,230	7,230	7,230	7,230

ASSUMPTIONS/CALCULATIONS UNDERLYING ‘BEST CASE’ PROJECTIONS

Assumption	Calculation (Full year impact)	Timing
1. Savings of 30%, 20% and 10% made in General Admin., Support to Operations and Operations respectively by LAA, <u>after</u> transfers to LAA of an appropriate share of ‘overhead’ budgets/staff from DENR/DOJ	Composition of Start Point budgets as shown in table below. Total annual saving = P263 million. Estimated 82% of this is personal services, based on current average for LMB/LMS/ NAMRIA and LRA (= P216 million)	Savings accrue in line with departure of related staff (see (2)), but lagged one year: 20% in Year 2; plus 40% in Year 3; plus 40% in Year 4.
2. In order to achieve the net reductions at (1), 20 per cent more than the net number of staff reduction must be separated, and replaced by new recruitment as a consequence of skill/location imbalances. 3 months salary for each year of service. Average 10 years of service for departing staff.	Average base salary, weighted by agency shares in initial funding, = P119,200 p.a. (see table below). Increased by 38% to give total average remuneration of P164,500 p.a.. Net staff reduction = P216 million divided by P164,500 = 1310 staff. Gross number of staff departing (+ 20%) = 1570. Total gratuities at 3 months of base salary P119,200 times 10 times 1570 persons = P468 million.	Surplus staff identified by end of Year 1: 20% depart Year 1 (P94m); 40% Year 2 (P187m); 40% Year 3 (P187m).
3. Mismatches in existing structures and establishment/ upgrading of OSS network require that <u>half</u> of all remaining staff of the LAA need to be re-housed in relocated/refurbished office/OSS accommodation over a five-year period, commencing with accommodation for incoming DG and his/her initial corporate support team.	Remaining (core) staff including new recruits = 8540 less 1310 = 7230 staff. Staff to be re-housed = 3615. Assume rent/capitalized construction cost of P300 per sq. metre per month (based on lower-end of mid-range Makati rents). Assume 12 square metres per head including shared areas/public contact space/records storage space. Total annual cost 3615 x P300 x 12 x 12 = P156 million pa. when fully implemented.	Office relocation/ upgrading occurs over a five year period as follows: 10% Year 1 20% Year 2 20% Year 3 25% Year 4 25% Year 5
4. LAA spends 3% of personal services budget on HRD	Total budget after savings but before additional accommodation/IT costs = P1774.8m less P263m = P1512m. Personal services = 82% of this = P1240m 3% of P1240m = P37million p.a.	HRD budget commences in Year 2.
5. LAA invests P50 million annually in IT and communications upgrade.	P50m per annum.	20% of IT budget in Year 1, building up to 50% in Year 2 and 100% in Year 3.
6. As a result of revenue sharing incentive arrangements with DBM, <u>non-LRA</u> fees and charges grow by 10% pa; LRA revenue grows by 3% pa. (*)	<u>Non LRA</u> Start Point fees of P64m grow by 10% p.a.. LRA fees of P1,377m grow by 3% p.a..	Revenue growth commences Year 2.

(*) Note: Provided LAA revenue increases as a result of revenue-sharing incentives as between the LAA and National Treasury, the net Budget impact of such increases is unaffected by the specific proportions in which revenue is retained by LAA or remitted to the National Treasury. Revenue retention by LAA will decrease the LAA’s requirements for Budget appropriations. Remittance to the National Treasury will decrease the GOP’s net funding requirement for Government expenditures generally.

Budget impacts of LAA establishment: 16 June 2003

Composition of expenditure:

P '000	General Admin	Support to Ops.	Ops.	Total
LMB	30,204	27,795	225	58,224
LMS			674,645	674,645
NAMRIA	51,177		189,177	240,354
LRA	46,276	23,278	457,960 (*)	527,514
DENR CO share	57.2			57,200
DENR RO share	203.2			203,200
DOJ O/Sec share	13.7			13,700
TOTALS	401,757	51,073	13,22,007	1,774,837 (**)

(*) Including extra P100 million for MOOE provided for in FY2003 General Appropriations Act

(**) Estimated total staff (including notional positions) 8,540

30% of General Admin. = P120.5 million; 20% of Support to Ops = P10.2 million; 10% of Operations = P132.2 million. TOTAL SAVING = P263 million annually when fully implemented.

Average salaries:

	Share in initial LAA funding	Average base salary (P)	Share times average base salary (P)
LMB	3.3%	112,900	3,725.7
LMS	38.1%	110,900	42,252.9
NAMRIA	13.5%	148,370	20,029.9
LRA	29.7%	117,550	34,912.3
DENR CO	3.2%	120,000	3,840.0
DENR RO	11.4%	113,000	12,882.0
DOJ O/Sec	0.8%	195,400	1,563.2
		WEIGHTED AVERAGE BASE SALARY P.A.	119,206

‘WORST CASE’ SCENARIO FOR LAND ADMINISTRATION AUTHORITY
(All projected Budget amounts in Pesos millions, FY2003 prices)

	Start Point	Initial StartUp	Restructuring Phase				Ongoing operations				
Indicative Financial Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Year		1	2	3	4	5	6	7	8	9	10
EXPENDITURES											
Existing (Start Point) expenditure base (note 1)	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775
Expenditure additions:											
Creation of Director General’s Office	-	20	20	20	20	20	20	20	20	20	20
Office accommodation for DG’s Office	-	4	4	4	4	4	4	4	4	4	4
Creation of regional support network for ex-LMS staff	-	75	150	150	150	150	150	150	150	150	150
Separate accommodation for regional support network for ex-LMS staff	-	11	23	23	23	23	23	23	23	23	23
Expenditure savings:	-	-	-	-	-	-	-	-	-	-	-
Projected expenditures (Base+additions-savings)	1,775	1,885	1,972	1,972	1,972	1,972	1,972	1,972	1,972	1,972	1,972
REVENUES											
Existing (Start Point) revenue base:	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441
Revenue additions:	-	-									
Projected revenues (Base + additions)	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441
NET BUDGET EXPENDITURES (Projected expenditures less projected revenues)	334	444	531	531	531	531	531	531	531	531	531
Memorandum Item: Indicative Staff Number (Note 2)	7,495	7,995	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395

Notes:

(1) Worst case scenario assumes that while LAA does not obtain an appropriate share of corporate support/corporate service funding currently expended by the Offices of the Secretaries DENR and DOJ (including DENR regional/sub-regional offices), these funds continue to be spent by DENR/DOJ respectively. Hence overall ‘Start Point’ costs to the Budget are unchanged.

(2) Excluding notional transfer of corporate support positions from DENR/DOJ, but including new corporate support positions necessarily created in LAA for ex-LMS staff under ‘worst case’ assumptions.

ASSUMPTIONS/CALCULATIONS UNDERLYING 'WORST CASE' PROJECTIONS

Assumption	Calculation (Full year impact)	Timing
1. No reductions are made in staff transferring to the LAA, hence no rationalization of corporate support or operational services occurs and there are no associated cost savings following LAA establishment.	No savings from LAA establishment.	Not applicable.
2. Existing (separate) regional structures of LMS and LRA are retained. However, the LAA fails to negotiate the transfer to it of an appropriate share of current corporate support budgets/staff located in the DENR Central and Regional Offices and DOJ Office of the Secretary (and these funds continue to be spent by DENR/DOJ). The LAA is required to spend additional funds in order to create and staff: (a) a minimal LAA corporate office comprising the LAA DG and his/her corporate support team. (b) a supervisory/corporate services network separated from DENR to support LMS staff previously managed/serviced by the DENR regional/sub-regional offices.	(a) DG's Office: 100 persons (say) at average base salary of P120,000 + 38% salary on-costs; plus pro-rata allocation for MOOE = P20 million p.a. (b) Regional/sub-regional support structure for ex-LMS staff: Based on current ratio of General Admin/support to operational expenditure in DENR regional offices, but allowing for 25% reduction in 'overhead' to reflect decreased span of operational control, project annual cost of P150 million and 800 staff (i.e. one regional/sub-regional support staff person for every 5 ex-LMS staffer).	(a) Full additional cost incurred in and from Year 1 (b) Regional/sub-regional support structure for ex-LMS staff put in place over Years 1 and 2. 50% additional cost in Year 1, 100% in Year 2.
3. The minimum necessary funding is provided to: (a) accommodate the incoming LAA DG and his/her initial corporate support team; (b) re-locate/re-accommodate LMS staff and newly-appointed regional management/support staff separately from existing DENR regional/sub-regional offices.	(a) Rent/capital amortization costs of P300 per square metre per month, 12 square metres per person, 100 persons = P4 million a year. (b) 'Minimalist' accommodation at P200 per square metre per month, 12 square metres per person, 800 persons = P23 million a year	(a) Full cost incurred in and from Year 1. (b) 50% of full cost in Year 1, rising to 100% in and from Year 2.
4. No additional funds are available for expansion of HRD for LAA staff.	No additional expenditure.	Not applicable.
5. No additional funds are available for upgrading of IT/ communications systems.	No additional expenditure.	Not applicable.
6. No additional incentives (revenue sharing arrangements) are provided by DBM to encourage increased cost recovery and growth of land information services to the public.	No additional revenue.	Not applicable.

Key features of the projections

The following table summarizes key features of the Best Case and Worst Case scenarios:

	Best Case	Worst Case
Total 10-year net cost to Budget of LAA	P1,325 million	P5,223 million
Total net cost to Budget of LAA in Years 1, 2 and 3	P1,414 million	P1,506 million
Annual net cost to Budget of LAA in Year 10	- P152 million (net revenue)	P531 million
Period within which annual net cost to Budget of LAA falls to or below net cost of current land administration (Pesos 334 million for FY2003)	By Year 4	Never
Ongoing LAA staffing	7,230 persons	8,395 persons

The components making up this large difference in projected Budget impacts under the two scenarios over the 10-year period are as follows.

	(Pesos million)
Total net ten-year cost to Budget of LAA under Worst Case scenario	5,223
<u>Deduct</u> cost savings/revenue increases projected under the Best Case scenario:	
• Growth of revenues	- 2,393
• Rationalization of corporate support and overlapping operations	-2,052
• Non-duplication of DENR/DOJ Office of Secretary management supervision and corporate services	- 1,883
<u>Add</u> additional costs projected under the Best Case scenario:	
• Reorganization of office accommodation/OSS network	+ 1,194
• Severance gratuities for surplus staff	+ 468
• Additional budget for LAA IT/communications systems	+ 435
• Additional budget for LAA HRD activities	+ 333
Equals total net ten-year cost to Budget of LAA under Best Case scenario	1,325

(John Mellors)
 Institutional Arrangements Adviser
 June 2003

ANNEX A
CREATION OF LAA: IMPLEMENTATION ISSUES ¹⁴
AND INFORMATION REQUIREMENTS

Issue	Data needed at this stage for Initial Start Up Plan
1. Budget and finances	
What annual budget will be required in the first year of the LAA's operations to maintain at current levels the functions/services previously undertaken by LMB/LMS, LRA and NAMRIA?	<ul style="list-style-type: none"> • Actual Financial Year 2002 expenditure recorded against each of the 2002 <u>Annual Budget Appropriation</u> items for LRA, NAMRIA, Office of the Secretary DENR (both Office 'proper' and LMB, Land Management Services within that Office), Office of the Secretary DOJ (including distinction between <u>personnel expenses</u>, <u>MOOE</u>, <u>capital expenditure</u>) • FY 2002 actual expenditures against <u>Continuing</u> appropriation items for these agencies/units • FY 2002 actual expenditures by these agencies/units from all other sources (by source) • Total actual revenue, grants and/or loans received by or on behalf of LRA, LMB/LMS, NAMRIA in FY2002, distinguishing main category (revenue, grant or loan) and source
Which/what program funds currently administered by or allocated to DENR/LRA/NAMRIA should be transferred to, or accessible by, the new LAA (e.g. CARP program funds, LAMP funds/loans?)	<ul style="list-style-type: none"> • Listing off all relevant program funds and brief description of fund purpose • FY2002 actual expenditure from each of these funds and program fund balances as at 1 January 2003
If the commencement date of the LAA is other than 1 January, how will within-year accounts and accounting records be split, recorded and reported for audit and other purposes as between DENR, DOJ and the LAA from the date of its effectivity?	No data required at this stage
What existing financial commitments (e.g. supplies on order, building contracts) will transfer for funding by the new LAA?	<ul style="list-style-type: none"> • Listing of all existing contractual commitments by or on behalf of LRA, LMB/LMS, NAMRIA entailing payments to other parties <u>in FY 2004 or beyond</u> where the individual contractual commitment entails an annual expenditure of Pesos 5 million or more, showing amount/year of payment obligation in each case
How should revenues from user charges for a part financial year be split between existing Departments and LAA?	No data required at this stage

¹⁴ Confined to 'practical', immediate issues arising on or around the day the LAA is created. 'Policy' and longer-term implementation issues (e.g. whether/how staff will be selected for transfer to positions in the LAA) are not addressed.

Issue	Data needed at this stage for Initial Start Up Plan
2. Personnel	
<p>What are the current approved 'permanent' positions to be transferred to the LAA? In particular, on what basis will approved positions assigned to functions in DENR/DOJ that are not organizationally 'discrete' be allocated to LAA or retained by existing agencies (e.g. ex-LMS staff within DENR Regional Offices/ PENROs/ CENROs; an 'appropriate' share of general managerial, administrative and support staff in current Central Offices of Secretaries and Regional Offices)?</p>	<ul style="list-style-type: none"> • Listing of <u>all</u> DBM-approved permanent positions in LRA, LMB, LMS, NAMRIA proposed to be transferred to LAA identifying: <ul style="list-style-type: none"> - position title - position salary range - position location (Region/Province/district) - (approximately 7,500 positions?) • Listing of <u>other</u> DBM-approved permanent positions proposed to be transferred to LAA with details as above (e.g. positions in Offices of the Secretaries)
<p>Who are the staff currently occupying these approved positions?</p>	<ul style="list-style-type: none"> • From payroll records, listing of all permanent positions amongst those identified above that are currently occupied, as evidenced by payment of any personnel emolument recorded against the position for the most recent pay fortnight, including position number and name of occupant • By residual, list of unoccupied permanent positions as at most recent pay period
<p>What other employees or individual contractors/consultants are to be transferred to the LAA?</p>	<ul style="list-style-type: none"> • Listing of all other current personnel (as evidenced by payments to them in the past month) currently employed by LRA, LMB/LMS, NAMRIA proposed to be transferred to LAA with details of: <ul style="list-style-type: none"> - position title - position salary/emolument range - position location • A summary description of the basis or bases on which such personnel are employed should also be provided (e.g. are they 'short-term' casual employees? long-term (more than 3 months) personnel employed on individual contracts?)
3. Decision-making powers/delegations	
<p>What are the matters the incoming Director General of the LAA or his/her Deputies will need to routinely decide, or formally delegate to ongoing transitional management of the former LMB, LMS, LRA, NAMRIA for decision/action, in order to maintain an uninterrupted flow of operational action/decision-making from Day 1 of the LAA's operations?</p>	<ul style="list-style-type: none"> • Listing of all 'routine' operational matters (e.g. approval of some issuances of Patents?) that cannot at present be decided/actioned by the Directors/Heads of LMB, LRA, NAMRIA or other officers within these agencies but must at present be referred to positions/persons who will not transfer to the LAA (e.g. the Secretary DENR, Secretary DOJ) <ul style="list-style-type: none"> - (Note: this information is intended to provide a basis for preparation of an administrative instrument, for signature by the incoming DG on 'Day 1' specifying how these matters are to be processed during the Start Up phase)

Issue	Data needed at this stage for Initial Start Up Plan
4. Office Accommodation	
What interim arrangements are to be made on/from 'Day 1' to accommodate the inaugural DG and key corporate staff of LAA?	No data required at this stage
What initial steps are necessary to ensure continued access by staff transferring to the LAA to their current office accommodation and office facilities (e.g. telephones)?	No data required at this stage
Having regard to existing lease commitments (if any) and regional structures, what medium-term office accommodation arrangements should be put in place to commence physical co-location of LAA staff?	<ul style="list-style-type: none"> • Listing of all office and, if separate, operational facilities (e.g. workshops, records depositories) currently occupied by personnel to be transferred to LAA, as identified under (2) above, listing for each: <ul style="list-style-type: none"> - location (consistent with locations identified under (2) above) - brief description (e.g. 'offices', 'warehouse', 'workshop') - whether 'owned' or leased (i.e. whether or not a rental payment is made to another government agency or private owner for use of the facility) - (Note: exclude public land/facilities not used by the agencies for their own operational purposes) • For leased offices/facilities, list for each the annual lease payment and expiry date of lease
5. IT and communications systems	
What IT/communications systems are currently shared by LRA, LMB/LMS, NAMRIA with other elements of DENR/DOJ that will not transfer to LAA? (e.g. salary payroll systems?) What arrangements will be put in place to give LAA continued access to these systems, as necessary, pending establishment of its own integrated systems.	<ul style="list-style-type: none"> • Listing and brief descriptions of all current 'shared' IT and communications systems/applications.
What current information system developments/requirements are planned to be installed (including acquisitions that are contractually committed)? Do any of these require early action by the LAA to modify them?	No data required at this stage
6. Records	
What land administration and/or other management records required for the ongoing operations of LMB/LMS, LRA, NAMRIA are currently stored in facilities shared with other records/users and/or in facilities not under the direct control of, and accessible by, the agencies to be absorbed in the LAA?	<ul style="list-style-type: none"> • Summary papers prepared for each of LMB, LMS, LRA, NAMRIA, identifying main types/categories of records in this general category and for which transitional access arrangements should be identified/agreed prior to 'Day 1'
What interim arrangements need to be put in place from 'Day 1' to ensure continuing and unrestricted LAA access to such records?	See immediately above

Issue	Data needed at this stage for Initial Start Up Plan
7. Corporate communications	
How, when and by whom will staff impacted by establishment of the LAA be informed of decisions and consulted about their implementation? How will <u>regional</u> staff be kept fully and accurately informed?	No data required at this stage
Which employee organizations have coverage of staff to be transferred to the LAA – how will they be consulted, by whom and when?	
How will communications with/information for current users of LMB/LMS, LRA, NAMRIA services be handled and by whom in the period leading up to ‘Day 1’?	
How will subsequent communications with/information for LAA service users and employees immediately following ‘Day 1’ be managed, and by whom?	

Table 1: Year 2003 Budgets and Staffing ¹⁵

Agency	Agency component	'First Preference' General Appropriations FY 2003				'Permanent Filled Positions' ¹⁶ (number)
		Personal Services (P'000)	MOOE ¹⁷ (P'000)	Capital Outlays (P'000)	TOTAL (P'000)	
DENR	DENR - Total Department	3,676,680	864,587	32,505	4,573,772	21,023
	DENR – Office of the Secretary (including Regional Offices, FMB, LMB and LMS, PAWB)	3,072,801	555,371	32,505	3,660,677	18,329
	DENR – “Central Office Proper” ¹⁸	156,721	113,215	4,175	274,111	Not available
	DENR – Regional Offices (including FMS, LMS, etc)	2,718,466	363,083	28,205	3,109,754	Not available
	LMB	47,239	10,985	nil	58,224	Not available
	“Land Management Services” ¹⁹	625,223	49,348	74	674,645	Not available
	NAMRIA	172,336	68,018	nil	240,354	750
DOJ	DOJ – Total Department	3,292,015	824,463	1,000	4,117,478	14,217
	DOJ – Office of the Secretary	1,097,241	148,575	1,000	1,246,816	3,680
	LRA (including RoD) ²⁰	389,269	38,245	nil	427,514	2,340

¹⁵ Budgets for ongoing 'Programs and Activities'. Appropriations for 'one off' (mainly foreign-funded) projects excluded. The only project relevant to the LAA is the LAMP. The FY 2003 'first preference' appropriation for LAMP is P65,292,000 (with a 'second preference' appropriation of P12,571,000).

¹⁶ From FY2003 Budget staffing data, as available (see also Table 2).

¹⁷ Maintenance and Other Operating Expenditure.

¹⁸ “Central Office Proper” comprises 'head office' corporate services/support for the Secretary, DENR and DENR as a whole.

¹⁹ Comprises all appropriations classified as 'land management operations', primarily undertaken within Regional Offices/PENROs/CENROs but including minor items attributed to 'central office proper' (survey of foreshores, CARP lands etc; management/development of ancestral lands).

²⁰ In addition to these general appropriations for LRA, the FY2003 General Appropriations Act provides: “Use of income: In addition to the amount appropriated herein, One Hundred Million Pesos shall be used by the Authority to augment the requirement for maintenance and other operating expenses and capital outlays chargeable against the twenty per cent (20%) of land registration fees/collections of the Register of Deeds and Land Registration Authority pursuant to PD 1529, subject to the submission of a Special Budget in accordance with Section 35, Chapter 5, Book VI of EO No. 292.”

Table 2: Year 2003 Staff Numbers

Agency	Agency component	Total Permanent Positions ²¹ (number)	'Permanent Filled Positions' ²² (number)	Permanent staff currently employed (number)
DENR	DENR - Total Department	22,156	21,023	Not available
	DENR – Office of the Secretary (including Regional Offices, LMB and LMS)	19,290	18,329	Not available
	DENR – “Central Office Proper”	Not available	Not available	Not available
	DENR – Regional Offices (including FMS, LMS, etc)	Not available	Not available	Not available
	LMB	353	Not available (Estimate: 335) ²³	Not available
	“Land Management Services” ²⁴	4,282	Not available (Estimate: 4,070) ²⁵	Not available
	NAMRIA	793	750	706 ²⁶
DOJ	DOJ – Total Department	16,802	14,217	Not available
	DOJ – Office of the Secretary	4,325	3,680	Not available
	LRA (including RoD)	2,660	2,340	Not available

²¹ Source: FY2003 General Appropriation Act staffing data except for LMB, Land Management Services, which are total position numbers as advised by DENR.

²² Source: FY2003 General Appropriation Act staffing data.

²³ For DENR Total, DENR Office of the Secretary and NAMRIA, permanent filled position average 95% of total permanent positions. 95% of the 353 total LMB positions advised by DENR = 335.

²⁴ Comprises all appropriations classified as ‘land management operations’, primarily undertaken within Regional Offices/PENROs/CENROs but including minor items attributed to ‘central office proper’ (survey of foreshores, CARP lands etc; management/development of ancestral lands).

²⁵ 95% of the 4,282 total positions advised by DENR.

²⁶ Number of current NAMRIA employees as advised to Peter Clydesdale by NAMRIA Personnel Section. If this figure is correct, the discrepancy between this and the 750 filled positions for which NAMRIA is being funded in FY2003 is curious. Possible explanations include: NAMRIA’s 2003 budget for staff remuneration will be substantially under-spent, and/or average total remuneration per employee is significantly higher than that formally budgeted, and/or remuneration is being paid to staff who are not currently present at work.

Table 3: Year 2003 Program Appropriations by Type of Expenditure²⁷

Agency	Agency component	Central Admin. And Support (P'000)	Support for Operations (P'000)	Operations (P'000)	TOTAL (P'000)
DENR	DENR – Office of the Secretary (including Regional Offices, LMB and LMS)	813,107	361,124	2,486,446	3,660,677
	DENR – “Central Office Proper”	133,205	139,143	1,763	274,111
	DENR – Regional Offices (including FMS, LMS, etc)	600,340	125,258	2,384,156	3,109,754
	LMB	30,204	27,795	225	58,224
	“Land Management Services” ²⁸	Nil	Nil	674,645	674,645
	NAMRIA	51,177	Nil	189,177	240,354
DOJ	DOJ – Office of the Secretary	135,663	1,153	1,110,000	1,246,816
	LRA (including RoD)	46,276	23,278	357,960	427,514

²⁷ ‘First Preference’ 2003 Budget Appropriations, excluding development projects.

²⁸ Comprises all appropriations classified as ‘land management operations’, primarily undertaken within Regional Offices/PENROs/CENROs but including minor items attributed to ‘central office proper’ (survey of foreshores, CARP lands etc; management/development of ancestral lands).

Table 4: Year 2003 Position Structures and Average Base Salaries ²⁹

Agency component	“Key positions” ³⁰ (filled and unfilled)		Other positions (filled and unfilled)		Total positions (filled and unfilled)	
	Number	Average base salary (Pesos p.a.)	Number	Average base salary (Pesos p.a.)	Number	Average base salary (Pesos p.a.) ³¹
DENR – Office of the Secretary (including Regional Offices, LMB and LMS)	553	260,000	18,737	108,670	19,290	113,000
DENR – “Central Office Proper”	Not available, but overall average base salary likely to be in the order of P120,000 p.a.					
DENR – Regional Offices (including FMS, LMS, etc)	Not available, but overall average base salary likely to be approximately the same as for Office of the Secretary as a whole.					
LMB	7	255,000 (est.)	346	110,000 (est.)	353	112,900
“Land Management Services” ³²	27	255,000 (est.)	4,255	110,000 (est.)	4,282	110,900
NAMRIA	39	254,400	754	142,890	793	148,370
DOJ - Office of the Secretary	2,094	279,000	2,231	116,850	4,325	195,400
LRA (including RoD)	184	245,800	2,476	108,020	2,660	117,550

Average total remuneration per position is approximately 38% above average base salary per position in both DENR and LRA.

²⁹ Based on FY2003 General Appropriations staffing data for filled and unfilled positions, plus DENR data for LMB and Land Management Services.

³⁰ Positions at Salary Grade 24 and above (e.g. Engineer V and Land Management Officer V are Salary Grade 24).

³¹ Weighted average of key and other positions

³² Comprises all appropriations classified as ‘land management operations’, primarily undertaken within Regional Offices/PENROs/CENROs but including minor items attributed to ‘central office proper’ (survey of foreshores, CARP lands etc; management/development of ancestral lands).

ESTABLISHMENT OF THE LAND
ADMINISTRATION AUTHORITY

IMPLEMENTATION PLAN

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ACRONYMS

DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DG	Director General (of LAA)
DOJ	Department of Justice
LAA	Land Administration Authority
LAMP	Land Administration and Management Program
LMB	Land Management Bureau
LMS	Land Management Service
LRA	Land Registration Authority
NAMRIA	National Mapping and Resource Information Authority
PMO	Project Management Office (for the LAMP)
RoD	Register of Deeds

1. OVERVIEW

1.1 Objectives of establishing the LAA

The delivery of the Government's land administration services to the public is currently hampered by problems arising from the fragmentation of responsibilities between four agencies/services: the Land Management Bureau (LMB), Land Management Service (LMS), National Mapping and Resource Information Authority (NAMRIA) and Land Registration Authority (LRA) including the Register of Deeds (RoD). Proposed legislation has been introduced to the Congress to establish a Land Administration Authority (LAA). If enacted, the legislation will abolish the existing agencies and merge their powers, functions, staff and other resources within the LAA.

The main objectives of establishing the LAA are to rationalize and improve the delivery of land administration services and to provide a single institutional focus for future reform of the land administration system. The merging of the present agencies within the LAA will:

- Enable the integrated planning, budgeting and implementation of the long term land titling program, including the development of integrated land classification, land titling, records management and land information systems and services;
- Provide the necessary management structure for the creation and extension of a One Stop Shop network for the delivery of land titling, registration and information services to members of the public;
- Consolidate staffing patterns and training programs for government staff engaged in the provision of land administration services, thereby establishing the basis for the major training and professional development of staff needed to support the long term program and improve their career structures and opportunities;
- Create scope to achieve significant savings through the elimination over time of duplicated administrative support services and other costs arising from the current fragmentation of land administration services;
- Provide a single institutional focus for leadership and management of future reforms of the land administration system.

The LAA will be a public sector agency that is fully accountable to the Government for meeting its objectives and providing services in the public interest. While the present agencies charge fees for some of their services, the LAA will continue to receive substantial annual Appropriations and will remain fully owned and controlled by the Government. The Authority will be assisted by a 16-member Stakeholders' Advisory Committee composed of representatives of the main users of land administration services in the public and private sectors.

1.2 Objectives of this Implementation Plan

The present land administration agencies employ some 7,500 permanent staff and receive annual appropriations through the General Appropriations Act exceeding P1,500 million. Staff of the Land Management Service within DENR and the Registers of Deeds within the LRA, totaling more than 6,000 persons, work in/from numerous different offices throughout the country at Regional, Provincial and Community levels. To achieve the objectives and benefits foreseen in establishing the LAA it will be necessary to fully absorb and merge the present staff, budgets and offices within the new organization.

To achieve this merger while concurrently maintaining uninterrupted day-to-day services to members of the public will be a major management challenge. The objective of this Implementation Plan is to document the tasks, responsibilities and timetables necessary to meet this challenge successfully. Key principles that will underpin the undertaking of individual implementation tasks are to:

- *Communicate* proposals and decisions to all key stakeholders including service users and staff;
- *Consult* with service users and staff before deciding matters affecting them;
- *Action* implementation tasks in accordance with agreed timetables;
- *Maintain* present services to other Government agencies and members of the public while implementation tasks proceed; and
- *Observe* Government policies and principles for managing the implementation of change.

1.3 Scope and structure of the Plan

This Implementation Plan assumes that the legislative provisions for establishment of the LAA will be those contained in House Bill No. 6070 introduced to the Congress on 2 June 2003 by the Hon. Neptali M. Gonzales II and the Hon. Francis G. Escudero. The Plan will be reviewed and revised as necessary during passage of this and any related Bills through scrutiny by Congress to take account of any significant changes in the provisions of HB No. 6070.

The Plan is in three sections corresponding to three key phases leading up to and following effectivity of the Act to establish the LAA:

- Action to be undertaken in the period between the Congressional Report on the Second Reading of HB No. 6070 and the date of effectivity of the Act (Section 2 of this Implementation Plan);
- Action to be taken on or around 'Day 1' of the LAA's legal existence, namely the day the Act becomes effective (Section 3 of this Plan);
- Action to be undertaken in the six months immediately following effectivity of the Act (Section 4 of this Plan).

The actions necessary to fully implement the merger of the present land administration agencies will extend beyond the period covered by this Plan. However, the period covered by the present Plan is sufficient to ensure that the LAA commences operations with minimum disruption and is then well-positioned to address longer-term issues and tasks.

For each phase of the Plan:

- The overall objective of implementation action for the phase is identified;
- Relevant provisions of the proposed legislation are summarized;
- Key implementation tasks are described;
- Responsibility for managing each task is assigned; and
- A timetable for each task is provided.

Throughout this Implementation Plan the term “the present land administration agencies” refers to LMB, LMS, NAMRIA, LRA/RoD, the DENR-CARP National Secretariat and the LAMP-PMO. The term “Task Force” refers to the LAMP Task Force established by Executive Order No. 82 of March 2002, as amended.

2. ACTION PRIOR TO LAA ESTABLISHMENT

2.1 Objective

The overall objective of action to be undertaken prior to LAA establishment is to ensure that on the day the LAA is formally created by effectivity of its enabling Act, a basic management structure for the LAA exists and becomes operational immediately. This is necessary to avoid disruption of continuing services to the public and to ensure that staff of the affected agencies continue to be supervised and paid despite the abolition of the agencies for which they currently work.

The following tasks will be formally initiated at the time of the Congressional Report on the Second Reading of the Bill to establish the LAA. Section 39 of HB No. 6070 provides that the Act to establish the LAA will become effective 15 days after its complete publication in the *Official Gazette* or in a newspaper of general circulation.

2.2 Establishment of Transition Task Group

Task:

Establish a Transition Task Group to undertake the tasks specified below at Sections 2.4 to 2.8 inclusive.

Relevant legislative provision(s):

There are no provisions in the Bill relating to the establishment of the Transition Task Group.

Task outline:

- (a) Prepare a draft administrative order for issuance by the Office of the President specifying the terms of reference, composition and reporting arrangements for the Task Group. The administrative order will:
- specify the tasks described at Sections 2.4 to 2.8 below together with such other transitional tasks as may be identified by the Task Force;
 - provide that membership of the Task Group comprise DBM (Chair), one representative each of the present land administration agencies, and a representative of the Office of the President;
 - provide that the Task Group be serviced by a small full-time group of officials on short-term secondment from DBM and the present land administration agencies;
 - provide that the Chair of the Task Group will submit a monthly report to the Task Force Chair, the Office of the President, and (when

- designated) the Director General (Designate) of the LAA reporting progress of the tasks.
- (b) Submit draft administrative order for consideration/endorsement by Task Force and transmission to Office of the President.
 - (c) Issue administrative order.

Responsibility:

- (a) LAMP-PMO.
- (b) Task Force.
- (c) Office of the President.

Timing:

The administrative order will be issued within one week of the Congressional Report on the Second Reading of the Bill to establish the LAA. The Transition Task Group will hold its initial meeting within one further week of that Report.

2.3 Appointment of LAA Director General (Designate)

Task:

Initiate the process for the selection of the LAA's first Director General and his/her designation as Director General (Designate) pending effectivity of the Act establishing the LAA.

Relevant legislative provision(s):

Section 12 of HB No. 6070 provides that the Authority shall consist of:

- (a) The Office of the Director General;
- (b) The Offices of the Deputy Director Generals;
- (c) The Offices of the Assistant Director Generals; and
- (d) Field Offices.

Section 13 provides that the powers and functions of the Authority shall be vested in the Director General, a Cabinet Rank, who shall supervise the Authority and shall be appointed by the President.

Section 26 of HB No. 6070 provides that all powers to perform the functions of the Authority previously vested by law in the DENR, DOJ and the present land administration agencies are transferred to and vested in the Office of the Director General of the Authority:

Comment: These provisions mean that on the day the Act becomes effective and the LAA is created, all the powers and functions necessary to continue providing land administration services can only be exercised by, or under formal delegation from, the LAA's Director General or a person appointed to act in that position. If a person is not immediately and formally appointed to the position on a substantive or acting basis on and from 'Day 1' of the LAA's

legal existence then there will be no direct legal basis for the continued administration of the present land administration laws.

Task outline:

Prepare and forward a letter to the Office of the President:

- (a) Indicating the need for action prior to effectivity of the Act to formally appoint a Director General of the LAA, on a substantive or acting basis, with effect on and from 'Day 1' of the LAA's creation;
- (b) Requesting that a selection and appointment process be initiated;
- (c) Requesting that the person selected be designated 'Director General (Designate)' prior to establishment of the LAA and be authorized to participate as appropriate in other preparatory tasks for establishment of the LAA, notably negotiation of initial resource agreements and identification of interim office accommodation (see below).

Responsibility:

PMO-LAMP, through the Chair of the Task Force.

Timing:

The letter will be prepared and forwarded immediately following the Congressional Report on the Second Reading of the Bill to establish the LAA.

2.4 Preparation of initial implementing rules

Task:

Prepare, for consideration and signature by the incoming Director General of the LAA, formal instruments of delegation in relation to land administration powers the Director General must delegate on 'Day 1' of the LAA's legal existence in order to ensure a legal basis for the uninterrupted provision of land administration services.

Relevant legislative provision(s):

Section 26 of HB No. 6070 (see Section 2.3 above).

Section 36 of HB No. 6070 provides that the Authority shall prepare, promulgate and adopt the implementing rules and regulations to carry out the provisions of the Act not later than 90 days after effectivity of the Act.

Task outline:

- (a) Identify all powers provided by the present land administration laws that are currently vested by legislation in the Secretary, DENR and the Secretary DOJ, seeking legal advice and assistance as necessary.

- (b) From amongst these powers, identify those that must be exercised on a regular and continuing basis in order to ensure timely delivery of land administration services.
- (c) Identify the present Offices/employees to whom the powers at (b) are currently delegated.
- (d) Identify the interim employees of the LAA to which the powers at (b) should immediately be delegated following LAA establishment in order to ensure the uninterrupted provision of services.
- (e) Prepare a formal instrument of delegation to give effect to the delegations identified at (d), for consideration and signature by the incoming Director General of the LAA.

Responsibility:

Transition Task Group, with legal assistance as required.

Timing:

The instrument of delegation will be available for consideration and signature by the incoming Director General on 'Day 1' of the LAA's formal establishment.

2.5 Negotiation of initial resource agreements

Task:

Identify, negotiate and agree the resources that will be transferred from the present land administration agencies and, as appropriate, DENR and DOJ to the LAA on establishment of the LAA.

Relevant legislative provision(s):

Section 31 of HB No. 6070 provides for the transfer to the LAA of all unexpended appropriations, properties, assets, liabilities, records, documents and contracts that have previously been allocated to or vested in the present land administration agencies. It also provides for transfer to the LAA of such other unexpended balances of appropriations as may be deemed appropriate by the Department of Budget and Management.

Task outline:

- (a) Identify the appropriation items funding the agencies and functions to be transferred to the LAA, including all relevant program funds.
- (b) Agree the monthly rates of expenditure that will be permitted by the present land administration agencies against these appropriation items in the period leading up to establishment of the LAA (and hence the forecast unexpended balances to be transferred to the LAA).
- (c) Identify and agree provisional amounts for any other unexpended appropriation items of DENR or DOJ that should be transferred to the LAA (e.g. any appropriate amounts for unexpended appropriations under

the control of the Offices of the Secretaries that have previously been provided to fund corporate supervision and services in respect of the present land administration agencies).

- (d) Identify existing financial commitments (e.g. under contracts for the supply of goods or services) that will become the financial responsibility of the LAA and agree arrangements for the control of any further financial commitments in the period prior to LAA establishment.
- (e) Identify the revenues of the present land administration agencies that will become revenues of the LAA and agree the basis on which revenues for the financial year in which the LAA is established will be split between the present agencies and the LAA.
- (f) Prepare an inventory of all real property assets, office fixtures, fittings and equipment, and records that will become the property of the LAA and agree arrangements for the safe keeping of these assets and records in the period leading up to LAA establishment.
- (g) Agree arrangements for continued access by LAA interim staff, as necessary, to DENR/DOJ office accommodation, IT and communications systems, shared vehicles and other support requirements in the period immediately following establishment of the LAA until full separation of facilities and support services is achieved,
- (h) Prepare recommendations for consideration by the Department of Budget and Management and the Office of the President for the establishment and tasking of an interim Financial Services Unit to assume overall responsibility for and control of LAA funds and assets on the date of LAA establishment until the LAA's corporate management structures and staffing are finalized.

Responsibility:

Transition Task Group.

Timing:

Agreements in relation to the matters at (b) and (d) will be concluded within two weeks of the Transition Task Group's establishment. All the above matters will be finalized prior to establishment of the LAA.

2.6 Identification of interim LAA staffing

Task:

Identify and notify the individuals who will become interim employees of the LAA on the day it is established.

Relevant legislative provision(s):

Section 29 of HB No. 6070 provides that, to ensure a smooth transition, all incumbent personnel of the present land administration agencies shall continue to perform their present duties and functions as interim personnel of the LAA until such time, being not later than 12 months from the effectivity of

the Act, that they have been appointed as regular staff of the Authority based on the new staffing pattern, or separated from the service.

Task outline:

- (a) Prepare a consolidated listing of all individuals currently employed by the present land administration agencies and (if any) by DENR and DOJ, whether on a permanent or contract basis, who are to become interim personnel of the LAA on the day of its creation, including details of their names, position numbers, salary grades and office locations.

Comment: In any cases of doubt, the general principle used to identify individuals to become interim LAA personnel will be "staff follow function".

- (b) Issue an individual notice to all staff identified by (a) to advise the date on which the LAA will come into legal existence, the fact that they will become interim employees of the LAA on that date, arrangements for their continued supervision and pay, and their duty to continue undertaking their existing functions and services as normal immediately following the establishment of the LAA until further notice.

Comment: Staff of the present land administration agencies will already have been provided regular information on progress in preparing for establishment of the LAA, transitional staffing arrangements and their staff entitlements – see Section 2.7 below.

Responsibility:

Transition Task Group.

Timing:

- (a) Identification of interim employees will be completed no later than one month prior to the forecast date on which LAA will be formally established.
(b) Notices to individual staff will be issued within one day of publication of the Act in the *Official Gazette* or in a newspaper of general circulation.

2.7 Identification of interim office accommodation

Task:

Identify and secure interim office accommodation to house the incoming Director General of the LAA and sufficient office space for his/her immediate corporate support staff.

Relevant legislative provision(s):

Section 29 of HB No. 6070 (see above) is relevant insofar as it may be possible to identify suitable interim office accommodation within one of the present land administration agencies.

Task outline:

- (a) Consulting with the incoming Director General if/when designated, review the office accommodation options available to provide approximately 1,000 square metres of co-located office space to meet the interim accommodation needs of the incoming Director General and his/her immediate staff.
- (b) Arrange appropriate office fit-out and facilities, notably communications facilities, for the preferred office accommodation option.

Responsibility:

Transition Task Group, in consultation with Director General (Designate) if feasible.

Timing:

Initial office accommodation and communications facilities will be available for the incoming Director General of the LAA on and from the day of the LAA's formal establishment.

2.8 Preparation of briefing for incoming Director General

Task:

Preparation of essential 'Day 1' written briefing for the incoming Director General of the LAA.

Relevant legislative provision(s):

None directly relevant.

Task outline:

Prepare briefing folder(s) for the Incoming Director General containing essential initial information in relation to the LAA, including:

- (a) Summary telephone directory for all key personnel transferring to the LAA and other essential contact numbers;
- (b) Names, professional summaries and contact details for all managers of the present land administration agencies at Executive Director level and above transferring to the LAA as interim employees;
- (c) Statutory powers and functions of the Director General;
- (d) Organization charts for the present land administration agencies;
- (e) Budget provisions and funding arrangements for the LAA;
- (f) Contact details for key stakeholders/stakeholder representatives including relevant staff associations/unions;
- (g) Such other matters as the Task Force Chair may consider necessary and desirable for initial briefing purposes.

Responsibility:

Transition Task Group, under direction by Task Force Chair.

Timing:

Essential information for the incoming Director General will be completed and delivered to him/her on or before the first day of the LAA's formal establishment.

2.9 Communication with stakeholders

Task:

Ensure that staff of the present land administration agencies, users of land administration services and other key stakeholders are kept regularly informed of action underway to prepare for establishment of the LAA and its implications for their interests.

Relevant legislative provision(s):

None directly relevant to the period prior to establishment of the LAA.

Task outline:

- (a) Prepare and distribute to all staff of the present land administration agencies, users of land administration services and other key stakeholders a factual monthly newsletter reporting on progress within Congress of the Bill to establish the LAA and the steps being taken by the Transition Task Group to prepare for establishment of the LAA.
- (b) Continue regular briefing and consultation meetings with key stakeholders during the remaining stages of Congressional scrutiny and enactment of the Bill.

Responsibility:

- (a) Task Force, on the basis of draft newsletters prepared by the Transition Task Group.
- (b) LAMP-PMO and, as appropriate, Task Force.

Timing:

- (a) At monthly intervals between the Congressional Report on the Second Reading of the Bill to establish the LAA and effectivity of the Act.
- (b) Ongoing prior to effectivity of the Act.

3. ACTION IMMEDIATELY FOLLOWING LAA ESTABLISHMENT

3.1 Objective

The overall objective of action to be taken on or around 'Day 1' of the LAA's legal existence (i.e. the date of effectivity of the Act) is to ensure that provision of land administration services is not disrupted and that immediate action is taken to establish the mechanisms necessary to manage the LAA's operations, staff and finances.

Section 29 of HB No. 6070 provides that staff of the present land administration agencies will, upon being transferred to the LAA on the date of the Act's effectivity, continue to perform their current duties pending permanent staffing of the Authority. Staff of the Authority will be advised of this in the period leading up to establishment of the LAA (see Section 2.6 above) and will continue to perform their current duties until further notice. Action to be taken on or about 'Day 1' will therefore be confined to ensuring a proper legal basis for the continued provision of land administration services, the initiation of steps to establish core management structures and appoint key staff, and early communications with LAA staff and stakeholders.

Subject to the provisions of the LAA's enabling Act, several of the tasks to be undertaken following establishment of the Authority are matters for consideration and decision by the Authority's incoming Director General. Unless there is a legislative requirement to be fulfilled, the following tasks of this Implementation Plan (and those in Section 4) and their related responsibilities and timing are matters for confirmation by the incoming Director General.

3.2 Issuance of initial implementing rules and regulations

Task:

Issue essential formal delegations of authority to relevant LAA staff and establish a process for preparation and issuance of all implementing rules and regulations to carry out the provisions of the LAA's Act.

Relevant legislative provision(s):

As noted above (Section 2.4), Section 36 of HB No. 6070 provides that the LAA shall prepare, promulgate and adopt the implementing rules and regulations to carry out the provisions of the Act not later than 90 days after effectivity of the Act.

Task outline:

- (a) Sign and distribute to relevant staff the formal delegations of the Director General's authorities necessary to ensure an uninterrupted flow of decision-making and services within the Authority.

Comment: The necessary instrument of delegation will have been prepared for the Director General's signature by the Transition Task Group - see Section 2.4 above.

- (b) Pending designation and appointment of the LAA's Deputy and Assistant Director Generals, task a senior interim manager of the LAA to initiate preparation of the implementing rules and regulations. This task will include:
- formation of a working group of senior managers representing the former land administration agencies to undertake the task (this will be a sub-committee of the LAA's Executive Committee - see Section 3.4 below);
 - identification and review of all relevant operating rules and regulations of the former land administration agencies;
 - codification and revision as necessary of these pre-existing rules and regulations to reflect the LAA's establishment;
 - drafting of revised/new rules and regulations as necessary to give effect to the provisions of the Act and any other matters deemed necessary by the Director General, including administrative instructions in relation to initial arrangements for continuing management of the LAA's ongoing operations.

Responsibility:

LAA Director General.

Timing:

To be undertaken on 'Day 1' of the LAA's formal establishment.

3.3 Appointment of Deputy/Assistant Director Generals

Task:

Initiate process to prepare recommendations to the President for the appointment of acting and permanent Deputy Director Generals, and initiate process to appoint Assistant Director Generals.

Relevant legislative provision(s):

Section 15 of HB No. 6070 provides that the LAA Director General shall be assisted by at least three Deputy Director Generals of whom at least one shall be a member of the Bar or a Geodetic Engineer, to be appointed by the President on the recommendation of the Director General.

Section 16 provides that the Director General and Deputy Director Generals shall be assisted by five Assistant Director Generals.

Task outline:

Initiate processes to identify potential candidates for these senior management positions and recommend appointments to the President as necessary.

Comment: In recommending appointments the Director General will need to have regard to both the legislative provisions relating to these positions and the desirability of creating a senior management team for the LAA that combines a balanced mix of skills and experience. This process may take several weeks in order to form the best available management team. Consideration will therefore need to be given to the appointment of acting Deputy/Assistant Director Generals pending permanent appointments.

Responsibility:

LAA Director General.

Timing:

On or about 'Day 1' of the LAA's establishment.

3.4 Establishment of corporate management structure

Task:

Establishment of the LAA's corporate management structure is a matter for determination by the LAA's incoming Director General. However, it is envisaged that he/she will take early action to establish initial management arrangements to address key matters.

Relevant legislative provision(s):

Section 27 of HB No. 6070 provides that, pending approval of a long-term organization structure for the Authority, there shall be three interim Offices within the Authority: (a) the Lands Management Office, to perform the functions of the former LMB/LMS; (b) the Land Registration Office, to perform the functions of the former LRA/RoD; and (c) the National Mapping and Resource Information Office, to perform the functions of the former NAMRIA.

Task outline:

- (a) Establish an interim LAA Executive Committee comprising, initially, the Director General (Chair) and the three heads of the interim Offices, to function as the LAA's senior management committee for all matters

relating to LAA corporate policies, organization structures, establishment tasks, ongoing work programs, resource budgets and personnel matters.

Comment: When designated, the acting/permanent Deputy Director General will replace the heads of the interim Offices as members of the Executive Committee.

- (b) Establish six sub-committees of the Executive Committee, each tasked with actions to prepare recommendations to, and implement decisions of, the Executive Committee in order to address key management matters the LAA will need to determine in its initial months:
- Corporate planning sub-committee (tasked initially to develop options and recommendations for the LAA's long-term organization structure and staffing pattern);
 - Budgets and finance sub-committee (tasked initially to finalize transfers of unexpended appropriations and assets to the LAA; recommend their allocation to LAA operating units and programs; recommend procedures for future budgeting and financial monitoring by the Executive Committee, and develop a consolidated chart of accounts for the LAA);
 - Personnel sub-committee (tasked initially to prepare a strategy and action plan for consolidation and eventual merger of the LAA's payroll systems and its personnel policies and records);
 - Office accommodation sub-committee (tasked initially to prepare a strategy and action plan to establish, over an appropriate time period, the office accommodation and other building facilities needed to accommodate and co-locate the LAA's service centers for members of the public, LAA staff and records at national and sub-national levels);
 - IT and communications systems sub-committee (tasked initially to prepare, in consultation with other sub-committees as necessary, a strategy and action plan to establish the IT management information and communications networks and facilities necessary to support corporate management of the LAA);
 - Implementing rules and regulations sub-committee (tasked to prepare drafts of the LAA's initial implementing rules and regulations - see also Section 3.2 above).

Responsibility:

LAA Director General.

Timing:

On or about 'Day 1' of the LAA's establishment.

3.5 Communications with stakeholders

Task:

Announce establishment of the LAA and initiate communications with the interim staff of the LAA, users of land administration services and other key stakeholders.

Relevant legislative provision(s):

Sections 8 to 11 of HB No. 6070 provide for the creation, membership and operations of an LAA Stakeholders' Advisory Committee. While important, the Task of establishing this committee will be addressed in the weeks following the establishment of the LAA rather than immediately, and is therefore addressed in Section 4.5 below. There are no other legislative provisions directly relevant to the task.

Task outline:

The form and content of the initial announcement and related communications will be a matter for decision by the incoming Director General in consultation with the Office of the President.

Responsibility:

LAA Director General.

Timing:

On or about 'Day 1' of the LAA's establishment.

4. ACTION IN FIRST SIX MONTHS FOLLOWING LAA ESTABLISHMENT

4.1 Objective

The overall objective of action to be undertaken in the first six months following LAA establishment is to:

- Successfully maintain existing land administration services to the public; while
- Giving effect to the merger of the staff, finances, systems, records and assets of the present land administration agencies; and
- Establishing the planning and management arrangements necessary for future institutional development of the LAA and its mandate for reform of the land administration system.

As noted in Section 3, the identification and management of tasks necessary to achieve this objective will be a matter for consideration and decision by the incoming Director General of the LAA. However, the following tasks amongst others will need to be addressed in the months following the LAA's establishment.

4.2 Approval of organization structure

Task:

To develop for approval by the Director General and the President a proposed long-term organization structure and staffing pattern for the LAA to give effect to, and achieve the anticipated benefits of, a full merger of the former land administration agencies within the LAA.

Relevant legislative provision(s):

Section 12 of HB No. 6070 provides that the Authority shall consist of: (a) the Office of the Director General; (b) the Offices of the Deputy Director Generals; (c) the Offices of the Assistant Director Generals; and (d) Field Offices.

Section 28 provides that the Authority's organization and administrative structure and staffing pattern shall be submitted by the Director General for the approval of the President within six months from the effectivity of the Act and shall be fully implemented within a period of three months after such approval is given.

Task outline:

- (a) Task the corporate planning sub-committee of the LAA's Executive Committee (see Section 3.4) to identify options and make recommendations for the LAA's long-term organization structure and staffing pattern in accordance with the principles that the long-term structure will:
- meet the needs of service users, including through the establishment of a nation-wide network of One Stop Shops;
 - promote and support delegation of decision-making to the points of service delivery;
 - merge/co-locate like functions and segregate unlike/conflicting functions;
 - minimize barriers to information flows within and between functions;
 - distinguish between core and non-core LAA services; and
 - be cost efficient.

Comment: Planning to date for establishment of the LAA has identified issues and preliminary options for the long-term organization structure and this work will continue prior to establishment of the LAA.

- (b) Consult with staff, users of land administration services and other key stakeholders in the preparation of proposals and recommendations.
- (c) Submit final proposals and recommendations to the LAA Executive Committee.

Responsibility:

Corporate planning sub-committee.

Timing:

- (a) Submission of proposals and recommendations to the LAA Executive Committee no later than 4 months following LAA establishment.
- (b) Submission of final proposals by the LAA Director General to the President no later than 6 months following LAA establishment.
- (c) Implementation of the long-term organization structure and staffing pattern within 3 months of their approval by the President.

4.3 Appointment of permanent LAA staff

Task:

Subsequent to approval of the LAA's long-term organization structure and staffing pattern, make appointments of permanent staff to positions within the approved structure/pattern.

Relevant legislative provision(s):

Section 29 of HB No. 6070 provides that staff of the present land administration agencies shall continue as interim personnel of the LAA until such time, being not later than 12 months from the effectivity of the Act, that they have been appointed as regular staff of the Authority based on its approved staffing pattern, or have been separated from the service. It further provides that appointments are to be made on the basis of merit and fitness.

Task outline:

Comment: The LAA's Deputy/Assistant Director General positions will be filled first, on either a permanent or acting basis, by the LAA Director General and (insofar as required by the provisions of the Act) the President.

- (a) The personnel sub-committee (see Section 3.4 above) will recommend to the LAA Executive Committee, for its consideration and approval, corporate principles and procedures for the appointment of the LAA's permanent staff, including the principles of:
 - Open, transparent and widely-communicated selection procedures and timetables;
 - Appointment to permanent positions on merit.
- (b) Positions at Salary Grade 20 and above: The relevant Deputy Director General and Assistant Director General will arrange for advertisement of vacant positions, establishment of selection committees, review of selection committee recommendations, and referral of appointment recommendations to the LAA Director General for approval in accordance with the corporate principles and procedures.
- (c) Positions below Salary Grade 20: The relevant Assistant Director General will make the same arrangements, and consider and approve the recommendations of selection committees, for these positions in accordance with the corporate principles and procedures.

Responsibility:

- (a) Corporate principles and procedures for permanent appointments: LAA Executive Committee having regard to the recommendations of the personnel sub-committee.
- (b) Appointments at Salary Grade 20 and above: recommendations by Assistant Director Generals through relevant Deputy Director Generals to the LAA Director General for approval.
- (c) Other appointments: Recommendations by selection committees to relevant Assistant Director Generals for approval.

Timing:

- (a) Corporate principles and procedures approved within four months of LAA establishment.
- (b) Appointments to positions at Salary Grade 20 and above approved within 10 months of LAA establishment.

- (c) Appointments to all other positions approved within 12 months of LAA establishment.

4.4 Management of separating staff

Task:

To manage in a transparent, humane and efficient manner the separation from the LAA of any staff of the present land administration agencies who are not, for whatever reason, offered permanent positions in the LAA's long-term staffing establishment at their present salary grade or above.

Relevant legislative provision(s):

Section 29 of HB No. 6070 provides that personnel who are not offered appointment by the Authority under the Authority's approved staffing pattern on at least equivalent terms and conditions as their present employment, within 12 months of the Act's effectivity, shall be entitled to a gratuity at a rate equivalent to 3 months' salary for every year of continued and satisfactory service.

Prior legislation and case law are also directly relevant to the management of separating staff.

Task outline:

- (a) Personnel sub-committee to prepare proposed principles, organization arrangements and procedures for the management of separating staff:
- in close consultation with the Civil Service Commission and Department of Budget and Management;
 - for consideration and approval by the LAA Executive Committee.
- (b) Subject to assessment of potential numbers of separating staff, LAA Executive Committee to establish a temporary Separation Unit to manage, on a LAA-wide basis, the separation process for individual staff affected.

Comment: If the number of affected staff is small, separations will be managed by individual operating units of the LAA in conformity with the principles and procedures approved through (a) and subject to approval of individual separations by the relevant Assistant Director General in accordance with (d).

- (c) Separation Unit to prepare a comprehensive information kit for distribution to all affected staff advising them of the procedures and timing for their separation, a summary of their separation benefit entitlements, and arrangements for access by affected individual staff to information, advice and counseling in relation to their personal entitlements and circumstances.
- (d) Final terms and dates of separation for all affected staff to be approved individually by the Assistant Director General responsible for LAA

personnel services on the recommendations of the Separation Unit (or individual operating units if affected staff numbers are small).

Responsibility:

- (a) Personnel sub-committee.
- (b) LAA Executive Committee.
- (c) Separation Unit.
- (d) Assistant Director General responsible for personnel services.

Timing:

All separations of affected staff will be completed within 15 months of the LAA's establishment at latest. Subject to fair and equitable procedures in all cases, every effort will be made to complete the separation process at an earlier time.

4.5 Appointment of Stakeholders' Advisory Committee

Task:

To form the Stakeholders' Advisory Committee provided for by the Act establishing the LAA and to initiate its operations.

Relevant legislative provision(s):

Sections 8 to 11 of HB No. 6070 provide for the creation and membership, functions, meetings and servicing of the LAA Stakeholders' Advisory Committee. The Committee is to be composed of:

- (a) five *ex officio* representatives of government agencies;
- (b) six representatives from the Basic Sectors chosen through the nomination process of the National Anti-Poverty Commission (NAPC);
- (c) two representatives from the NAPC Women's Sectoral Council;
- (d) two representatives from the private sector chosen by the President; and
- (e) the LAA Director General.

Section 8 further provides that the President shall designate the Chairperson of the Committee from among its membership, excluding designation of the Director General.

Task outline:

- (a) Prepare a fact sheet summarizing the legislative basis for the objectives, membership and operating procedures of the Advisory Committee.
- (b) Conduct initial bilateral consultations with designated *ex officio* members and relevant organizations representing non-government stakeholders regarding proposed operations of the Committee and procedures for nomination and appointment of non-government members.

- (c) Formally invite nominations from the relevant non-government organizations (including circulation of fact sheet at (a), revised as necessary in the light of initial consultations).
- (d) In the case of the two private sector nominations, consider nominations received and submit recommendations for appointment to the Office of the President for approval, together with a recommendation regarding designation of a proposed Chairperson of the Advisory Committee.
- (e) Consult with the designated Chairperson of the Advisory Committee, when appointed, regarding arrangements to announce establishment of the Advisory Committee, to convene its first meeting and to provide LAA secretariat support services for its operations.
- (f) In consultation with the Office of the President as necessary, ensure that all Committee members and their nominating organizations are advised of their appointment and arrangements for the first meeting of the Committee.

Responsibility:

- (a) : Corporate planning sub-committee.
- (b) to (f): LAA Director General.

Timing:

Advisory Committee members will be formally appointed within four months of the LAA's establishment.

The first meeting of the Advisory Committee will be convened within five months of the LAA's establishment.

MEMORANDUM

To: Ian Lloyd, Team Leader, Technical Assistance

Cc: Mylene Albano, Executive Director, LAMP
Danilo Antonio, Deputy Executive Director

Subject: Support for LAA institutional development under LAMP Phase 2

Date: 21 May 2003

The terms of reference for my current assignment include “advise on the most appropriate kind of inputs/activities in LAMP Phase 2 to the institutional development of the LAA”.

Please find attached a paper I have prepared to address this topic. Subject to any comments and/or inputs by others, the paper could be provided to the design team for LAMP Phase 2 in due course.

(John Mellors)
Institutional Arrangements Adviser
21 May 2003

INSTITUTIONAL DEVELOPMENT OF THE LAND ADMINISTRATION AUTHORITY: POSSIBLE ACTIVITIES/INPUTS DURING LAMP PHASE 2

Purpose of this paper:

The Terms of Reference for the third input by the Institutional Arrangements Adviser include “Advise on the most appropriate kind of inputs/activities in LAMP Phase 2 to the institutional development of the LAA [Land Administration Authority]”.

It is understood that the formal design of LAMP Phase 2 is to be undertaken by a design team to be appointed and funded by the World Bank and AusAID. The design team will be responsible for identifying, in consultation with the Government of the Philippines, the scope and content of LAMP Phase 2 including (but not limited to) activities and inputs to support the institutional development of the LAA.

Pending the establishment of the LAA by legislation, any assessment of its likely institutional development needs must be somewhat speculative. Moreover any institutional component of LAMP Phase 2 will need to be developed, prioritized against and integrated by the design team with other possible components (e.g. components for accelerated land titling; future reform of land administration laws).

The purpose of this paper, therefore, is limited to outlining some preliminary suggestions for consideration by the design team regarding its approach to the institutional component of Phase 2 and areas in which support for the institutional development of the LAA may be needed.

Background – Institutional Arrangements Policy Study:

The LAMP Institutional Arrangements Policy Study (IAPS) did not undertake a detailed diagnosis of either current institutional capacities or institutional development needs in relation to the present land administration agencies (LMB/LMS, LRA, NAMRIA) that will form the core of the future LAA. However, its broad outline of these remains relevant in the present context:

“The IAPS has not attempted in-depth reviews of the present management arrangements and operating procedures of the individual land administration agencies. Reviews of that kind were neither anticipated by the Terms of Reference nor feasible in the time available. The evaluation of present arrangements (Section 4) suggests, however, that there is substantial scope for initiatives to strengthen institutional capacity in the areas of corporate planning and management.

It is clear from the IAPS workshops, discussions with interested agencies including client agencies and general observation, that each of the following areas would benefit from capacity building initiatives to improve the quality and efficiency of land administration services:

- mechanisms for identifying and responding to the needs of users of the land administration system, including standard tools such as customer

service charters, information ‘hotlines’, structured and regular surveys of user feedback, and the identification and training in client management and service for staff dealing directly with users on a regular basis;

- mechanisms for regular review and updating as necessary of decision-making and related delegation structures, with the over-riding objective of delegating decision-making to the level closest to those requiring decisions (subject to audit controls);
- techniques for performance planning, management and reporting, including the development and use of simple and ‘robust’ performance indicators as a routine management tool;
- planning and delivery of staff training and skills development;
- internal and external communications;
- techniques for management and control of overhead costs, such as internal budgeting and charging arrangements for the use of ‘support’ services, elimination of unnecessary in-house support functions and devolution to individual service units of responsibility for furnishing their own support requirements;
- mechanisms for the regular market-testing of agency services for which private sector alternatives exist (or can be created) and, where cost-effective, their supply under contract from external providers.

Most if not all of these matters, and the means to address them, are within the existing powers of the present land administration agencies as part of management’s ongoing responsibilities for the effective and efficient use of public resources. There is no need for legislative amendments to permit managers to pursue, if they wish to, basic improvements in the above areas.

The IAPS has reflected carefully on whether to present, as part of this report, a menu of possible initiatives (including possible technical assistance initiatives) that could be undertaken in these areas. It has determined not to do so The IAPS has concluded that, while there may well be a need for capacity building initiatives to support reform of the land administration system, the identification and possible actioning of such needs should await agreement on future institutional arrangements. Both needs and management commitment will be clearer at that time. Responses to priority needs might then be considered in the context of a design for any ‘LAMP Phase 2’.”

PALAMP Institutional Arrangements Policy Study, July 2002, pages 62-63

Overall approach to design of LAMP Phase 2 Activities:

There is a wide body of literature addressing past experiences of institutional development and capacity building in a development context, including ‘lessons learned’ for project design.³³ The design team for LAMP Phase 2 will be familiar with this literature and have its own experiences and views regarding key factors

³³ The literature often draws a distinction between ‘institutional development/strengthening’ and ‘capacity building’. The terms are used more loosely, and interchangeably, here.

contributing to sustainable development outcomes. However, the context in which the design will be undertaken will make it difficult to draw fully on lessons learned from elsewhere. The reasons for this and their implications for the design team's approach are as follows.

Amongst many influences the factors that appear to contribute most strongly to the achievement of successful and sustainable outcomes from donor-assisted institutional development activities are:

- Commitment to target outcomes and 'ownership' of related activities by the agency's chief executive officer (and Board, where relevant), including continuity of the chief executive officer during implementation.
- Systematic co-option of agency staff at multiple levels (including at regional levels) in the design and implementation of institutional development activities
- High quality technical assistance (TA).
- Full integration of institutional development projects/activities within the mainstream structure and decision-making processes of the agency.

CEO commitment

Institutional development is a process of designing and managing changes in agency structures, outputs, systems, processes and peoples' attitudes. The implementation process cannot be successful or sustained unless it is led personally by the agency's chief executive officer (CEO) and (where relevant) Board. Experience suggests that CEO support for, and active engagement with, institutional development activities is probably the most important single determinant of overall success or failure. Steps needed to build and 'lock in' CEO commitment at the design stage include:

- Identifying, acknowledging and as appropriate capitalizing on the CEO's personal objectives and agenda for the relevant agency in identifying proposed development activities.
- Giving high priority to addressing any capacity building needs of the CEO personally (which can sometimes include, in the case of former 'specialists' appointed to senior management positions, quite basic 'mentoring' and practical training in routine management skills e.g. managing meetings, avoiding preoccupation with crisis management at the expense of longer-term objectives).
- Providing plenty of time and briefing during the design process to ensure that the CEO fully understands and supports both the proposed outcomes of capacity building initiatives and the commitments/inputs needed of the agency to achieve them.

In the case of Government Owned and Controlled Corporations subject to overall direction and control by management Boards, capacity building initiatives will need to address the objectives and development needs of Board members as well as those of the CEO.

The obvious difficulty confronting the LAMP Phase 2 design team in this context is that no CEO (or Board membership) for the LAA will have been appointed or designated at the time the initial design is undertaken.

Co-optation of agency staff in design and implementation

Successful institutional development activities typically engage agency staff at both management and professional/technical levels in the design of activities and their subsequent implementation. To this end, design and implementation should seek to:

- Actively communicate the proposed/agreed objectives, outputs and activities of development projects to all staff, not just senior management and direct counterparts.
- Provide ample opportunities and time for staff understanding and input to the design of development initiatives.
- ‘Co-opt’ a substantial cross-section of agency staff in the implementation of agreed development/capacity building initiatives (e.g. through the formation of working parties).

As in the case of CEO commitment, the design team for LAMP Phase 2 faces the difficulty that the LAA does not yet exist and no staff have been appointed to it. Indeed, staff of the existing land administration agencies may well be preoccupied by concerns regarding whether or not they are ear-marked for transfer to the LAA and under what conditions. It may be difficult to generate active staff involvement, or even genuine interest, in the design of future institutional development initiatives under these conditions.

A further consideration to be borne in mind by the design team is the impact of physical working conditions on staff attitudes to institutional development initiatives. Poor working conditions such as dilapidated buildings, worn office furniture/fittings and obsolete office equipment send a powerful daily signal to both staff and clients of an agency regarding the (apparently) low importance attached to the agency’s work. There is ample evidence that even modest improvements in the physical working conditions of agency staff and facilities for clients (e.g. re-painting, replacement office furniture and adequate washroom facilities) can provide a valuable symbol of an agency’s commitment to change and strengthen staff commitment to initiatives supporting that change. Amongst Manila-based staff, the current facilities available to LMB Head Office staff merit particular attention from this perspective. Facilities outside Manila have not been assessed.

‘Quality’ of TA

If institutional development activities need to draw on donor-funded technical advisers, the importance of securing ‘high quality’ advisers is obvious. The following experiences from elsewhere appear relevant in this connection:

- Access to TA with extensive ‘hands on’ experience of the structures/systems/processes to be developed is a critical success factor.
- Technical advisers to activities involving significant changes in public sector administrative structures and processes (as distinct from more ‘technical’ activities) are at a significant disadvantage if they have no prior career experience working in public service positions.

- Multiple injections of different ('one off') short-term technical advisers has proven to be a typically ineffective vehicle for sustainable skills transfer and institutional development.
- Effective adviser/counterpart relationships are a fundamental prerequisite for sustainable capacity building and skills development (as distinct from 'one off' knowledge transfer). These in turn require sensitive TA inputs who understand their mentoring/advisory role, and programming of inputs in a way that allows adequate time following TA mobilization for initial building of TA/counterpart relationships.

For these and other reasons, there is much to be said for joint selection processes involving both managing contractors and senior management of the relevant agency in identifying and appointing individual TA – at least for the most senior and sensitive TA inputs such as any expected to work with and alongside an agency's CEO. While this entails additional time and financial costs in mobilizing TA, it undoubtedly contributes to better outcomes and agency 'ownership' of project implementation. The costing and programming of TA to support the LAA's institutional development should allow for this.

Integration of institutional development activities

Experience elsewhere suggests that unless institutional development activities are thoroughly integrated with, and driven by, an agency's mainstream decision-making structures and processes then they are at considerable risk of becoming divorced from agency objectives and/or being side-lined by the day-to-day preoccupations of agency management and staff. However, it is difficult to allow for this factor in the design of institutional development activities under LAMP Phase 2 since the LAA's decision-making structures and processes have yet to be defined.

Implications for design approach

The above considerations strongly suggest the inadvisability of attempting, at this stage, a detailed design of institutional development activities for the LAA covering the full duration of LAMP Phase 2 (five years?). Important design preconditions for successful outcomes from such activities, as outlined above, cannot be met pending establishment of the LAA and appointment of its senior management and staff.

If this is agreed, the most pragmatic (and preferred) approach to design of the institutional component of LAMP Phase 2 would be to:

- Restrict detailed design of institutional development activities to those most readily predictable and potentially useful to the LAA for the 12-18 month period immediately following the LAA's establishment.
- Reserve, within the overall funding provision for LAMP Phase 2 as a whole, a provisional and unallocated amount for funding of institutional development activities over the remainder of LAMP Phase 2.
- Mobilize a further design exercise around one year after the LAA's establishment to develop a design for institutional development activities for the balance of LAMP Phase 2, in collaboration with LAA management and staff.

In any event:

- Any design for LAA institutional development activities during Phase 2 should be programmed in such a way as to allow meaningful briefing of, and review by, the incoming CEO (and/or any Board) before they are implemented, and should be open to any changes (possibly substantial changes) needed to secure the wholehearted support and involvement of LAA management and staff.
- A ‘lead’ technical adviser for the institutional development component of LAMP Phase 2 should be designated, selected through a joint selection process and appointed on a full-time basis for at least 18-24 months of Phase 2 in the first instance. From the suggestions below, any technical adviser appointed to support initial development of the LAA’s corporate planning and management would be the logical ‘lead’.
- Overall management and coordination of the institutional development component of LAMP Phase 2 should be co-located with, if not located within, the personal Office of the incoming CEO.

Possible assistance priorities during LAA’s first 12-18 months:

Consistent with the above approach, the following suggestions are confined to possible priorities for support of the LAA’s institutional development during the first 12-18 months of its existence.

During this initial phase, the main priorities for incoming LAA management in establishing the LAA as an operating reality will (or should be) of a highly practical nature, namely to:

- successfully maintain existing land administration services to the public;
while
- merging some 8,000 staff, finances, systems, records and assets drawn from four (LMB, LMS, LRA, NAMRIA) diverse ‘cultures’ and working environments;
and
- establishing the planning and management ‘infrastructure’ for future institutional development of the LAA and its reform agenda.

Institutional development activities following the LAA’s establishment should focus on supporting incoming LAA management as it addresses these initial challenges. Even with this relatively limited focus the LAA’s highest-priority needs for support, especially its needs for any international technical advisers, will be influenced by the skills and experience of the initial management team assembled by (or perhaps presented to!) the incoming CEO. However, the following initial development needs can be reasonably predicted.

Corporate planning and management

The highest priority for any incoming management team of a new agency is to establish the basic corporate planning, management and communications structures needed to establish leadership and management control of the new organization. This is not, at least initially, a matter of preparing a (‘glossy’) corporate plan for the new organization. It is a matter of establishing quickly senior management’s

administrative capacity to plan, coordinate and control the LAA's ongoing activities and resources. Key elements supporting this, and areas in which the LAA may require early technical assistance are:

- Establishment of corporate decision-making structures and procedures (including, possibly, initial support and guidance for the incoming Director General and any Board in relation to their statutory powers, functions and responsibilities).
- Establishment of corporate resource planning and allocation procedures, notably:
 - processes for the identification and prioritization of key LAA work programs and related performance targets;
 - budgeting and financial monitoring of agreed work programs;
 - periodic internal performance review and audit.
- Establishment of mechanisms and procedures for corporate communications with LAA staff, clients/users and other stakeholders (e.g. employee organizations).
- Establishment and tasking of a corporate planning and management unit within the Office of the Director General.

People management and development

The LAA will bring together approximately 8,000 staff with substantially diverse position structures/classifications, professional qualifications and skill development opportunities/needs. None of these have yet been documented or analyzed in any detailed way, nor has there been any consideration to date as to how – over time – these diversities are to be managed and/or eliminated within the LAA. Nor can they be planned for in any detailed way until the LAA has been established and formal appointments have been made to its initial staffing structure. However, action to start addressing these issues early in the LAA's life will be vital if staff (and staff 'cultures') are to be genuinely merged within a reasonable period. The LAA's initial requirements for technical assistance in this area may include support for:

- Assembly of an integrated data base for all staff initially transferred to the LAA, containing basic information on individuals' positions, grades, current salary, regional location and age.
- Finalization of principles and procedures for transparent, merit-based, identification of staff to whom formal offers of employment with the LAA are to be made.
- Identification and negotiation as necessary of the procedures and conditions to apply in respect of staff not offered, or not accepting, positions in the LAA's staffing structure following its initial transition period.
- Rapid establishment and tasking of an LAA network of 'human resource coordinators' at national and regional levels to provide the initial core of the LAA's personnel management arrangements.
- Initial development of a personnel management and development strategy for the LAA encompassing longer-term classification structures, employment terms and conditions and staff development programs.

Management delegations and procedures

Advance planning prior to LAA establishment should address the management delegations and procedures for legal powers vested in the LAA that will need to be

issued by the LAA's Director General on 'Day 1' in order to maintain an uninterrupted flow of day-to-day decision making and services to the public. The draft Bill to establish the LAA provides that "The Authority shall adopt and promulgate the implementing rules and regulations to carry out the provisions of this Act not later than 90 days after the effectivity of this Act".

However, pending finalization of the LAA's longer-term management and regional structures these delegations and implementing rules and regulations will be of a transitional nature and need to be replaced in due course. The LAA's initial requirements for technical assistance in this area may include support for:

- A 'stock take' and review of the LAA's longer-term requirements for formal delegations within the agency of legal powers vested in the LAA;
- Re-writing in modern, plain language of delegations and related guidance material;
- Internal communications and training activities to ensure that managers across the LAA know and understand the formal powers delegated to them and their related statutory responsibilities.

Regional structure and office accommodation/records storage

Related to the issue of management delegations and procedures, but constituting a major management challenge in its own right, will be the task of establishing the LAA's regional structure. 75 per cent or more of the LAA's future staff are currently located in the regions within the different regional structures of the DENR and LRA/RoDs. Most land administration services to the public are delivered through these regional networks.

Preliminary work is addressing the information requirements and issues that will need to be resolved in establishing the LAA's regional structure, which will involve merging, restructuring and (in some cases) physically re-locating existing regional staff, office accommodation and land records. However, even with detailed advance planning the full extent of implementation problems and constraints is unlikely to become apparent before the LAA is established.

In addressing this issue, the LAA's initial technical assistance requirements may include support for:

- Director General/Board review of advance planning in relation to regional structures, consideration of options and finalization of the preferred long-term regional structure of integrated LAA 'service centers' to which the LAA will 'migrate' over time.
- Review and forward planning of office accommodation requirements and options to establish the LAA's service center network and co-locate staff of the present land administration agencies within it.
- Development of LAA policy towards ongoing monitoring and review of the regional structure including the development of formal criteria for the opening, sizing and closure of service centers over time in the light of user requirements and LAA work programs.

IT-based management information and communications systems

The creation, over 3-5 years, of an integrated management information and communications system for the LAA has the potential to be a powerful instrument with which to break-down barriers to information flows between the present land administration agencies and force genuine merging of functions/activities within the new agency. However, any urge to pursue this through major acquisitions of new IT/communications systems hardware or software should be vigorously resisted until the LAA has formulated a soundly-based IT strategy. This strategy should support and help implement re-engineered operating structures and processes within the LAA, rather than constrain them as a consequence of premature and/or inappropriate investment in hardware/software.

In developing an IT strategy to support its future management information and communications needs the LAA may need initial technical assistance to:

- Undertake a comprehensive ‘stock take’ of current IT-based management information and communications systems brought to the LAA by the existing land administration agencies (including their contractual obligations in relation to current/committed acquisitions).
- Identify/recommend any short term, low cost ‘patch jobs’ that could and should be undertaken to adapt existing systems in order to meet immediate LAA needs (e.g. an early, if interim, communications network linking LAA corporate management with all LAA senior/middle managers in Manila and the regions; a capacity to combine and extract personnel establishment and payroll data for the LAA as a whole from the current systems of the existing agencies).
- Analyze the potential IT systems implications and options flowing from parallel analysis and action within the LAA in relation to its future operating structures, systems and management information needs (see above).
- Prepare recommendations for ‘next steps’ in the development and implementation of an LAA management information and communications strategy.

Concluding note:

This paper’s suggestions have been prepared at a time when, while the main features of the LAA have been largely agreed, some significant details have yet to be finalized (e.g. the LAA’s institutional form, the extent to which its enabling legislation will specify management structures below Director General level). Some suggestions may need to be re-visited when these details have been finalized.

(John Mellors)
Institutional Arrangements Adviser
21 May 2003

MEMORANDUM

To: Hamish Macdonald, Land Valuation Adviser
Cc: Ian Lloyd, Team Leader, Technical Assistance

Subject: Establishment of a Central Appraisal Authority/Unit

Date: 4 June 2003

Purpose:

To outline issues for consideration in developing the proposal for establishment of a Central Appraisal Authority (CAA), having regard to parallel steps to create a Land Administration Authority (LAA).

Background:

The Land Valuation Policy Study and Policy Studies Integration Report

The Land Valuation Policy Study (June 2002) recommended the establishment of a Central Appraisal Authority (CAA) at the national level “to act as a regulator and to oversee the development and maintenance of the real property valuation system for the LGUs and the national government.” (Report, Annex H Recommendation 4).

Section J of the Study Report (pages 23-24) elaborated the role and functions of the CAA. It referred to the creation of “an independent GOP agency as the Central Appraisal Authority (CAA) with a statutory officer to head the organization and an Advisory Board to provide stakeholder input to policy development” (my emphasis), but did not elaborate on the meaning of “independent” or how ‘independence’ might be achieved. The report also canvassed options for attachment of the CAA to either the Department of Finance, DENR and/or a single land administration agency, but made no recommendation as such on this issue.

Following completion of the Land Valuation Policy Study and consideration of its recommendations in parallel with those of the other PA-LAMP policy studies, the Policy Studies Integration Report of August 2002 recommended to the LAMP Task Force that “A Central Appraisal Unit should be established within the LAA [Land Administration Authority] for the regulation of valuation standards.” This recommendation, which was endorsed by the LAMP Task Force on 16 August 2002 along with other recommendations, had regard to:

- The desirability of clearly separating the land valuation function from taxation functions;
- The need to establish strong linkages between land registration and land valuation information systems, combined with a judgment that such linkages will be easiest to develop and maintain if the administrative units/agencies involved are subject to management co-located within a single Authority;
- The intention to establish the Land Administration Authority as an autonomous government agency with its own (legislated) powers and functions. Together with further legislation to establish a statutory basis for ‘independent’ appraisal of land

values (including, perhaps, the creation of a statutory ‘Office’ such as ‘Commissioner for Valuation’ within the LAA), this was seen as a strong and practical institutional basis for restoring professional ‘independence’ in valuation practice.

Relevant extracts from the Land Valuation Study and Policy Studies Integration Report are annexed to this note.

My purpose in re-tracing this history is not to foreclose any particular institutional option (see ‘Issues’ below). It is simply to clarify the background facts that:

- The Land Valuation Policy Study recommended establishment of the CAA but did not recommend how/where it should be located within the overall structure of government.
- There was a logical basis for the recommendation of the Policy Studies Integration Report that a Central Appraisal ‘Unit’ be located within the LAA – albeit a basis that is open to alternative points of view.

The legislation to establish the LAA

Since mid-2002 work has proceeded on the preparation of a Bill to establish the Land Administration Authority by Act of Congress.³⁴ At the present time, two Bills have been prepared:

- A Bill reflecting recent decisions of the LAMP Task Force, notably that the LAA be established as a ‘mainstream’ government agency to be attached to an existing Department or the Office of the President, rather than as a statutory corporation (lodged with Congress earlier this week);
- A Bill prepared by the office of Congressman Baculio, based largely on earlier drafts of a Bill prepared within the PMO to establish the LAA as a statutory corporation (which is the preferred approach of the PMO and its advisers).

Copies of these Bills will be available from the PMO.

The first Bill identifies as a ‘State Strategy’, “Work towards the establishment of one valuation system for all real property taxations purposes”. However, the Bill’s definition of ‘Land Administration and Public Land Management’ at Section 4 does not refer to land valuation. Its definition of the LAA’s powers and functions at Section 7 makes no reference to land valuation powers/functions. The Bill makes no provision for creation of a Central Appraisal Unit within the LAA structure.

The second Bill identifies, as State Policy, the aim of promoting “the efficient and effective survey, mapping, classification, valuation, disposition and registration of lands”. It does not include any statutory definition of the term ‘land administration’ but does include at Section 8, amongst the LAA’s functions, “(i) Establish standards and systems for the valuation of lands for taxation, expropriation or other Government purposes”. This version of the Bill does not vest any specific powers in the LAA to undertake this function. However, it includes provision for

³⁴ To the best of my knowledge, no comparable work has been undertaken to establish a CAA.

transfer of (all of!) the assets and unexpended appropriations of the Bureau of Local Government Finance to the LAA.

This ambiguous treatment of valuation matters in the draft Bills results directly from the fact that there has, as yet, been no substantive agreement on where the land valuation function is to reside within government or how it is to be structured in institutional terms.³⁵ In drafting an early version of the Bill I sought to ‘keep the door open’ for inclusion of valuation functions and resources within the LAA structure by including reference to valuation matters in the State Policies and giving the LAA a broad mandate to implement (all) these policies, but I was in no position to draft provisions creating specific institutional arrangements for land valuation within the LAA structure. Both the present Bills have retained (different) elements of this original, ambiguous, approach.

Institutional issues:

Arising from this background the following ‘institutional’ issues will, I suggest, need consideration and resolution in order to progress the original recommendation for establishment of a Central Appraisal Authority/Unit:

- What institutional form should the CAA/Unit take?
- Related to this, what is meant by an ‘independent’ CAA/Unit and how best can this ‘independence’ be given institutional meaning?
- What specific legislative provisions will be needed to establish the CAA/Unit in the preferred institutional form?
- Will such legislation be ‘stand alone’ or should it be integrated with the legislation to establish the LAA?
- If the latter, should that be by attempting to amend the LAA Bill(s) currently before the Congress, prior to their enactment, or via later amendment of the LAA Act?

Institutional form of CAA/Unit:

The Land Valuation Policy Study suggested that “The CAA as a separate stand-alone organization is an option but not considered appropriate because of the cost involved in setting up corporate and organizational support systems etc.” I agree with that assessment. The main options, therefore, are that the Authority/Unit be established:

- As an ‘Attached Agency’ of an existing Department or the LAA; or
- As a ‘Staff Bureau’, ‘Line Bureau’ or other administrative unit that is integrated within the mainstream structure of an existing Department or the LAA.

Questions of ‘independence’ aside (see below), there is little to choose between these options. Attached Agency status establishes a more ‘stand alone’ agency profile, at least in theory, but also entails greater ‘corporate overhead’ in terms of requirements

³⁵ This is notwithstanding the 16 August 2002 LAMP Task Force endorsement ‘in principle’ of the recommendation that a central appraisal unit be established within the LAA. It would be overstating matters to say that the Task Force decisions on that memorable occasion were carefully considered, debated and firmly agreed by the Task Force.

for separate office accommodation, corporate support services and the like. It does not confer any additional flexibility in terms of government-wide procedures for senior appointments, staffing or finances.

A recommendation will also be needed as to whether the CAA/Unit is to be attached or form part of an existing Department (and, if so, which one) or the LAA. In my view, the considerations underlying last year's Integration Report recommendation that the unit be placed within the LAA are persuasive. In particular, I believe that if the CAA/Unit is separate from the LAA and located in, or attached to, the Department of Finance then it will, in practice, be extremely hard to motivate the LAA to give any priority to the development of strong linkage between land and valuation information systems. From outside, the CAA/Unit will battle from the outset to influence the LAA. There will be little if any pressure from the present land administration agencies to 'capture' the valuation function for the LAA. Incoming management of the LAA, when established, may well consider it has enough on its plate in merging the existing agencies without seeking to acquire additional functions and staff.

In brief, I suspect that lethargy and indifference will incline many to maintain the status quo and leave valuation functions with Finance, where it will continue to be dominated by revenue raising perspectives (insofar as it attracts any policy priority or management attention within Finance at all).

What is meant by an 'independent' CAA/Unit?

This question needs to be addressed with some precision since the answer (whatever it is) has significant implications for the institutional form of the CAA/Unit and the way its head is appointed. In particular, a clear distinction needs to be drawn between the operational 'independence'/autonomy of an administrative unit, on the one hand, and the 'independence'/professional impartiality with which a person occupying a particular public Office is able to discharge their statutory responsibilities.

If the CAA/Unit is to be given operational 'independence' as an administrative unit (e.g. freedoms in relation to financial and staffing matters that are not available to 'mainstream' government agencies) then it will need to be established as a separate corporate body (e.g. a 'non-stock' government corporation with its own legislated charter). As noted, the Land Valuation Policy Study appears to preclude this option because of the additional 'corporate overhead' expenses it would entail. But if the CAA/Unit is not a separate corporate entity, then it makes little if any difference for its 'independence' as an administrative unit whether it is an 'Attached Agency', a 'Bureau' or simply a Branch/Unit within an existing Department or the LAA.³⁶

I believe the more relevant meaning of 'independence', in the present context, is the second – that valuation powers/functions vested by law in a public Office (and the person occupying that Office) can be exercised independently of direction by/pressure from others. This is the sense in which Australia's taxation, customs, national statistics and public audit laws are administered 'independently' – the occupants of

³⁶ Note that if Congress is persuaded to establish the LAA as a corporate entity then the CAA/Unit would, in practice, experience more administrative independence as a unit within the LAA than it would as a 'stand-alone' non-corporate Agency attached to an existing Department – albeit 'second hand' operational independence.

the Offices of Tax Commissioner, Comptroller of Customs, Australian Statistician and Auditor General exercise independent statutory powers and enjoy special ‘protections’ (e.g. a requirement for a two-thirds majority vote in Parliament to dismiss occupants of these Offices). Note that a public Office can be established and its occupant can operate ‘independently’, even though administrative support for the Office is just a part of some ‘mainstream’ government agency.

If national valuation functions are to be discharged through a new public Office there will, of course, need to be a specification of the statutory powers and functions to be exercised/undertaken by occupants of the Office. Provided the appropriate legislation is in place, there is no reason why location of a central appraisal administrative unit within the LAA (or any other) organization structure need compromise the independence of the statutory Office of (say) ‘Commissioner for Land Valuation’ appointed to discharge statutory powers/functions and manage the unit. Whether, in the context of the Philippines, the occupants of such a statutory office could/should be given statutory protection against (in particular) arbitrary dismissal is a matter for further consideration.

In any event, care is needed in discussion of an ‘independent’ CAA/Unit to specify clearly what is meant and design the legislative/institutional framework for land valuation accordingly.

Legislative requirements

The debate leading up to preparation of the LAA Bill strongly suggests that any new organization structure for land valuation functions will require legislation. This might be:

- as (relatively) simple as a legislative amendment to the 1987 Administrative Code to create a new central appraisal administrative unit and attach it to/within an existing Department; or
- as complex as a new piece of legislation for the future of land valuation in the Philippines, the roles/responsibilities of national and local governments, and the establishment of the institutional arrangements – including the creation of any public Office(s) - needed to support the new system.

In my view, whatever future direction is to be taken in relation to the valuation component of ‘land administration and management’, that direction cannot be substantively progressed further until it is given concrete form through the preparation of the draft legislation needed to implement it.

Stand-alone legislation or integrated with LAA Bill/Act?

The main options for any legislation necessary to establish the CAA/Unit are as follows:

Option	Sub-option
'Stand-alone' legislation	
Legislation via amendment of the LAA establishment legislation	Introduced via amendment of LAA <u>Bill</u> currently before Congress
	Introduced by later amendment of the LAA <u>Act</u>

A variety of considerations are relevant to the choice of option including:

- the scope of the valuation legislation (will it deal with the land valuation system as a whole or simply institutional arrangements for land valuation?);
- choice of Department/Authority as 'host' for the CAA/Unit (if not the LAA, then obviously amendment of the LAA Bill/Act is not the appropriate legislative vehicle);
- timing (how soon will draft valuation/CAA legislation be available, relative to anticipated timing of LAA establishment?);
- Risks (e.g. that an attempt to introduce a substantial new component into the LAA Bill after its introduction to the Congress could complicate or even de-rail passage of an LAA Act; that 'stand alone' valuation legislation will not attract priority for passage).

These can only be considered when the scope of the CAA/Unit proposal has been further defined and agreed.

Conclusion:

My preferences (prejudices?) in relation to some of these issues will be clear enough from the above. However, I offer no recommendations as such since the future institutional arrangements for land valuation need to be considered alongside your future implementation proposals for land valuation arrangements more generally. I will be happy to discuss these points with you at any time between now and end-June 2003.

(John Mellors)
Institutional Arrangements Adviser

Annex: Extracts from Land Valuation Policy Study, June 2002

Executive Summary (Main Report page ii, part)

“The creation of a Central Appraisal Authority (CAA) is also an essential recommendation to address the major concerns of stakeholders relating to the inefficiencies and inequities in the present system.....” [The Executive Summary then summarizes proposed functions of the CAA. There is no explicit reference to CAA “independence” and no reference at all to the issue of which Department or other agency the CAA could/should be attached to].

Annex H: Recommendations and future directions

Recommendation 4. “**Establish a Central Appraisal Authority (CAA).** It is proposed that a specialist organization be created at the national level to act as a regulator and to oversee the development and maintenance of the real property valuation system for the LGUs and the national government. The creation of this organization is critical to the successful introduction of the reforms proposed in this report.”

Recommendation 13. “**Develop a Real Property Valuation Act.** There is a need to adopt legislation with recognized definitions, which best conform to internationally recognized best practice. The CAA will require legislation to put in place the powers necessary for the organization to function and this could be included on [sic] a RPV Act.”

Main Report, Section J, Considerations for Change

Sub-section ‘A Central Appraisal Authority (CAA)’ (part) (Main Report, page 23)

“The option exists to create a new organization as an independent GOP Agency as the Central Appraisal Authority (CAA) with a statutory officer to head the organization and an Advisory Board to provide stakeholder input to policy development.”

Sub-section ‘Institutional Options for the CAA’ (Main Report, page 24)

“The CAA as a separate stand-alone organization is an option but not considered appropriate because of the cost involved in setting up corporate and organization support systems etc.

It would be more appropriate for a CAA to be attached to a department. An attachment to the Department of Finance is a logical consideration based on the knowledge that the appraisal of real property in government is used for a financial or tax raising purposes.

Consideration should however be given to locating the CAA with the GOP land related agencies because the LGUs have strong linkages with the land record keeping agencies such as the Land Registration Authority (LRA), Registry of Deeds (ROD), and the DENR’s Land Management Bureau (LMB).

Another option could be a CAA attachment to DENR and join with any future Land Administration and management Agency. The CAA knowledge of land related matters would be useful in future policy development initiatives. Again the linkage with the land record keeping agencies would be maintained. The attachment to a Lands Agency would also be seen to further separate the CAA from the GOP and LGU taxing authorities.”

Sub-section ‘Institutional Options for the Short Term’ (part) (Main Report, page 24)

“...It is therefore proposed that a special unit within the BLGF be set up [as an interim measure pending creation of the CAA] which would be charged with performing the new CAA functions relating to the function of ad valorem taxes because the BLGF already have expertise in this area.”

Extracts from Policy Studies Integration Report (August 2002)

Executive Summary (Page iv)

Strategic Directions: Land Valuation

1. Remove local government political intervention in processes for assessment of property values
2. Adopt a single valuation basis for all real property taxation
3. Develop, implement and enforce uniform, best practice, valuation standards within government

Recommendations for Decision Now: Land Valuation

“2. A Central Appraisal Unit should be established within the LAA for the regulation of valuation standards.”