

# **PHILIPPINES-AUSTRALIA LAND ADMINISTRATION AND MANAGEMENT PROJECT**

## **Transfer of Titles and Support Services: Realities on the Ground Prototype 1 (Leyte)**

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**Report C6**



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## **PROTO TYPE 1 (LEYTE)**

### **Transfer of Titles and Support Services: Realities on the Ground**

#### **A. INTRODUCTION**

##### **1. Objectives**

This study presents some realities on the grounds in connection with the implementation of the Philippine-Australia Land Administration and Management Project (PA LAMP) in the province of Leyte. These “realities” are related to two sets of information (i) the existing government, non-government and private institutions that could provide support to titleholders that want to develop their land (e.g. agricultural extensions, credit facilities of financial institutions, advisory and capacity building services), (ii) the experiences of ten individuals (5 from the urban and another 5 from the rural areas) who have gone through the process of titling or transferring titles of their lands to their names.

Based on the study findings, the reports recommends: a) Strategies to ensure that titleholders are aware of the One-Stop-Shop (OSS) and its procedures for the title transactions, fees, timeliness, and information provision; b) Potential linking strategies between LAMP pilot communities and the services and projects coming from the different above mentioned support institutions; and c) Measures for maximizing the participation and support of the Local Advisory Group (LAG) in linking services and projects to the PIO 1 pilot Municipalities.

##### **2. Focus of the study**

The focus of this study is the PA LAMP Pilot Project in the province of Leyte (PIO 1). Specifically, the areas concerned are the six (6) PA LAMP pilot municipalities: a) Palo, b) Alang Alang, c) San Miguel, d) Sta. Fe, e) Pastrana, and F) Dagami.

##### **3. How the study was done**

This study used in-depth individual interviews and focus group discussion (FGD) as tools for generating information. Informants were identified through the records of the Register of Deeds (ROD) and through referrals made by the informants themselves. Through pre-arranged meetings with informants, the researcher devoted a maximum of two hours interviewing each informant. In most cases, the interviews were done either in the residence or offices of the informants. Additional data was generated through readings of appropriate materials or brochures, which the informants or their offices provided.

For accuracy of information, the researcher, through the help of a research assistant assigned by the project management office (PMO), acted as interpreter although most informants were quite fluent in the Tagalog dialect themselves. Moreover, most informants from the government agencies and non government organizations were the head of their offices. This insured a higher level of accuracy of information.

The writer interviewed all five Municipal Planning and Development Coordinators. In the case of Alang Alang, the writer interviewed the town mayor himself since the concerned MPDC was not available for a meeting.

In terms of the number of informants, the writer interviewed forty one (41) informants and held one (1) focus group discussion with 17 farmer-leaders representing 17 irrigation associations in the province of Leyte. The interviews took four weeks to complete.

In order to protect the identities of the informants, this study uses fictitious names in place of their real names.

It is important to note that in the course of the case study interviews, the researcher never attempted to “correct” the informants’ stories even if he thought that the sequence of events appeared inaccurate or did not follow the usual step-by-step prescribed procedures. Since some of the events happened in the past, it would be unrealistic to expect a hundred percent accuracy in the retelling of the stories. In fact, the researcher often noticed a pained look in the eyes of some informants as they struggled to recall details of events, some of which had taken place in the past. Ultimately, however, what is important is what the storyteller remembers the lessons he/she has learned from his/her experience and how he/she interprets the events that transpired.

#### 4. Support Institutions

The ultimate success of LAM Project partly depends on the consistent and adequate assistance of support institutions. These support institutions are the government agencies (GA), non-government organizations (NGOs) and private institutions like private banks, traders and even moneylenders. Without the assistance of these support institutions, it will be difficult to motivate titleholders to invest their lands so they can improve their economic situation.

Below are the government agencies and programs that are mandated to provide assistance to the people:

## **B. GOVERNMENT INSTITUTIONS**

### **5. Land Bank of the Philippines (LBP)**

5.1 The Land Bank of the Philippines is one of the traditional sources of credit of poor Filipino farmers and entrepreneurs. It is engaged in providing both agricultural and non-agricultural loans. It recognizes the role of cooperatives as its partners in bringing credit to individuals, households, and small businesses to augment income, generate more economic activities and transform lives.

The target markets of LB are the following:

- 1) Agricultural cooperatives composed of small farmers, fisherfolks, and livestock raisers.
- 2) Non-farmers’ cooperatives composed of market vendors, employees, teachers, rural workers and women.

The following are the different kinds of loans the Land Bank provides:

- 1) Agricultural Production (APL). This may consist of short/medium or long-term loans for lending to cooperative members. The cooperative, in turn,

must use the loan to finance crop production, fishery related projects and cottage industry enterprises.

- 2) Working Capital (WCL). This is intended to finance cooperative activities that require operating capital to buy raw materials and for processing and trading of inputs / or finished materials.
- 3) Rediscounting Line (RL). This loan is used for rediscounting promissory notes of credit cooperative members.
- 4) Fixed Asset Acquisition (FAA)- This loan is utilized for buying tangible assets for the operation of cooperatives.

## 5.2 Payment Problems

The incumbent Vice President and Manager for Operation of LB Tacloban reveals that the LB agricultural program portfolio is having great difficulties collecting from farmers and cooperatives loans that have been extended to them. Although he declined to divulge the exact amount of bad loans, the Vice President says that they run into millions of pesos.

The Vice President believes that, "There is a "culture of non-payment" among the farmers of the Waray areas of Region 8." He compares LB loan collection in other non-Waray areas and says that they are generally higher than those of the Waray areas. But a check with the records of the National Irrigation Administration (NIA) regarding its collection of irrigation service fees (ISF) in both Waray and non Waray areas does not indicate any significant difference between the two. For example, Ms. Siony Villote, Irrigation Community Organizer of NIA reveals that collection efficiency in said areas in the years 1999- 2001 are almost the same at 35%-45% percent.

## 5.3 Difficult to Borrow from LB

When informed that farmers complain about the difficulties of securing loans from the LB he responds by asking: " If you were LB, will you still lend money to farmers after reneging on their loan obligations?" But he hastened to add that in spite of bad loans, LB's door remains open to farmer cooperatives.

Here are the LB's list of 32 accreditation/loan requirements, which farmers consider extremely difficult to comply with:

- 1) Documentary Requirements as a Juridical Personality
  - a) Photocopy of Cooperative Development Authority (CDA) duly authenticated by the Coop Chairperson.
  - b) Photocopy of By-Laws duly authenticated by Coop Chairperson.
  - c) Photocopy of Articles of Incorporation duly authenticated by the Coop Chairperson.
  - d) Certificate of good standing from the CDA (at least issued with the three months period preceding submission of complete documentation to LBP.
  - e) List of Board of Directors, Committees and other officers with very recent colored ID picture (2X2)
- 2) Accreditation Criteria
  - a) Minimum of at least 60 regular members.

- b) Yearly thereafter, the membership should expand from 60 to 200, 200 to 300,
  - c) 300 to over 400.
  - d) All members must have undergone pre-membership education seminar.
  - e) At least 90% of all its members patronize the coop business or operation as evidenced by at least availment of coop services during the year preceding the accreditation.
- 3) Capital Build-up/Savings Mobilization
- a) Minimum paid-up share capital of P 30, 000 (cash)
  - b) For coops with more than 60 regular members, there must be a minimum average paid-up capital of at least P 500.00 per member and a minimum average yearly increase of P 500. 00 per member.
  - c) At least yearly increase in Savings of P 500. 00 per member.
- 4) Management and Leadership
- a) Must have a functional Core Management Team.
  - b) Must have monthly regular meetings.
  - c) Must have installed basic Coop Policies, Systems & Procedures on membership expansion, records keeping, CBU/SM generation, credit lending, budget, accounting and all other businesses.
  - d) Board of Directors must have Written Plans & Programs.
  - e) Must have conducted at least quarterly internal performance review of financial performance and business operations.
- 5) Books of Accounts
- a) With installed General Ledgers & Journal depending on coop business.
- 6) Affiliation to Federation
- a) Must have at least a) one livelihood enterprise and
  - b) At least one providential service such as emergency loan, educational, mutual aid, insurance, etc.
- 7) Financial Performance
- a) Return on equity must be at least break-even (no loss)
  - b) Debt to equity must at least be 6:1, which shall be maintained even after financing.
  - c) Liquidity ratio must at least be 1:1 based on its current ratio.
- 8) Documents Needed
- a) Masterlist of members with corresponding spouse address, area of farm, farm location, subscribed capital, paid-up capital and members' signature and columns duly certified by the coop society
  - b) Certification from the Coop Education & Training Committee duly noted by the Coop Secretary
  - c) Certification from the Coop Manager indicating the percentage of members patronizing the coop business. The Bank's representative shall validate this.

- d) Previous three year audited Financial Statements.
- e) Designation or appointments duly supported by BOD meeting, minutes, logbook, files, etc.
- f) Copy of policy manual/Coop CASA, if any.
- g) Copy of plans and programs.
- h) To be validated from the Minutes of the BOD meetings.
- i) To be validated by the LBP representative.

#### 5.4 Why Farmers Do Not Pay

During the August 1, 2002 dialogue with seventeen farmer-leaders of irrigation associations coming from the Waray coverage area of NIA, the farmers offered several reasons why they do not (cannot) pay their loans to the LB. First, they admitted that many of them are irresponsible borrowers. They said that non-payment of loans is not a matter of culture. Rather, it is a matter of behavior and lack of accountability of the cooperatives and ultimately, the farmers to the government. Second, the farmers believe that the government has no nerve to really prosecute deadbeats. Third, as a consequence, farmers think that they can always get away from government loans because no one yet has been thrown in jail for absconding from government loans. And old farmer said that, "court cases take so long to resolve that I would be dead before the government gets me for bad loans."

Farmers believe that the LB's loan advisory service to the cooperatives is poor and inadequate. According to a woman farmer, many farmers are cash strapped most of their life. Therefore, there is the tendency to accept loans especially if they are offered on easy terms. But there are times too when LB has to carefully weigh the advisability of additional loans no matter how much farmers appear to want them." But when asked why they religiously pay loan sharks, one farmer answered, "*Iba naman 'yun!*" (that's another matter).

The LB vice manager believes that one of the reasons behind failures of farmers' cooperatives to pay their loans is because "these coops are organized primarily to secure loans not to generate internal resources". Moreover, he is of the opinion that when capital is not internally generated, officers of cooperatives tend to be lax about their management. "*And perang hindi pinaghirapan ay madaling mawala,*" (Money that is not a product of hard work, is easily mismanaged) he quips.

## 6. National Irrigation Administration (NIA)

- 6.1 Among the agencies of the government in the province of Leyte, the National Irrigation Administration has a strong potential to provide development assistance to the beneficiaries of PIO 1 LAMP.

At present, NIA is engaged in the rehabilitation of nine irrigation systems with a total irrigated area of 10, 000 hectares. This project is the Irrigation Systems Improvement Project (ISIP) funded by the Asian Development Bank.

ISIP covers 14 municipalities including the six pilot municipalities of Palo, Dagami, Sta.Fe, Pastrana, AlangAlang and San Miguel. All these irrigation systems are presently being rehabilitated. The main objective of this irrigation project is poverty reduction, which coincides with the ultimate goal of PA LAMP.

ISIP is presently developing effective local organizations by strengthening existing Irrigation Associations (IA) and Irrigation Service Cooperatives (ISC). Training activities on cooperative management are also being provided to the officers and members of these organizations.

ISIP has put up post harvest facilities consisting of a concrete solar drier and a storage warehouse, which are being used by members of IAs. These are quite sufficient to process and store all marketable surplus grains the IA members produce.

## 6.2 Poor Collection of Irrigation Service Fees (ISF)

Like the Land Bank of the Philippines, the NIA is also hard hit by decades-long failure to collect ISF from farmers. Nationwide, collection efficiency of NIA is only 30% while in Region 8, collection percentage is 40%. The ISF is 3 cavans during the wet and 2 ½ cavans during the dry season. Farmers pay another 2 ½ in case of a third crop.

NIA has tried many measures to persuade delinquent farmers to pay but collection remains poor. Consequently, many irrigation systems around the country have deteriorated and are unable to provide an efficient service to the farmers. In return, farmers point to these deteriorated systems as reason not to pay ISF. Hence, NIA is caught in a vicious cycle.

In areas of Region 8, which include the six pilot municipalities of Leyte, farmers can look forward to efficient and adequate delivery of irrigation water once the rehabilitation of ISIP is completed. “*At sana, magbayad naman sila ng kanilang utang,*” (And hopefully, farmers will pay their debts to NIA), the NIA’s Director says.

Finally, a check with the NIA has also revealed that almost 80% of the present LAM project beneficiaries have lands located in rain-fed areas. It is common knowledge that rain-fed areas are less productive than those being served by irrigation systems. Being dependent on the rain for irrigation, these areas could be farmed only once a year. Consequently, poverty is more prevalent in rain-fed areas than in places where there is yearlong gravity irrigation.

## 7. Philippine Crop Insurance Corporation (PCIC)

- 7.1 The Philippine Crop Insurance Corporation provides insurance protection to agricultural producers particularly the subsistence farmers from crop losses due to natural calamities, pest and diseases. Insurance premium varies depending on the degree of risk obtaining in an area. Hence, for high-risk areas like the Municipality of Cananga, the premium ranges between 7%-9% of the amount of cover. Medium risk areas like Palo and Sta Fe, premium is between 5%-9% while in low risk areas like the province of Biliran, the insurance premium is only 4%.

PCIC’s major programs and projects are the following:

- a) Rice and Corn Crop Insurance- This is insurance protection extended to farmers against losses on rice and corn crops due to natural calamities as well as plant pests and diseases.

- b) High value commercial crop insurance- This is insurance protection extended to farmers against losses on crops other than rice and corn due to natural calamities and
- c) Non-crop agricultural asset insurance- this is insurance protection extended to farmers against loss of their non-crop agricultural assets.

## 7.2 PCIC's Dented Image

The farmer leaders who participated in the August 1, 2002 focus group discussion revealed a positive attitude towards the PCIC. They said that PCIC fulfills its commitment to pay crop damages.

But three farmers from Pastrana disagreed. "Collusion between farmers and Adjusters is fairly common," they claimed. "There are many instances when farmers whose crops were not damaged got compensated while those whose crops were destroyed got nothing," they stressed. "*Koneksiyon lang ang kailangan. Kung malakas ka sa Adjuster, OK ang crop insurance mo*" (You have to have the right connection. If you have a strong influence with the Adjuster, your crop insurance will be OK), a former Barangay Chairperson explained.

The PCIC's incumbent manager agrees with the criticisms of farmers but claims he has already terminated those Adjusters who had dishonest track records. "I have terminated eight Adjusters recently. Now I have only two and they are the honest ones," the PCIC Manager explained.

## 7.3 Not a Dole out Program

The PCIC Manager says that there are farmers who think that the crop insurance program of the government is dole-out. According to him, this misunderstanding is created by the fact that some Local Government Units (LGUs) pay the farmers' insurance premium out of the money given by the office of the provincial governor.

The PCIC Manager said that the office of the present governor allocates money to every LGU on condition that the latter provide a matching fund. The exact amount that comes from the office of the governor is fifty percent of whatever LGUs could raise. He also said that out of the six LAMP pilot municipalities, four are beneficiaries of the governor's program. These LGUs are the following: Dagami, Sta. Fe, Palo and Alang Alang. Pastrana and San Miguel are inactive.

The governor's financial assistance on payment of crop insurance premium is predicated on the continued cooperation of the LGUs. Based on the principle of self-reliance, the program of assistance will continue only if LGUs continue to produce the matching funds.

## 7.4 Prompt Repayment

The PCIC Manager says that PCIC always tries to pay insurance claims within 30 days although the mandated repayment period is 60 days. "Payments get delayed when farmers do not report the damage within 10 days after it has occurred," he explained.

### 7.5. Financial Situation

Like most government agencies, PCIC expects more fund infusion from the government. At present, out of the authorized capitalization of 2 billion pesos, the National Government is able to give PCIC only 1.1 billion pesos thus limiting the agency's capability to reach out to as many clients as possible.

The PCIC Manager estimates that less than 6% of farmers in Region 8 have crop insurance. He thinks that the reason behind this is purely financial in nature.

### 7.6 Farmer Associations as Adjusters

Recently, farmers have suggested to the PCIC Management that they appoint Farmers Associations as Adjusters. The farmers believe that this idea is logical. They say that they know who among them have harvested and how much was harvested. They also know the extent of crop damage that has occurred in their locality. This familiarity with their immediate environment eminently qualifies farmer associations as PCIC adjusters.

Finally, the farmers recommend that PCIC should do away with the fine print in the insurance policies. They say that "the devil" is in the fine prints of insurance policies. The PCIC manager is receptive to these ideas and promised to take up these suggestions with the PCIC's board of directors.

## 8. The National Food Authority

The National Food Authority (NFA) is the government agency mandated by law "to promote the integrated growth and development of the food industry in order to make it capable of providing adequate and stable grains supply as well as stabilized price of grains in the market" ( NFA Primer).

### 8.1 Support Price

In order to protect and support the palay farmers in trading, the NFA has established a fixed price of P 10.00 per kilogram for summer crop and P 9.00 per kilogram for the main crop, respectively. NFA also provides an incentive of P 0.50 per kilogram of dry and clean palay.

### 8.2. NFA Requirements

In order to get the stipulated support prices of NFA, farmers must observe the following requirements: First, their palay must have a moisture content not higher than 14%. Any produce that has moisture content that is more than 14% will be purchased at a lower price. Second, the palay must be 95% free from impurities like pebble, seeds or other foreign matter.

### 8.3 Who Can Sell to NFA?

The following can sell their palay to NFA:

- a) Farmers' Associations- These are farmer cooperatives or corporations duly registered with the appropriate government agencies and which are

composed primarily of small agricultural producers, farm workers and other agrarian reform beneficiaries.

- b) Individual farmers- These are palay farmers cultivating a minimum of three hectares with a production of not exceeding 300 bags per cropping season.
- c) Walk-in farmers- These are farmers cultivating 1.5 hectares or less whose income depends on share of payment as helpers or farm laborers. These farmers can deliver palay up to 10 bags per delivery but not exceeding 50 bags per season. NFA accepts only palay with 14% moisture content and 95% purity. Finally, the farmer must be endorsed by the barangay chair or by any religious leaders (i.e. priest or minister) in the community.

#### 8.4 Payment Procedures

The NFA pays in the following manner: 1) Cash Payment- This is payment made to farmer organizations for deliveries worth P 60,000; 2) Payments in checks- This is done in the following manner:

- a) Payment of farmer organizations or deliveries of individual farmers with amount ranging between P 60,000 to P200,000 may be made at the NFA buying stations or warehouses.
- b) Payment of farmer organizations or individual farmer's deliveries in excess of P 200, 000.00 shall be made at the NFA office through voucher system.
- c) All payments shall be in crossed checks.
- d) Checks may be encashed at the PNB, Land Bank or Rural Banks with authorization from the NFA.

#### 8.5 Farmers' Complaints

The farmers complain about onerous policies and procedures of NFA and demand that be changed or abolished altogether. Their complaints revolve around three things: First, they say that the policy of NFA regarding the 14% moisture content and 95% purity of palay are very difficult to observe. They argue that given the unpredictable weather and the dearth of mechanical drying machines, it is nearly impossible to meet the 14% standard. Second, they also say that farmers are cash strapped most of the time do not have the luxury of going into the long process of expunging impurities from their produce. Third, many farmers are unable to market their produce to NFA because its buying stations are often inaccessible from the farmer's fields. Fourth, due to the difficulties farmers encounter in complying with the above-mentioned policies, farmers are forced to borrow from unscrupulous traders and usurers who take advantage of their difficult predicament. And fifth, farmers also say that at times NFA is unable make an immediate payment due to lack of money. This drives them into the hands of middlemen or usurers.

According to Mr.Oscar Ripalda, former treasurer of an Irrigation Association in Alang Alang, for every loan of P 1, 000 he gets from the middlemen, he pays back between 5 to 6 cavans of palay. One cavan of palay is equivalent to 44 kilos. At the price of P 6.50 /kilo of palay, 6 cavans would translate to P 1, 716. This means that for every P 1, 000 Mr. Ripalda borrows, the middleman earns P 716!

## 8.6 What Farmers Suggest

Farmers from distant villages experience great difficulties in transporting their produce to NFA's warehouses. Freight costs are not only prohibitive but the sacks that contain palay sometimes burst during transport causing financial losses to the farmer-owners. "Why can't NFA set up temporary buying stations during harvest time?" a young farmer asks. "If the Chinese traders can buy our produce irrespective of its moisture content, why not the government?" he insists.

## 9. Quedancor

Quedancor stands for Quedan and Rural Credit Guarantee Corporation Act. Its goal is to accelerate the flow of investments and credit resources into the countryside. It has an authorized capitalization of P 2 billion.

Quedancor's loan portfolio is available to farmers living in the same barangay. One condition to avail of the loan is to organize themselves into clusters. Each cluster elects or appoints a team leader. The team leader assumes the responsibility of paying the group loan by issuing a post-dated check (PDC) in favor of Quedancor. The team leader then collects from each cluster member his/her share in the payment of the loan.

Under this arrangement, a maximum amount of P 10, 000/ hectare can be borrowed. But this amount is not available in cash. In stead, the money is converted into farm inputs like fertilizer and pesticides. The borrower-farmer collects the farm inputs from outlets authorized by the corporation.

## 10. CARES-IAL-URP

Another program of Quedancor that provides assistance to the poor is the GMA-CARES-IAL-URP. This acronym stands for Ginintuang Masaganang Ani-Countrywide Assistance for Rural Development and Services Program for Income Augmentation and Livelihood for the Urban and Rural Poor.

### 10.1 Access to GMA-CARES-IAL-URP

Both individual borrowers and cooperatives can access this loan program after fulfilling the following requirements: a) Individual applicants must be a resident of the community for at least one (1) year and b) They must attend training directed towards changing their wrong attitude like not paying their loans.

Furthermore, Cooperatives or Associations that intend to borrow money from Quedancor must fulfill the following requirements,

- a) Must be registered with for at least one (1) year.
- b) Must have undergone value orientation.
- c) Must have a juridical personality with authority to borrow money.
- d) Must have a set of honest officers who have not been involved in any past irregularities.

### 10.2. Amount That Can Be Loaned

Any person can borrow a maximum amount of P 15, 000 while cooperatives can

get as much as P 75,000. Loans shall be payable within a minimum of 360 days through daily, weekly, semi-annually or monthly amortization. A quarterly or semi annual mode of payment is allowed for projects that have longer implementation period.

## **11. Kapit Bisig Laban Sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS)**

- 11.1 KALAHI-CIDSS is a community-based poverty reduction program of the Department of Social Work and Community Development (DSWD). This six-year program will be implemented shortly in forty poorest provinces in the Philippines including the province of Leyte. KALAHI-CIDSS has the following objectives:
- a) Empowerment of communities, which involves participatory planning, implementation and management of local development activities.
  - b) Empowerment of local governance pursued by strengthening formal and informal institutions to become more inclusive, accountable and effective.
  - c) Provision of seed fund for community investment programs by matching needs with limited resources in a competitive manner where communities and Local Government Units (LGUs) will be engaged in a demand-driven process of problem-solving.

## **12. Components of KALAHI-CIDSS**

- 12.1 KALAHI-CIDSS has three components. These are the following: First, social preparation, capacity building and implementation support. The heart of KALAHI-CIDSS is the mobilization of communities and stakeholders to help steer the project to meet its objectives. This involves a multi-level and multi-stakeholder organizing; socialization and facilitation process to ensure that consistency with the project principles is achieved. This component is undertaken in all stages of the project cycle-from its inception, area targeting, social marketing, information dissemination and sharing community organizing participatory community planning, sub project preparation, inter barangay/municipal competition, project implementation, project monitoring and the preparation and completion of project reports.

Second, seed fund for community development projects. A specific amount of assistance shall be allocated by the project to target municipalities and the barangays comprising it. Barangays can request funds from the project to construct infrastructure such as roads, bridges, water supply and sanitation facilities. These kinds of activity will be carefully planned to ensure optimum benefits and to avoid damage to the environment.

Third, Monitoring and evaluation studies. Monitoring will be designed to provide for a continuous learning and adjustment of the project approach and will involve

- a) participatory monitoring by communities based on self-defined indicators,
- b) internal monitoring of inputs, process, and outputs of the Project Management Office (PMO),
- c) independent external monitoring and evaluation by consultants and
- d) civil society monitoring by NGOs and the press

### 13. The Agrarian Reform Communities (ARC)

- 13.1 An integral component of the Philippine Land Reform Program is the creation of Agrarian Reform Communities for those who have received their land titles. As an inter-agency undertaking, ARC aims to make available to the beneficiaries of the land reform program integrated basic services such as irrigation, farm-to-market roads, farm inputs and credit facilities.

Under the ARC program, DAR organizes beneficiaries into cooperatives. They also receive assistance on how to package their collective needs for funding by banks. The DAR Assistant Regional Director has said: "Farmers must be assisted in packaging a program of assistance responsive to their needs. They simply can't be left on their own because individually, they are vulnerable and helpless." He also said that even with DAR's assistance, farmer cooperatives are having great difficulties accessing loans from the Land Bank because of its strict requirements.

Similarly, DAR is also giving non-beneficiaries of the Comprehensive Agrarian Reform Program (CARP) a chance to improve their lives through the adoption of an innovative scheme called Bayanihan Agrarian Reform zones (BAR Zones). A BAR zone shall serve as a convergence area for discussion, consultation, planning, operation and reforms to be instituted by DAR, other CARP-implementing agencies, local government units, people's and non-government organizations, the private sector and farmers. This assistance is also available to the LAMP pilot municipalities.

The main objectives of BAR zone is to maximize the delivery of support services, such as technical assistance and infrastructure. Map overlays would determine if the area is for agricultural use, land use, major crops, CARP coverage, political boundaries of congressional districts.

### 14. The Department of Agriculture (DA)

- 14.1 As a devolved agency, the Department of Agriculture fulfills its mandate of improving the country's agriculture sector through the Local Government Units. In all the six pilot municipalities of LAM project, the DA is actively helping the LGUs in providing technical advice to both farmers and livestock owners.

All six pilot Municipalities of LAM project have DA offices where those who need them could easily access DA technical assistance. The local farmers receive help from these DA technicians especially on how to efficiently use certified seeds and apply fertilizers and pesticides. DA veterinarians also provide advice and medical help to livestock owners and hog raisers on how to protect the animals from diseases.

Some of the farmers from Pastrana, San Miguel and Sta. Fe who were interviewed in the course of this study have expressed gratitude to the DA technicians for helping them cope with the *tungro* infestation of their crops last year (2001).

**Table 2: Support Assistance: Government Agencies**

<b>Name of Agency</b>	<b>Location</b>	<b>Objectives</b>	<b>Target Groups</b>
1. The Land Bank of the Philippines (LBP)	Tacloban, City	1) To provide agricultural and non agricultural credit 2) To provide training on to its borrowers on financial management	Farmer Cooperatives
2. National Irrigation Administration (NIA)	Tacloban City	1) To provide irrigation water. 2) To organize irrigation service cooperatives 3) To train farmers on irrigation water management. 4) To construct irrigation systems nationwide	Irrigation Associations/ Irrigation Service Coop.
3. The Philippine Crop Insurance Corp.	Tacloban City	1) To provide crop and livestock insurance to its clients	Rice, Corn And livestock Owners
4. The National Food Authority (NFA)	Tacloban City	1) To promote integrated growth and development of the food industry	Rice and Corn Owners
5. The Department of Agrarian Reform (DAR)	Tacloban City	1) To implement a comprehensive agrarian reform program in the country. 2) To provide the members of the Agrarian Reform Communities an integrated package of services that includes, credit, farm-to-market roads, irrigation and other farm inputs.	All kinds of Land owners
6. The Department of Agriculture (DA)	In all the six pilot municipalities		Rice, Corn and Livestock owners
7. Ginintuang Masaganang Ani-Countrywide Assistance for Rural Development and Services Program for Income Augmentation and Livelihood for the Urban and Rural Poor (GMA-CARES-IAL-URP)	A program of Quedancor	1) To provide loans to individuals and cooperatives	The Urban-Rural poor
8. Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS)	A program of DSWD	1) To empower communities, which involves participatory planning, implementation and management of local development activities 1) To empower local government units. 3) To provide seed fund for community investment programs. (Note) KALAHI-SEEDS will be implemented in 40 poorest provinces of the country including Samar and Leyte provinces.	The Rural Poor

### **C. NON-GOVERNMENT ORGANIZATIONS**

#### 15. The Institute for Democratic Participation in Governance (IDPG)

15.1 The Institute for Democratic Participation in Governance (IDPG) was incorporated in 1999. It promotes citizen participation in local governance among the municipalities of Eastern Visayas. It adopts different tactics to achieve this end

such as hosting high profile activities, doing participatory rapid appraisal (PRA) and barangay development planning exercises in selected barangays and holding training and setting up satellite institutions in some municipalities.

Specifically, IDPG has done the following:

- a) On Governance and Advocacy:
  - Reconstitution of 150 Barangay Development Councils
  - Promoted civil society interface with more LGUs in addition to IDPG's 8 municipalities
  - Engaged in active policy dialogues on the Local Government Code implementation
  - Trained more than 100 local governance facilitators
  
- b) Poverty Alleviation:
 

IDPG had forged relations with the city government of Tacloban with the intention of exploring possibility of a comprehensive poverty alleviation project in the city's depressed barangays anchored on asset reform and core housing program in the city's slum villages. This includes insisting on land tenure/titling initiatives to give security to constituents/target beneficiaries.

## 16. Runggiyan

- 16.1 "Runggiyan" is the oldest student organization in the University of the Philippines (UP) Tacloban College.

After the lifting of Martial Law, a group of UP students organized the UP Runggiyan on July 30, 1977. The main purpose of Runggiyan is to enhance the intellectual and social well being of its members. Runggiyan now has around 300 members.

On July 1986, Runggiyan was registered with the Securities and Exchange Commission (SEC) as Runggiyan Social Development Foundation, Inc. (RSDF). So far, RSDF has assisted and served 1,364 youth and children; built houses for 730 families of disaster victims and provided medical assistance to poor communities around the region.

- 16.2 Here are some of the activities of Runggiyan that indicate their experience in various development fields:

- a) Bantay Pinamalay (Community Watch). This program has been on-going since 1996. This involves organizing community volunteers and barangay officials and providing them with training on how to respond to cases of domestic violence in their communities.
  
- b) Local Partnership Action Project. This program is begun in 1999. It provides emergency shelter, basic counseling, legal and medical assistance to women who are survivors of domestic violence.
  
- c) Gender and Development. On-going since 1995, this program provides resource materials and gender sensitivity training and other gender-related activities in cooperation with other NGOs, GOs, LGUs and POs.

- d) Regional Advocacy. Runggiyan serves as a Resource Center on Family planning and Health programs. This has been on-going since 1994.
- e) Scholarship Program for Child Laborers and Working Youth- This program provides educational assistance to child laborers and working youth in the form of school fees and money to purchase notebooks and ballpens.

### **17. The West Leyte Development Foundation Center, Inc. (WESLEDEF)**

- 17.1 WESLEDEF is composed of LGU officials, leaders of PO Federations of farmers and farm workers, human rights agrarian reform lawyers and former NGO development workers.

It is presently assisting the Department of Agrarian Reform in implementing land reform in Region 8. It organizes local communities so that they can actively participate in planning and implementation of programs that will bring about genuine progress for the people.

WESLEDEF's experience and expertise are focused on the following areas:

- 1) Democratic participation in Local Governance;
- 2) Agrarian Reform;
- 3) Community Organization;
- 5) Leadership Formation;
- 6) Policy Reform;
- 7) Advocacy for Women's Rights; and
- 8) Environmental Protection.

WESLEDEF operates in the Municipalities of Merida, Ormoc, AlangAlang, San Miguel, Sta. Fe and Palo all in Western part of the province of Leyte.

Two of the most recent activities of WESLEDEF are the following:

- 1) It facilitated the distribution of Certificate of Land Ownership Award (CLOAS) to around 750 farmer-beneficiaries of more than 1, 000 hectares of land in Alang Alang, one of the pilot municipalities of LAM project. This activity helped strengthen the different POs in the barangays in Alang Alang.
- 2) Facilitated the formation of Task Force Ormoc, an interagency coordination of all stakeholders of CARP in Ormoc. This has led to the mobilization and organization of farmers in the area.

### **18. Recent Trends Institute for Dynamic Society (RTIDS)**

- 18.1 The Recent Trends Institute for a Dynamic Society (RTIDS) is located in the municipality of Sta. Fe.

At present, RTIDS is working closely with IDPG in the conduct of PRA and BRDP in all the barangays of Sta. Fe. Its programs and services are the following:

- 1) Community Organization.
- 2) Gender.
- 3) Research, Education and Advocacy.
- 4) Project Development.

## **19. Leyte Rural Awareness Program (LRAP)**

- 19.1 LRAP operates in the Municipality of Dagami, one of the pilot municipalities of PA LAMP where it teaches local people mat weaving and basket making using local materials like abaca fiber. LRAP is also engaged in making local wine like *lambanog*. LRAP has the competence and experience in the areas of community organization and social preparation activities.

## **20. The Visayas Cooperative Development Center (VICTO)**

- 20.1 The Visayas Cooperative Development Center (VICTO) was organized in the early 1960's. It is one of the most viable cooperative-owned institutions in the Philippines today. At present, it has a total of 249 cooperative members in the Visayas alone.

VICTO believes in the strong, viable cooperative united by a common aspiration to promote self-reliance, mutual assistance, democracy, justice and spirit of nationalism. VICTO offers its services in the following areas:

- 1) Consultancy.
- 2) Auditing
- 3) Auditing.
- 4) Training in Cooperative.
- 5) Gender.
- 6) Youth and Development.
- 7) Advocacy
- 8) Project Design
- 9) Housing and Resettlement.

## **D. PRIVATE INDIVIDUALS**

21. Mr. Morales, The Rice Trader

"I provide better service to the farmers than the banks. Look at how farmers patronize my business," Mr. Morales of Abulog, Leyte proudly declares. He also boasts that he does not discriminate whether the palay he buys contains 14% moisture content or not. He lets the millers worry about that problem. "If the palay is dry, I pay P 9.00 per kilo. But if it is wet, I still buy it but I subtract 3 kilos for every sack as penalty," Mr. Morales explains.

Unlike NFA, Mr. Morales pays cash on the spot irrespective of the quantity farmers sell to him. Contrary to farmers' claim, however, he says that NFA does not buy from traders. But he is not worried because there are lots of millers around who are eager to transact business with him anytime.

Like many traders in Leyte, Mr. Morales also lends money to his impoverished clients. For every hectare, he lends P 8, 000 production loan. He exacts an interest rate of three kilos of palay for every P 100.00 loan.

This interest rate is reduced to 2 or even 1 kilo of palay per P100.00 if the farmer is a good payor and has been his client for years.

For loans P 5, 000 and above, Mr. Morales requires land titles as collateral. In spite of this requirement, however, Mr. Morales claims that this practice is not technically land grabbing because farmers can always re-purchase their land. He claims that this condition is clearly stated in the Deed of Sale.

Finally, Mr. Morales says that he also offers farmers interest free loans as long as they agree to a 60%-40% sharing system on the produce. This means that the farmer gets 60% while he gets 40% of the harvest.

Mr. Morales is convinced that his method helps extricate farmers from the poverty trap. But when this researcher asked an old farmer who sat beside Mr. Morales during the interview how long he has been selling palay and borrowing money from Mr. Morales, he said: "*Matagal na po. Teenager pa po ako ay nangungutang na ako sa kaniya,*" he responded (I've been borrowing money from him since I was a teenager). Hearing the farmer's response, Mr. Morales blushed.

## **22. "MR. 5/6," THE BOMBAY**

22.1 Fiercely competing for clients with traders and cooperativeness are the itinerant and tireless *Bombay*. The term "Bombay" is actually a misnomer because most of these Indian citizens are not actually from Bombay, India but from the province of Punjab, India. Punjab is the capital of the Sikh religion and it is quite easy to determine whether Indian citizens are Sikhs or not, because of the turban they regularly wear.

In spite of the pejorative title, "Mr. 5-6," the *Bombays* are quite popular among poor urban as well as rural residents. In fact, six informants in this study recognize the important role the *Bombay* plays in the informal economy. Informants said that if it were not for the loans they have obtained from the *Bombay* they would not have been able to equip their homes with appliances like ice coolers, electric fans, gas stoves, refrigerators and other modern appliances. One woman in Abuyog, Leyte said that she is building a house out of loans obtained from the *Bombay*.

The popularity of the *Bombay* as sources of ready cash is not difficult to fathom. First, the *Bombay* does not require a long training and screening process before one can avail of a loan from him. It is sufficient that trust between the *Bombay* and the borrower is established before hand. Second, there are no papers or voluminous documents to sign. Third, there is very little waiting time involved before loans are released. As one client of the *Bombay* said, "Just tell the *Bombay* how much you need today, and the next day you get your money." Fourth, repayment of loans is easy because borrowers are required to pay on a daily basis. In this manner, the *Bombay* claims that the borrowers are not burdened. Fifth, there is no limit to the amount one can borrow provided that the client has already earned the trust of the *Bombay*. Although, the interest rate is stiff –20% in 40 days- people feel that, on the whole, the easy access to loans with the *Bombay* far outweighs the disadvantages brought about by the "5-6" nature of the transaction. Sixth, there is a high level of trust involved in the business transaction between the client and the *Bombay*.

A question has been asked” “What happens if loans are not repaid?” Michael Singh, the Indian informant of this study said: “That is the risk I take. I have no legal recourse. The only thing I can do is to screen my clients well.”

**Table 3: Support Services- Non- Government Organizations and Individuals**

Names of Non-Government Organization	Location	Competencies
1. Institute for Democratic Participation in Governance (IDPG)	Tacloban City	1) Mobilizing people's participation in local governance. 2) Participatory Rural Appraisal 3) Barangay Development Planning. 4) Training 5) Leadership formation 6) Monitoring and Evaluation
2. Runggiyan Social Development Foundation (RSDF)	Tacloban City	1) Gender Advocacy 2) Health 3) Training 4) Community organizing 5) Microfinance
3. West Leyte Development Foundation (WESLEDEF)	Ormoc, Leyte	1) Local governance 2) Agrarian reform 3) Community organization 4) Leadership formation 5) Policy reform 6) Advocacy for women's rights 7) Environmental protection
4. Recent Trends Institute for Development (RTIDS)	Sta. Fe, Leyte	1) Community organization 2) Gender 3) Research, education and advocacy 4) Project development
5. Leyte Rural Assistance Program (LRAP)	Tacloban City	1) Skills development in mat weaving and wine making 2) Community organization 3) Training 4) Leadership formation 5) Research
6. The Visayas Cooperative Development Center (VICTO)	Tacloban City	1) Consultancy 2) Auditing 3) Training in cooperative 4) Gender 5) Youth and Development 6) Advocacy 7) Project Design 8) Housing and Development
7. Private Traders	Everywhere	1) Provision of loans
8. Mr. 5/6, The Bombay	Everywhere	1. Provision of loans

## **E. THE LOCAL GOVERNMENT UNITS (LGU)**

23. The Local Government Code of 1991 has declared the policy that “the territorial and political subdivision of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals.”

An expression of this autonomy is seen in the power and authority of LGUs to craft their own Annual Investment Plans intended to address the specific needs of their citizens.

With the exception of the Municipality of Palo, Leyte, which declined to provide this researcher a copy of its annual investment plan, the other five (5) pilot municipalities have an Internal Revenue Allotment (IRA) that ranges between 15-24 million pesos. Twenty (20%) percent of the IRA amount is earmarked for the Annual Investment Plan (AIP). It is noticeable, however, that not one of the five

municipalities has earmarked the mandated 5% gender budget in their AIP. The reason they gave was that they were not aware of such a law.

#### 24. The Municipality of Pastrana

- 24.1 The Internal Revenue Allotment of the municipality of Pastrana is P 15, 902, 163.00. Twenty (20%) percent or P 3, 180, 432.60 of this amount is utilized in the implementation of the Annual Investment Plan (AIP). Thirty eight (38%) percent or P 1, 214, 632. 60 goes to infrastructure projects like repair of roads and bridges while economic activities such as formation and training of cooperative members receive 11% or P 350, 000.00.

According to the Municipal Planning and Development Coordinator of Pastrana, the easiest source of credit in the municipality are the loan sharks. “They are also the main cause of the continuing impoverishment of the people here, “the MPDC declares. She also laments the fact that the local government appears powerless to control this situation due to limited resources.

When asked what she expects to happen to small landowners when they obtain their titles, she said: “If support services would not be readily available, they would likely sell their lands to the big landowners.” Of course, the reason why this has not happened before was because only few were interested in untitled lands.

**Table 4: The AIP of the Municipality of Pastrana, Leyte**

Municipality/Items	Amount (PhP)	Allocation of AIP (%)
<b>Municipality: Pastrana, Leyte</b>		
CY 2002 IRA	15,902,163.00	
20% of IRA allocated to AIP	3,180,432.60	
Development Projects:		
1. Infrastructure Development	1,044,000.00	32.83%
2. Economic Development	350,000.00	11.00%
3. Social Development	571,800.00	17.98%
4. Other Development Projects	1,214,632.60	38.19%

#### 25. The Municipality of Sta. Fe, Leyte

- 25.1 The IRA of the municipality of Sta. Fe for CY 2002 is P 15, 267, 305. 00. Twenty (20%) percent or P 3, 053, 461.00 is spent to implement the AIP. Forty-three (43%) percent or P 1, 335, 000.00 is allotted for infrastructure projects, the biggest budget allocation.

The local government allocates only P 130, 000 (4.26%) for economic development and 9% or P 300, 980.99 goes to human resource development (HRD).

The MPDC of Sta. Fe points to the negative attitude of the people as the most serious challenge that confronts the local government. “People are lukewarm about almost everything we offer them except infrastructure projects.” However, this apparent negative attitude of the people is not difficult to understand since they feel that their economic situation hardly improves in spite of the different projects of the local government. But she hopes that when the socio-economic

surveys of the different barangays being conducted by IDPG and RTIDS are completed, the LGU will use the information contained in those studies to craft programs and projects that would be more responsive to the real needs of the people.

**Table 5. AIP of the Municipality of Sta. Fe, Leyte**

Municipality/Items	Amount (PhP)	Allocation of AIP (%)
<b>Municipality: Sta. Fe, Leyte</b>		
CY 2002 IRA	15,267,305.00	
20% of IRA allocated to AIP	3,053,461.60	
Development Projects:		
1. Infrastructure Development	1,338,000.00	43.72%
2. Economic Development	130,000.00	4.26%
3. Social Development		
a) Health/Day Care	370,000.00	12.12%
b) Social Welfare	272,673.05	8.93%
4. Human Resource Development	300,980.00	9.86%
5. Local counterpart for national projects	220,000.00	7.20%
6. Others	424,806.95	13.91%

## 26. The Municipality of Dagami

- 26.1 Dagami's IRA for CY 2002 is P 24, 455, 457. 00. Twenty (20%) percent or P 4, 891, 091. 40 goes to AIP. Moreover, 42% or P 2, 076, 000 funds infrastructure projects while only P 50, 000 is earmarked for cooperative development.

From 1995 to July 2002, Dagami did not have any MPDC. Consequently, the mayor also assumed the position of Municipal Development Officer.

The newly appointed MPDC who was hired last August 2001, laments the fact that local politics sometimes exerts a strong influence over the implementation of sensible activities like the distribution of good and services in the different barangays. As an example, he said that last year, when several barangays of Dagami were hit by floods, two of the barangays were almost overlooked in the food distribution because some administration people lost in these barangays during the last election.

The use of illegal drugs like *shabu* and marijuana is now causing a lot of headaches to parents and police authorities alike. "I am at a loss what to do with it," the MPDC admits.

**Table 6. AIP of the Municipality of Dagami**

Municipality/Items	Amount (PhP)	Allocation of AIP (%)
<b>Municipality: Dagami, Leyte</b>	P24,455,457.00	
CY 2002 IRA		
20% of IRA allocated to AIP	P4,891,091.40	
Development Projects:		
1. Economic Development	640, 000.00	13%
2. Social Development	220, 000.00	4%

3. Primary Health Activities	650, 000/00	14%
4. Development Administration	370,000.00	16%
5. Cooperative Development	50,000.00	2%

## 27. The Municipality of Alang Alang

- 27.1 Alang Alang has an IRA of P 28, 946, 480 for CY 2002. Forty-four (44%) percent or P 250,000 is spent on infrastructure projects.

The town mayor of Alang Alang enjoys the reputation of being very helpful, open-minded and a good team player. Like the other five pilot municipalities, the local government pays the crop insurance premium of farmers by putting up a matching fund required by the office of the provincial governor.

According to the mayor, farmers from his municipality occasionally get certified seeds from the devolved office of the Department of Agriculture. The DA technicians and veterinarians also attend to the animals and livestock of the local people. When asked what support services the local government could give to the future titleholders, he admits that there is little he could do because of the limited resources of the municipality.

**Table 7. AIP of the Municipality of Alang Alang**

Municipality/Items	Amount (PhP)	Allocation of AIP
<b>Municipality: Alang Alang, Leyte</b>		
CY 2002 of IRA allocated to AIP	P 28, 946, 480.00	
20% of IRA- Annual Investment Plan	5, 789, 296,00	
Infrastructure Development	250, 000.00	44%
Basic Services	1, 985,000.00	34%
Agricultural Development	1, 064,000.00	18%
Maintenance/Operation of Tourism Facilities	200,000.00	4%

## 28. The Municipality of San Miguel

- 28.1 The municipality of San Miguel has an IRA of P 19, 823, 450.00 for CY 2002. Its annual investment plan is P 3, 964, 691. 80. It is interesting to note that compared with the other pilot municipalities, which have programmed relatively large amount of money for infrastructure project, San Miguel has instead allocated a large amount for economic (48%) and social (41. 99%) development. The MPDC said that their priorities are the results of more enlightened and progressive thinking.

**Table 8. AIP of the Municipality of San Miguel**

Municipality/Items	Amount	Allocation of AIP (%)
<b>Municipality: San Miguel, Leyte</b>		
CY 2002 IRA	19,823,450.00	
20% of IRA allocated to AIP	3,964,691.80	
1. General Services	240,000.00	6.05%
2. Social Development	1,664,691.80	41.99%
3. Economic Development	1,910,000.00	48.18%
4. Other Services	150,000.00	3.78%

## **F. THE CASE STUDIES**

### 29. The Case of Adelina Evidente

This case involves the titling of 7, 240 sq. meter agricultural piece of land owned by Paula Salcedo. The property is planted to coconut and some nipa trees.

Sometime in 1981, Paula Salcedo, owner of the above-mentioned piece of land, approached her sister, Ms Adelina Evidente to help her get the said property titled in her name. Paula purchased this untitled property from her father. Adelina says that her sister requested her services because of her previous experience assisting some people in obtaining titles to their lands.

Adelina also recalls that Paula decided to have the property titled to have peace of mind. In addition, she was anxious to fend off possible attempts from some unscrupulous relatives whom she felt were entertaining some wicked plans to grab the property away from her.

#### 29.1 The Assessor's office

A few days after Paula handed over to Adelina a copy of the tax declaration, the latter visited the Assessor's office to check if the payment of taxes was up to date. She found out, however, that her sister had arrears of three years amounting to a total of P 16.50 (P5.50/year). She paid the amount promptly. She also paid an additional P 5.50 penalty for delayed payments.

Adelina completed this activity with the Assessor's office within two and a half days.

#### 29.2 Bureau of Internal Revenue

At the Bureau of Internal Revenue (BIR), Adelina suffered almost endless delays for reasons she cannot figure out to this day. She insists that all the required documents were in order. Nothing was missing or misplaced. But still delays hounded her visits to the BIR.

In fact, there were days when a clerk at the BIR office in San Miguel, Leyte would tell her that the person she wanted to see was running errands for the boss and that he would soon be back to the office. She heard this same lame excuse so many times that she grew sick and tired of it.

Adelina still distinctly remembers the days when she would go back home seething with anger and feeling dejected. "I was angry because nobody could tell me the reasons behind the delays," Adelina said.

Finally, after three months of futile efforts, Adelina decided to discontinue the paper chase. "*Masyadong maraming kiyaw-kiyaw. Masyadong mabusisi,* " Adelina complained. (There's a lot of non-sense. Lots of unnecessary complications). Furthermore, she returned some of the official documents to her sister and vowed never to touch them again.

One day in 1997, while Adelina was attending a barangay council meeting, she met someone who was working with the BIR. She related to him her sad experience about the land title of her sister. She also told him how frustrated she

was with the BIR office. In response, the BIR person urged her strongly to pick up the pieces and follow-up the papers with the BIR.

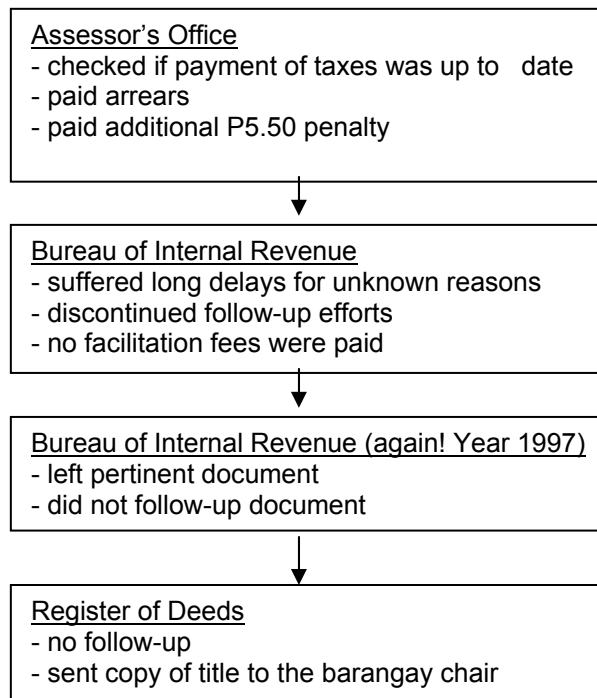
### 29.3 Bureau of Internal Revenue (Again!)

At the BIR office, Adelina left the documents on the table of a BIR clerk and left. One week after, she picked up the documents from the BIR office and proceeded to the Register of Deeds (ROD) where she paid P 85.00 for the release of the new title. Adelina said that she never made any attempt to follow up the papers at the Register of Deeds. Her sister, too, seemed to have lost interest in the land title altogether since all the efforts of Adelina seemed wasted.

But in 1999, while she was putting to sleep her youngest son, the Barangay Chairperson of Libertad handed over to her a brown envelope, which the local mailman delivered to the Chair's office. Adelina did not expect to find in the envelope any thing of value except reading materials that her sister occasionally sends her from Manila. When she opened it, she was so pleasantly surprised to find the original copy of the title, which she had worked so hard to obtain.

Finally, after 18 years of waiting, she now holds the title in her hands.

**Figure1- Flow chart of Adelina Evidente**  
Waiting time: 18 years



## 30. The Case of Ms. Melba Miranda

30.1 This case involves the sale of a 200 square meter piece of land owned by Mr. Marcelo Avila to Ms. Melba Miranda, a government employee. This piece of land is only a portion of a 10, 000 sq. meter real estate property located in Barangay Solano, Tanauan, Leyte.

This property has a title with number P 38385 issued by the Register of Deeds in December 1991. The sale, which occurred in July 1995, was covered by a Deed of Absolute Sale. The total amount Melba paid to Mr. Avila was P 40, 000 but, through mutual agreement, only the amount of P 10, 000 was reflected in the original copy of the Deed of Absolute Sale in order to reduce the amount of real property tax.

### 30.2 Bureau of Internal Revenue

Three days after the sale of the piece of land was concluded, Melba went to the Bureau of Internal Revenue to pay the capital gains tax. In the beginning, she tried to convince Mr. Avila that he should pay the CGT but he steadfastly refused. As a result, Melba has to pay P 1, 300 CGT to the BIR. This process took only two days to complete.

### 30.3 Assessor's Office

After she had finished her business with the BIR, Melba went to the Assessor's office to pay a separate tax declaration for the segregated 200 sq. meter piece of land. In addition, she also paid the following:

- a) previous arrears of Mr. Avila
- b) Real property tax 850.
- c) Tax clearance certificate.
- d) Documentary stamp.
- e) Tax declaration certificate.

### 30.4 In order to comply with the requirement of the Department of Environment and Natural Resources, Melba also hired a private Geodetic Engineer to do the cadastral survey of the property. She paid him P 6, 000 pesos for his services.

### 30.5 Department of Environment and Natural Resources

Melba submitted a copy of the cadastral survey to DENR. After two weeks, the DENR released to Melba the technical description of her property and the subdivision plan.

### 30.6 Register of Deeds

At the Register of Deeds, Melba submitted the following documents:

- a) Tax clearance
- b) Transfer fee
- c) Copy of the Deed of Absolute Sale
- d) Copy of capital gains tax

The offices of the Provincial Agrarian Reform officer (PARO) and the Municipal Agrarian Reform Officer (MARO) required Melba to also produce the following additional documents:

- a) Application for retention
- b) Declaration of real property tax

- c) Affidavit of buyer attesting to the purchase of land. (This is in compliance with the Administrative Order No. 1, series of 1989 of the Department of Agrarian Reform (DAR))
- d) Affidavit of the seller declaring that he is the owner of the property
- e) Affidavit of the seller in compliance with DAR's AO No. 1, series of 1989
- f) Affidavit of non-tenancy from the seller
- g) Certification from the chairperson of the Barangay Agrarian Reform Council attesting to the fact that the property in question is not tenanted and that Mr. Marcelo Avila is indeed the rightful owner of the property
- h) Certification from the Provincial Assessor certifying that "as per records, Mr. Marcelo Avila appears to be a declarant of the following parcel of real property located in the Municipality of Tanauan, Leyte; and
- i) Certification from the Municipal Assessor's office that the parcel of land is registered with the Municipal Assessor's office.

Melba complied with all these requirements in fifteen (15) days. She said, however, that this would not have been possible if her friends in these government agencies did not use their own connection and influence to help facilitate matters.

### 30.7 More Requirements from the Register of Deeds

Just when Melba thought that she was nearing the end of her "seemingly endless ordeal," the ROD instructed her to secure from the Housing and Land Use Regulatory Board (HLURB) the following documents:

- a) License to sell; and
- b) Certificate of registration

Then the HLURB told her that she should see the Municipal engineer of Tanauan, Leyte. Unfortunately, however, the said engineer was not around when Melba went to see him. In stead, the Planning Engineer insisted that Melba should see him. But Melba failed to come to the office of the Planning Engineer. Besides, she was reluctant to see him personally because she suspected that he would demand money from her.

Aside from the copies and license to sell and the certificate of registration, ROD asked Melba to submit the following additional requirements:

- a) Three (3) copies of tracing cloth
- b) Three (3) copies of blueprint
- c) Three (3) copies of technical design from DENR
- d) Approved subdivision plan and partition agreement
- e) BIR clearance
- f) PARO/MARO clearance.

Regarding the PARO/MARO clearances, Melba could not comprehend why these offices were again demanding said documents when in fact, she had already submitted them before.

### 30.8 Sale is null is void

When Melba was halfway through the process of the transfer of title, the legal officer of the Register of Deeds in Tacloban told her that the sale of the property

was null and void. The ROD person explained to her that there is a regulation that forbids any sale of property with a pre-patent title within a period of five years. This regulation invalidates the transaction between Melba and Mr. Avila since the pre patent was issued to Mr. Avila in 1991 and sold to Melba in 1995.

In addition, Melba also learned from the ROD person that the absence of the title number in the Deed of Absolute Sale also invalidates the transaction she had entered into with Mr. Avila.

### 30.9 The Retired Municipal Assessor

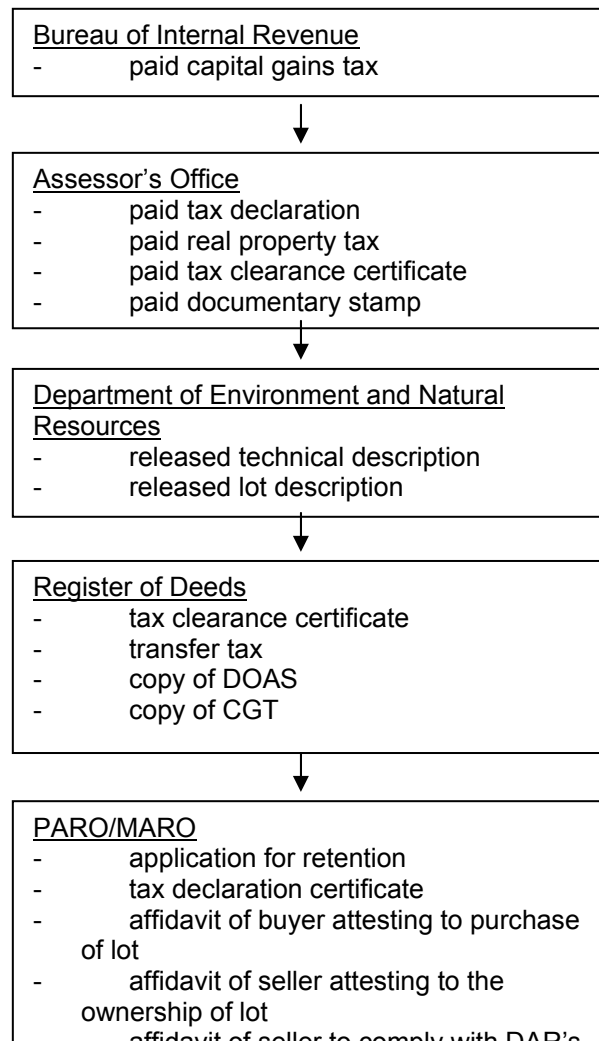
One day, a friend of Melba introduced her to a retired municipal assessor who claimed that she could help Melba get her land title. Traumatized with her experience, Melba recoiled at the idea in the beginning. But after a few days of mulling over her unfortunate situation, she decided to talk to this retired municipal assessor.

Melba said that she would give herself one last chance to get her land title. The retired municipal assessor told Melba that her services would cost her P 17, 500. But the retired Assessor sweetened the deal by assuring Melba that she would get her title by the month of August 2002.

Anxious to get her title, Melba gave the retired municipal assessor advance money of P 13, 000. " I have to bite the bullet. I will use the title as a collateral to borrow money from our cooperative," she with optimism.

Last September 10, 2002, Melba finally got her title.

**Figure 2: Flow Chart Melba Miranda**  
**Waiting time: 4 months**





Register of Deeds

- license to sell
- certificate of registration
- three copies of tracing cloth
- copy of CGT

### 31. The Case of Mr. Alfonso Abril

31.1 Mr. Alfonso Abril of Barangay Libertad, Palo Leyte is 67 years old. He worked with the National Irrigation Administration for 35 years as a driver of heavy equipment. As a driver, Mr. Abril earned little. But he lived a frugal life and unlike some of his friends, did not throw away in unproductive ventures. Instead, he used his money wisely by buying lands from neighbors who were in dire need of cash.

Consequently, Mr. Abril accumulated several real estate properties, which he claims allow him and his wife to support a large brood of nine children. Although all their children are now married and with families of their own, they still depend on their parents for regular financial assistance especially now when almost every family in Libertad groans under difficult economic times.

#### Purchase of Land

Mr. Abril says that the parcels of lands that he had purchased were not titled. This is the case with the 859 square meter lot that he bought from Ms. Angeles Padul back in 1971.

He recalls that one day, Ms. Padul came to his residence offering to sell her piece of land. But Mr. Abril had no money at that time. So, he declined the offer. But Ms. Padul was insistent. So he told her to wait until he got his salary at the end of the month.

Mr. Abril also says that Ms. Padul had sold several parcels of lands before that. "She and her husband were inveterate gamblers," he explains. He also revealed that selling their properties was the way the couple sustained their addiction to *mahjong* and "Lucky Nine."

"The fact that the couple's property was not titled did not bother me," Mr. Abril explained. "Almost all properties in Libertad were untitled and that buying and selling of untitled lands was taking place all the time."

A few days after Mr. Abril collected his salary from his office, he engaged the services of a lawyer who prepared the Deed of Absolute Sale. He purchased the property from Mr. and Ms. Padul for P 7, 000 pesos, a princely sum at that time.

#### 31.2 Titling process

Mr. Abril remembers that one humid morning, a cadastral survey team from the Bureau of Lands appeared at his residence and informed him that a land survey

of Libertad was underway. The team also assured him that, contrary to rumor, the purpose of the survey was for land titling and not to confiscate people's properties.

The survey of the 859 sq. meter lot was finished within an hour. The survey team did not ask for any fees. But following tradition, he offered them a few cookies and several glasses of orange juice.

### 31.3 Mr. Abril gets his title

Three months after the property was surveyed, Mr. Abril received a letter from Mr. Dumlao of the Bureau of Lands instructing him to come to his office. The very next day, the Bureau of Lands released a copy of the title of Mr. Abril's newly acquired property.

#### **Figure 3: Flow Chart of Mr. Alfonso Abril** **Waiting time: 3 months**

<u>Bureau of Internal Revenue</u> - surveyed property - released title after three months
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## **32. The Case of Mr. Iluminado Llago**

32.1 This case involves the titling of 4, 200 square meters of agricultural land located in Zone 1, Poblacion, Sta. Fe, Leyte. Ms. Asuncion Dula originally owned this property, but in 1953, she decided to sell it to Mr. Domingo Llago for the sum of P 150. Three years later, Mr. Lago sold the same property to his nephew, Mr. Iluminado Llago for the same amount of P 150.00.

### 32.2 No title

From 1953 to 1987, Mr. Llago's family never talked about titling the property. Not until one of the sons of the former owner (Mr. Domingo Llago) threatened to claim ownership of the land from his uncle and present owner, Mr. Iluminado Llago. Alarmed, Mr. Llago sought the assistance of his daughter, Myrna Zamora to work for the titling of the property.

### 32.3 Bureau of Lands

During that same year of 1987, Myrna began working on the title of her father's property. She first went to the office of the Bureau of Lands in Tacloban, Leyte and inquired about the documents she had to produce.

32.4 The Bureau of Lands told her that she had to prepare the following documents:

- Deeds of absolute sale
- Tax declaration
- Affidavit of 2 disinterested persons testifying that Iluminado really owns the property

### 32.5 Lot Survey

32.6 Two weeks after, the Bureau of Lands surveyed the property. Myrna paid the Bureau of Lands P 5, 500 as inspection and survey fees.

### 32.7 The Long Wait

Myrna had expected that it would take only one month after the survey was completed before she got the title. But she was so disappointed when the Bureau of Lands informed her that she may have to wait awhile because the size of the property that was written in the official survey form was 200 square meters only instead of 4, 200 sq. meters. To complicate the problem, the Bureau of Lands said that the case would have to be referred to the main office in Manila.

32.8 After that disappointing news, Myrna lost interest in the case and did not do any follow-up for one year.

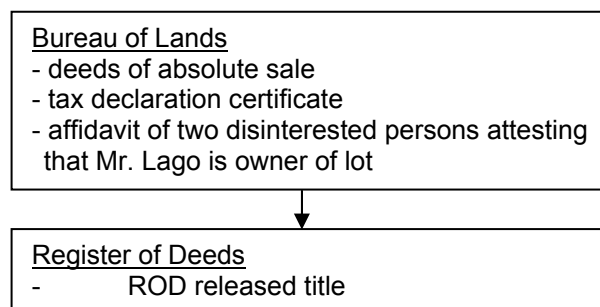
### 32.9 Follow Up Activities

Mr. Llago was advancing in years and Myrna feared that her father might die without seeing his land titled. So in 1988, Myrna again began the frustrating trips to Tacloban to inquire about the title from the Bureau of Lands. She remembers that she visited the office of the Chief of the Bureau of Lands more than ten times without any concrete result.

### 32.10 Title Released

Finally, in 1990, three years after Myrna began the grueling task of working for the land title, the BL finally released the title. After one week she registered the title with the ROD. Myrna swears that neither the BL nor the ROD demanded facilitation fees.

#### **Figure 4. Iluminado Llago Waiting time: 3 years**



## **33. The Case of Ms. Soledad Uyo**

33.1 In 1969, Mr Uyo purchased from Ms. Generosa Cahinde a property located in Barangay Abaca, Dagami, Leyte. The size of the property was 3, 623 sq. meters. Mr. Uyo bought the property for P 8, 700.

### 33.2 Untitled Land

This property was untitled. However, before the sale of this land was finalized, Mr. Uyo had to redeem it from the bank since Ms. Cahinde had mortgaged it to meet some of her financial problems.

In 1970, Mr Uyo was killed in a vehicular accident while on his way to Tacloban to see his daughter off at the Airport. Now, Mrs. Soledad Uyo lives alone in Dagami. Her two other children reside in Manila with their own families.

33.3 Fearful that she might lose her land to the tenants who had been tilling it for more than ten years, Mrs. Uyo decided to work on titling the property the following year (i.e March 1971) after the death of her husband.

#### 33.4 Assessor's Office

At the Assessor's Office, she paid the tax declaration certificate although she could no longer recall the exact amount she paid. She left the office shortly after completing her business with the Assessor.

#### 33.5 Bureau of Internal Revenue

One week after, she then went to the office of the BIR to pay the real property tax, the amount of which she has also forgotten.

#### 33.6 Department of Environment and Natural Resources (DENR)

At DENR she obtained the technical description of her property. She paid P 450 for the document. It took her around one month to get the technical description because the person in-charge was always absent. Mrs. Uyo did not give any "facilitation fee" to DENR because "*bawal po sa amin ang lagay,*" a DENR person told her (We are not allowed to accept bribes).

#### 33.7 Treasurer's Office

At the Treasurer's office in Tacloban she paid the transfer certificate. She spent one and a half day at the Treasurer's office.

#### 33.8 Register of Deeds

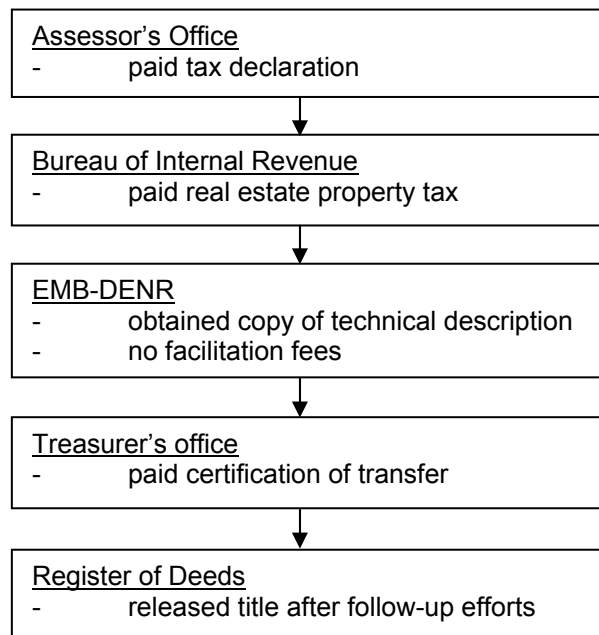
After completing her business with the Treasurer's office, she went to the office that according to her was "near the sea" (*nasa tabing dagat*). This was the office of the ROD in Tacloban City. During her first day of her visit to ROD, a person in that office assured her that they would attend to her needs expeditiously. But nothing happened to her title after almost four weeks of waiting.

Mrs. Uyo claimed that the almost daily 25 or so kilometer journey from her barangay to Tacloban was beginning to take their toll on her frail and sickly body. "*Mahigit na labinlimang beses akong nagpa balik-balik sa opisina ng Register of Deeds,*" (I have visited the ROD office more than 15 times), she narrated. According to Mrs.Uyo, she made those 15 trips everyday. But every time the ROD personnel would see her, they would tell her that "the attorney is out that is why your title could not be released."

She said that the ROD people in Tacloban did not demand money from her. In fact, she recounted that a young clerk secretary at the ROD office had advised her not to give bribes because it is “*bawal*” (it is forbidden).

Finally, after eight and a half months of persistence, Mrs.Uyo obtained her land title last October 1971. The event brought boundless joy to her two children who live in Manila.

**Figure 5. Flow Chart Soleday Uyo**  
**Waiting time: 8 months**



### 34. The Case of Engineer Ignacio Ortegan

34.1 Mr and Mrs..Francisco Oano Ortegan owned a seven-hectare piece of untitled land located in Palo, Leyte. In 1918, a private surveyor by the name of Mr. Filomeno Francisco surveyed this property. Two years later, the Director of the Bureau of Lands approved the survey.

34.2 Title in 1967

In 1967, Eng. Ignacio Ortegan, son of Mr. and Mrs. Ortegan now 87 years old, decided to secure the title to this property. Eng.Ortegan said that his parents did not bother to have the property titled during their time because they believed that the 1918 copy of the land survey was the title itself! Through the help of his friends, the Chief of the Bureau of Lands and the Branch Manager of the Philippine National Bank (PNB) in Tacloban, Engineer Ortegan had his property titled. According to Engineer Ortegan the whole process took only one year.

A copy of the land title now hangs prominently in one corner of Eng. Ortegan's newly constructed house in Palo, Leyte. When asked why he chose to hang the title instead of keeping it under lock and key, he said, “This title is quite special. Please come close and read who signed the title.” The title was signed by no less than Mr. Fernando Lopez, former vice President of the Republic of the Philippines.

When asked if he paid any facilitation fees to the Bureau of Lands he responded, “No. I am lucky that I have secured the title to my property before graft and corruption began in the Philippines!”

**Figure 6. Flow Chart Engineer Ignacio Ortegan**  
**Waiting time: 1 year**

<u>Register of Deeds</u> - released title after 1 year without any follow up
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**35. The Story of Engineer Ronnie Fernando**

35.1 Assessor’s Office

Engineer Ronnie Fernando owns a one-hectare lot in Basay, Leyte. In 1999, he and his wife, Norma, decided to have it titled “so that we could have piece of mind,” Norma said.

When Ronnie went to the Assessor’s office, the person at the front desk required him to produce the sketch plan of the property. When he came back to submit the sketch plan, the Assessor declined to accept it. He told Ronnie that the sketch plan must be accompanied by a certification from the Community Environment and Natural Resources officer (CENRO) stating that the property was alienable and disposable.

After a couple of weeks, Ronnie returned to the Assessor’s office with the required certification from the CENRO. After waiting for almost one hour, the Assessor’s secretary told Ronnie that he had to submit a similar certification, from the Provincial Environment and Natural Resources Officer (PENRO). In addition, he must produce the following documents: a) .the BIR clearance and b). a copy of the inheritance tax.

Exasperated, Ronnie demanded to see the Assessor himself. The secretary reluctantly let him in. While inside the office of the Assessor, Ronnie and the Assessor had a heated exchange of words. Ronnie accused the Assessor of not knowing how to do his job properly. But before the Assessor could respond, Ronnie walked out of his office in a huff while muttering, “this would be an easy task if only I have P 50, 000.”

To this day, Ronnie’s one-hectare lot in Basay remains without a title. And the feeling of security that Ronnie and Norma had longed for regarding this piece of property continues to elude them.

**Figure 7. Flow Chart of Engineer Ronnie Fernando**  
**Waiting time: Owner stopped follow-up**

<u>Assessor’s Office</u> - sketch plan of property - certification from CENRO that land is alienable and disposable - certification from PENRO - BIR clearance - Copy of inheritance tax
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### 36. The Case of Vanessa Teodoroa

36.1 In January 1950, Eugenio Lapis borrowed the amount of P10, 000 from the Development Bank of the Philippines (DBP) in Tacloban using his six-hectare land as collateral. Five years later, however, DBP foreclosed on his property for failure to pay his loan. One year after the said foreclosure, Mr. Pedro Azurin redeemed the piece of land from DBP by paying the P 10, 000 original loan of Mr. Eugenio Lapis including all the accrued interests.

#### 36.2 Purchase of Land

In June 2001, Vanessa Teodoroa and her sister, Arlene, purchased the property from the heirs of Mr. Pedro Azurin, having passed away May 1997. Vanessa began the process of transferring the title of the property to her name and to the name of her sister as co-owner.

#### 36.3 Assessor's Office

At the Assessor's office, Vanessa paid the real estate property tax amounting to P 7, 000. But two weeks after she had paid the real estate, she discovered that the tax declaration certificate contained errors in it. First, instead of the name of Mr. Pedro Azurin, the legitimate owner, the name of his brother, Rodolfo, appeared in the document. Second, instead of describing the six-hectare property as a fishpond, it was declared instead as a nipa or palm tree land. In order to rectify the errors, Vanessa traveled more than six times from her town of Tanauan, Leyte to the provincial Assessor's office in Tacloban. Finally, the Assessor's office responded by conducting an ocular inspection of the property. In the end, the needed corrections were made.

#### 36.4 Bureau of Internal Revenue (BIR)

At the Bureau of Internal Revenue office of Tanauan, Vanessa paid the Capital Gains Tax amounting to P 37, 673, the documentary stamp and the Registration Certificate, but she has forgotten the amounts involved.

#### 36.5 Register of Deeds (ROD)

At the Register of Deeds, a legal officer told Vanessa that she should submit a clearance certificate from the Department of Agrarian Reform (DAR). But DAR refused to give the certification since the Comprehensive Agrarian Reform Program does not cover fishponds. The Register of Deeds still insisted that Vanessa should obtain from DAR the above-mentioned certification.

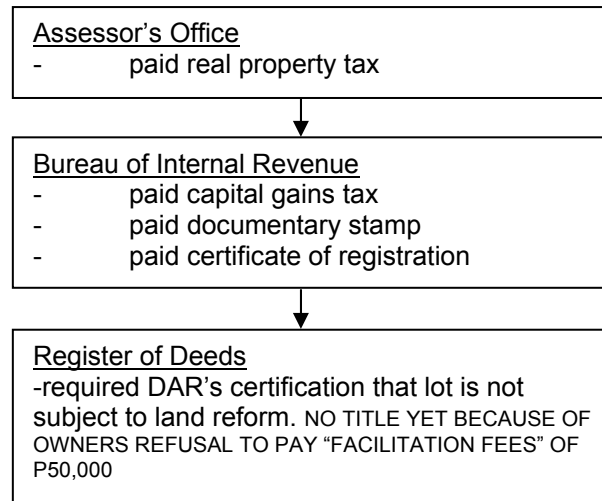
Then a certain DAR official advised Vanessa to see both the Provincial Agrarian Reform Officer (PARO) and the Municipal Agrarian Reform Officer (MARO) in order to get their certification that indeed the property is a fishpond and hence, not "CARPable." Vanessa has not yet obtained the DAR certification because both the PARO and MARO are always absent from their offices.

#### 36.6 Enter a Retired Assessor

Vanessa said that she had heard many times before that "news has wings." But she said that now she really believes that such sayings are true. She related that

in July 2002, a retired Assessor came to her house and offered to facilitate the transfer of title for a huge amount of P 50, 000. Asked if she would pay the P 50, 000 “facilitation fees” Vanessa responded that she could do either of two things- ignore the offer or offer him marked money. Until now, the issue concerning the transfer of title remains unresolved.

**Figure 8. Flow Chart of Vanessa Teodoroa**  
**Waiting time: 3 months**



### 37. The Case of Mrs. Lolita Chua

37.1 “Frugality and patience. Those were the virtues my late parents have drummed into my ears as a little girl. Little did I realize that I would need them very badly in my housing business,” Mrs.Lolita Chua reminisces as she sits comfortably in her small office in Tacloban City. For the past 15 years, Mrs. Chua has been engaged in the business of constructing housing projects mostly for the government employees of Leyte. To day, she has built more than one thousand low cost houses. Mrs. Chua thanks the PAG-IIBIG Fund of the government, which guarantees her prompt payments as soon as her projects are completed. She thinks that the PAG-IBIG Fund program of the government is really pro poor.

#### 37.2 Register of Deeds

Before Mrs. Chua buys lots for her low cost housing, she first checks with the Register of Deeds if the title is genuine. She also inquires if the previous owner has paid all the required taxes.

When all the papers are ready, she begins the grueling tasks of submitting and following up documents with different government agencies. These activities take at least two years.

#### 37.3 Department of Agrarian Reform (DAR)

After ROD, Mrs.Chua goes to the Department of Agrarian Reform through the Barangay Agrarian Reform Committee (BARC) to obtain a certification that the lot in question is not tenanted. She normally gets the required certification within two weeks. She pays a certification fee of P 200. 00.

#### 37.4 Municipal Agrarian Reform Officer (MARO)

Then she goes to the Municipal Agrarian Reform Office (MARO), which certifies that the land is not tenanted. MARO also gives permits to enable placement of billboard in the proposed area announcing that the place is earmarked for the construction of a housing subdivision. Here, another P 200.00 changes hands.

#### 37.5 The National Irrigation Administration (NIA)

The next step is the National Irrigation Administration (NIA). The NIA certifies that the area for the housing project is not earmarked for any future irrigation projects. She pays another P 200.00 to NIA. She also buys the gasoline and snacks of the NIA inspectors.

#### 37.6 Philippine Coconut Authority (PCA)

While Mrs.Chua is busy following up papers with NIA, she is gets the PCA to certify that the area is not planted to coconut trees or that the number of coconut trees in the chosen location have no commercial value. Here, she pays P 250.00 for the certification. and shoulders the gasoline expenses and snacks of the PCA inspectors.

#### 37.7 The Department of Agriculture (DA)

The Department of Agriculture is next in line. Mrs.Chua obtains another certification from the DA that the area is not within any proposed projects of the Department. For that certification, Mrs. Chua pays a much bigger fee of P 6,500.00.

#### 37.8 Environmental Management Bureau of DENR (EMB-DENR)

Next, the EMB-DENR, which certifies that the area is not within the protected area of the Department, issues an Environmental Clearance Certificate or ECC. The processing fee for the ECC is P 3, 000. Finally, a public hearing is conducted to determine the social acceptability of the proposed subdivision.

#### 37.9 Regional Office of the Department of Agrarian Reform

Armed with these certificates, Mrs. Chua goes to the Regional Office of the Department of Agrarian Reform and gets the DAR Certificate for Land Use Conversion. This costs her a hefty sum of P 11,000.00 as processing fee.

#### 37.10 Housing and Land Use Regulatory Board (HLURB)

HLURB issues the license to Mrs. Chua authorizing her to sell houses and lots. Before she gets the license, she first provides HLURB copies of the ECC certificates of EMB-DENR and the Land Use Conversion Certificate of the DAR together with the Survey Returns

### 37.11 Publication in the Local Daily

Next, Mrs. Chua publishes notice of her License to sell in a local daily. She does this through two consecutive issues per month. This costs Mrs. Chua P 2, 500 per publication.

### 37.12 Bureau of Internal Revenue (BIR)

Mrs. Chua then goes to the Bureau of Internal Revenue (BIR) to apply for an exemption of Capital Gains Tax. This alone takes about two to three weeks because she also has to go to the BIR Central Office in Manila to expedite the processing.

As soon as Mrs. Chua gets the exemption from payment of capital gains tax, she then proceeds to the BIR Regional Office for the Certificate Authorizing Registration (CAR).

### 37.13 Register of Deeds

The Register of Deeds issues individual titles. Mrs. Chua pays P 50.00 per title for the typist who has to work overtime. In addition, she pays another P 200.00 per title for the titling fee.

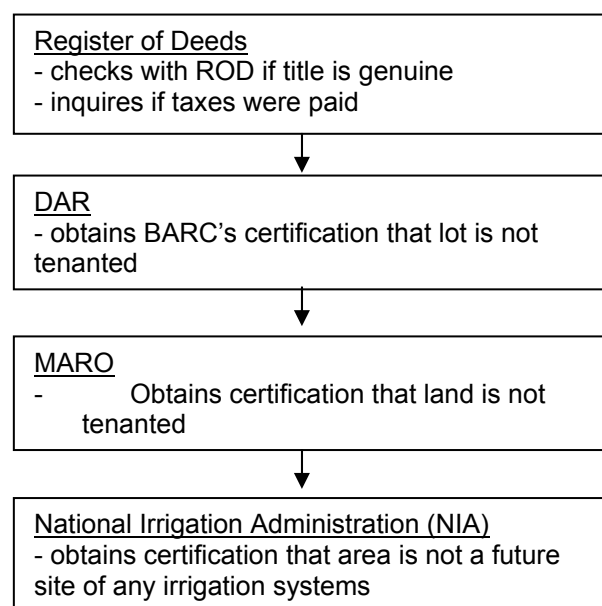
### 37.14 City Assessor's Office

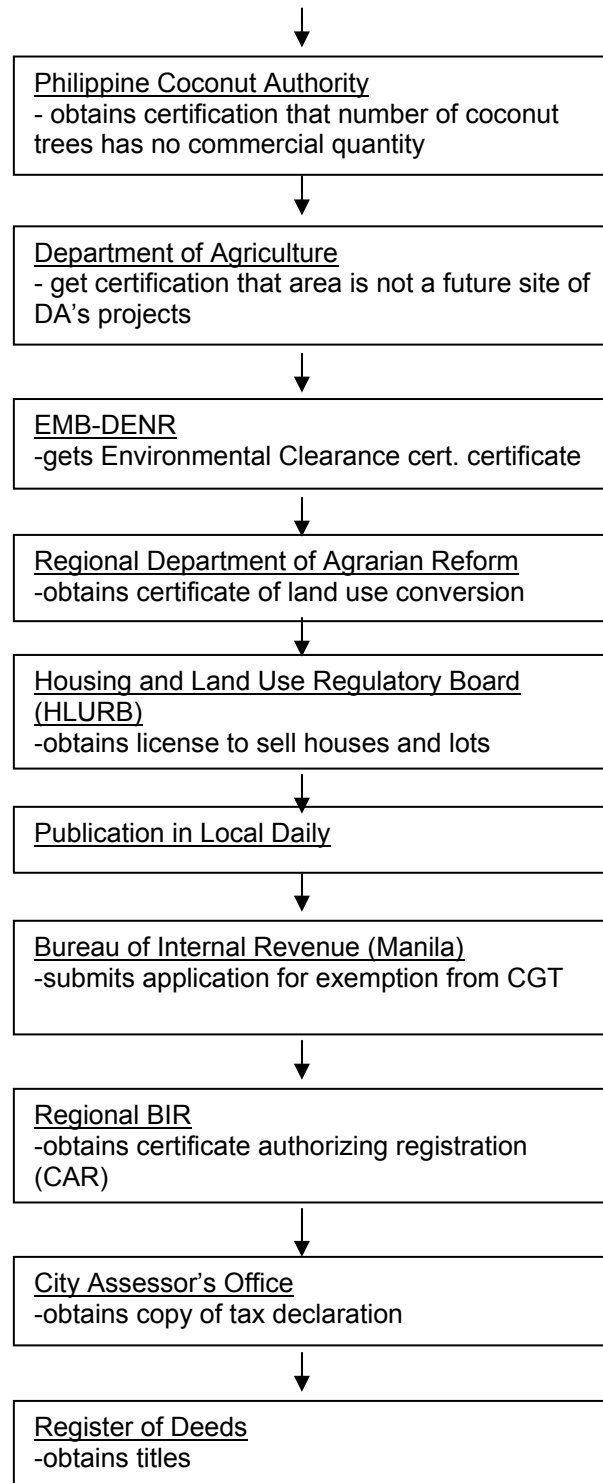
At the City Assessor's office, Mrs. Chua obtains a copy of the Tax Declaration Certificate. This is accomplished in one day. By the time Mrs. Chua has completed all the bureaucratic requirements she has spent P 23, 350 in fees.

### 37.15 Waiting Period

Mrs Chua says that while the processing of different documents goes on, she asks her construction crew to start clearing and filling up the site. As soon as the paper work is complete, her team immediately "hits the ground running."

**Figure 9: Flow Chart of Ms. Lolita Chua**  
**Waiting time: 2 years**





### 38. The Case of Yin Yin

- 38.1 In 1995, Mr. Orlando Chan borrowed P 6, 500 from his friend Mr. Wong Yuen Chi, a naturalized Filipino citizen. Mr. Chan promised Mr. Chi that he would return the money within ninety days, but he failed to do so because of losses in his business. Consequently, Mr. Chan decided that instead of cash, he would pay Mr. Chi with a piece of real estate property located in Candahug, Palo, Leyte.

The size of this piece of untitled land is .3474 hectares. Four and a half months after the two friends had signed the Deed of Absolute Sale, Mr. Chi decided to have the said property titled. So he asked his daughter Ying Ying to work on it.

#### 38.2. Assessor's Office

First, Yin Yin went to the Municipal Assessor's office in Palo, Leyte to verify whether Mr. Chan had paid all the taxes on the property. The clerk at the Assessor's office checked the records based on the lot number of Mr. Chan's property. After a short while, the clerk instructed Yin Yin to proceed to the Bureau of the Internal Revenue to pay the Capital Gains Tax.

#### 38.3 Bureau of Internal Revenue

At the office of the BIR, the officer in charge was taken aback when she discovered that the Capital Gains Tax (CGT) was already paid. Consequently, the BIR person went with Yin Yin to the Municipal Assessor's office and informed the clerk that the CGT has already been paid before. The clerk acknowledged her mistake and made the appropriate notation later on.

#### 38.4. Regional Office of the DENR

On September 1995, Yin Yin acquired a MARO clearances of the said parcel of land with lot number 11510 registered in the name of a certain Mr. Juan Fabi, the original owner of the property. DENR also prepared a sketch plan of the property based on the geodetic survey it conducted in response to Yin Yin's request.

#### 38.5 A Mistake

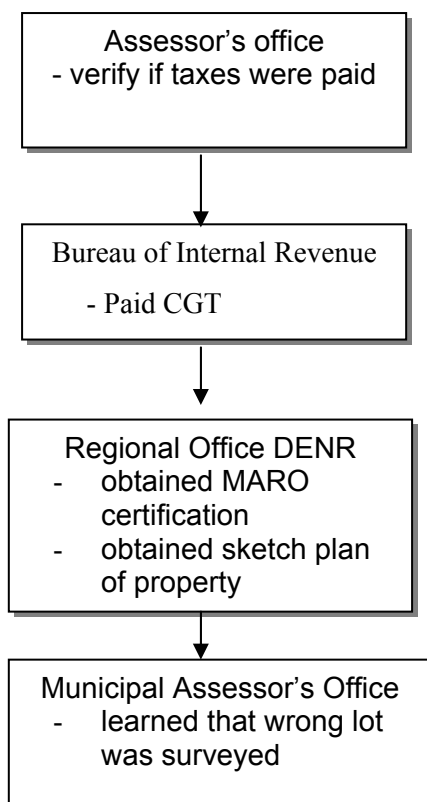
While she was transacting business with the DENR, the Municipal Assessor's office informed her that the wrong lot was surveyed. It further clarified that the Cadastral Lot Number 11510 was not the lot that corresponds to the Tax Declaration No. 7397. Now, Yin Yin's family is wondering how this mistake could have occurred. "Was the mistake an honest one committed by the Assessor's or was it a fraudulent transaction knowingly engineered by the vendor?"

#### 38.6 No Title Yet

It is now 2002, seven years after Yin Yin started working on the title. She is now married with three young children. Her family, especially her 75 years old mother, is distraught about the problem. But the issue of their land title remains unresolved.

In the meantime, the Chi family no longer seems to have the energy to pursue the case. In fact, Yin Yin's brother, Andrew had already consigned the matter to oblivion. "*Bayaan na lang mabulok ang isyung 'yan,*" (Let this matter rot), he said.

**Figure 10: Flow Chart of Yin  
Waiting time: 7 years**



**Table 9. Summary of Cases**

"Names" of Persons	Location	Size	Status Prior to Sale	Titling Process Completed (Y/N)	Facilitation Fees Paid?	Waiting time ( in months)
1. Adelina Evidente	Palo	7, 240 sq. m.	Untitled	Yes	No	216 mos.
2. Melba Miranda	Tanauan	200 sq. m.	Titled	No	Yes <sup>1</sup>	3 mos.
3. Alfonso Abril	Palo	859 sq.m.	Untitled	Yes	No	3 mos.
4. Iluminado Llago	Sta. Fe	4,200 sq.m.	Untitled	Yes	No	36 mos.
5. Soledad Uyo	Dagami	3,623 sq.m.	Untitled	Yes	No	8.5 mos
6) Ignacio Ortegon	Palo	7 hectares	Untitled	Yes	No	12 mos..
7) Ronnie Fernando	Basay	1 hectare	Untitled	No	No	1 mo.
8) V.Teodoroa	Tanauan	6 hectares	Titled	No	No <sup>2</sup>	3 mos.
9) Lolita Chua	Tacloban	2 hectares	Untitled	Yes	No	24 mos.
10) Yin Yin	Palo	.3474 hectares	Untitled	No	No	84 mos.

<sup>1</sup> Melba Miranda has promised to pay P 17, 500 to the retired municipal Assessor to facilitate title. She has already given advance of P 13, 000

<sup>2</sup> A retired Assessor is demanding P 50,000 from Vanessa as facilitation fees. So far, she has not succumbed to the pressure.

## 39. MAJOR FINDINGS OF THE STUDY

### 39.1 The Case Studies

- 39.2 Although not all cases of titling or transfer of titles cited in this report involved the use of “facilitation fees” or bribes (**Table 1**), the titling process itself is difficult, long and cumbersome (Cases of Melba Miranda and Lolita Chua).
- 39.3 Interestingly, the study also points out that facilitation fees were never demanded in all ten cases. In fact, in the case of Ms. Soledad Uyo, acceptance of any facilitation fee was even considered “*bawal*” or not allowed.
- 39.4 There are indications (Cases of Melba Miranda and Vanessa Teodoroa) that some retired Assessors are actively involved in the titling process but they demand big amounts for their services.
- 39.5 The chaotic procedures and the numerous number of paper requirements have effectively caused some applicants to either temporarily withdraw from following up their papers or stop altogether in disgust (Eng. Ronnie Fernando, and Yin Yin).
- 39.6 While there is doubt in the minds of some regarding support services, in most of the cases studied, the potential of owning a land title still serves as a very strong motivation to work for it no matter the bureaucracies involved. This is because a title confers a measure of psychological security to the owner (Case of Mr. Iuminado Llago and Ronnie Fernando).

## 40. Government Agencies and Private Individuals

- 40.1 Government agencies and institutions are still potentially the best sources of support for the beneficiaries of PA LAMP. But these support services are extremely difficult to access not only because of the gauntlet of bureaucracy that one must overcome but also because of numerous paper requirements. Two specific examples of these difficult requirements are the 14% moisture content of palay that NFA requires of farmers before their produce could be bought by the Agency according to its established support prices of P9.00-P 10.00 per kilo. Another one is the Land Bank’s regulation that disallows individual farmers to borrow unless he/she is a member of a cooperative. In addition, before a cooperative is able to borrow money, it must first submit to LB no less than 32 documents or papers to attest that it is a cooperative in good standing. While documentary evidences are necessary in any business transaction such as a loan, requiring a cooperative, which are often composed of illiterate farmers, to prepare so many documents is almost tantamount to denying them vital assistance many desperately need to survive.
- 40.2 This difficult access to government support services gives farmers no other alternative but to borrow money or sell their produce to middlemen and usurers who impose high rates of interests.
- 40.3 While there are obviously many reasons for non-payment such as failed crops due to infestation and other forms of calamity, there are informants including the Vice President of Land Bank in Tacloban who feels that there is a “culture of non-payment” among farmers especially in the Waray Waray area of Region 8. However, this feeling appears to be more an expression of desperation rather than a conviction based on facts. On the contrary, the majority of the 41

informants debunks this “culture of non-payment” and say instead that farmers do not pay their loans because the government has not demonstrated any seriousness in collecting them. Moreover, this attitude of non-payment of farmers who could pay, but do not, indicates that there are farmers who are plainly irresponsible.

- 40.4 In spite of the negative perception of the “Bombay” as a morally unscrupulous entrepreneur, poor people patronize his/her trade because they can get their loans without going through too much bureaucracy and paper work.

#### **41. Local Government Units**

- 41.1 Local Government Units (LGUs) claim that they are handicapped by lack of funds to implement their program of activities. This problem is often spawned by poor tax collection. Synonymous to the problem of poor collection of the LB and the NIA, three local executives interviewed in this study said that they are reluctant to use coercive measures to improve tax collection. “We appeal only to the people’s sense of patriotism to collect more taxes.” one local executive said.
- 42.2 LGUs are open to innovative and creative ideas that will help them provide meaningful program and projects to their constituencies. In principle, people at the grass roots level participate in crafting plans and programs through the Barangay Councils. Plans coming from the different barangays are consolidated by the Municipal Planning and Development Coordinator and prioritized at the municipal levels in consultation with the barangay captains. But in practice, the MPDC and the barangay council craft plans and programs with little meaningful participation from the people. Afterwards funds are then allocated to specific projects. Finally, the Sangguniang Bayan approves the plan for implementation.
- 42.3 The Annual Investment Plans of LGUs show preponderance of infrastructure projects like construction of bridges, installation of water pumps, construction of school buildings and repair of the municipal buildings. While four of the informants feel that this situation creates room for graft, majority of informants said that the local people often prefer projects that they can touch and see over those that are abstract in nature like team building and group dynamics.

#### **43. Non- Government Organizations**

- 43.1 Out of six NGOs interviewed in this study, three are adequately funded while the remaining three are encountering financial difficulties. Those that are financially viable support themselves through grants and consulting works. The last three NGOs are now desperately looking for financial assistance by submitting project proposals to both local and international donors.
- 43.2 As earlier mentioned, the NGOs interviewed in this study are all competent and have lots of experience in community organization, community development, capacity-building, cooperatives, training, skills development land reform and governance. One of the NGOs (Runggiyan) is a specialist on gender issues and women’s advocacy.

## 44. CONCLUSIONS

- 44.1 Data from this study show that support services exist on the ground. But the requirements and tedious procedures that must be observed in order to secure them could discourage even the most courageous person. It is obvious that concerned agencies must simplify procedures and reduce their paper requirements to encourage patronage by their clients. This is especially true in the case of the Land Bank of the Philippines, which has come under heavy criticism from many farmer-members of cooperatives.
- 44.2 The National Food Authority is another government agency that farmers severely criticize for its alleged insensitivity towards farmers because of its continued imposition of the policy that requires palay to contain not more than 14% moisture content. The seventeen farmer-leaders that attended the Focus Group Discussion (FGD) conducted under this study have demanded that NFA buy their produce at a uniform support price of P 9.00-P10.00 irrespective of their moisture content. "Let NFA worry about the moisture content and impurities. It is the duty of the government to make out lives easier," they demanded.
- 44.3 The government's apparent lack of political will and determination to collect unpaid loans of farmers encourages some of them to continue to renege on their obligations. This, in turn, seriously impairs the capacity of agencies like the NIA and the Land Bank to extend quality services to their clients. Whether the cause of non-payment of loans is cultural (as the Vice President of the Land Bank believes) or whether it is plain irresponsibility on the part of delinquent farmers, it is obvious that the government must exert efforts to collect from farmers. In this regard, the Local Government Units could help the NIA, LB, Quedancor, PCIC and other similarly situated government agencies to motivate, encourage or put pressure on their citizens who have debts to pay to these agencies. One possible way to do this is for the LGUs to craft a concerted, determined, well-planned and sustainable loan recovery program that would be a part of their annual investment plan. A certain percentage from the collection would help finance the AIP. This program would be implemented in coordination with concerned agencies and implemented by an NGO under contract with the LGUs.
- 44.4 Another creative way of improving collection is for the concerned agencies to tap the assistance of farmer cooperatives in collecting loans. A certain percentage of the collection would go to the cooperatives as incentives. Although this scheme has been tried before especially by the National Irrigation Administration with doubtful results, NIA said that the problem does not lie on the scheme itself but on the management of the cooperatives, some of which has become corrupt. Obviously, farmers must learn the lesson that while the government is supposed to be accountable to its citizens, the reverse is no less true. And one way to express the farmers' sense of accountability to the government is by paying their loans. However, this would work only if the citizens see that the money they pay to government is being put to good use.
- 44.5 As shown in this study, there are competent and experienced non-government organizations in the province of Leyte. These NGOs could assist LAM project in the areas of community mobilization, community organization, consensus building, gender advocacy, governance, policy reform and loan recovery. But LAM project must deal with NGO as professional partners. This means that LAM project should properly and justly compensate NGOs for their contribution in

achieving the objectives of the project. The participation of the NGOs would be good in the area of facilitation, training, research, CO-CD training and gender.

- 44.6 Linking Strategies- There are irrigation systems in all the six pilot municipalities. There are also different kinds of cooperatives that can be found in all the pilot municipalities of LAMP. In areas irrigated by the NIA systems, farmers are organized into irrigation associations. Some of these have transformed into irrigation service cooperatives. Through these cooperatives, members can access assistance in the forms of loans, farm inputs and technical advice.
- 44.7 In rain fed areas where the lands of the majority of the present claimants are located, there are also farmer cooperatives that the Department of Agrarian Reform (DAR) has organized under its Agrarian Reform Community program. DAR also offers a package of services to farmers who are desire to improve their lands. This package of services consists in assistance to secure loans from banks, supply of fertilizers and certified seeds through the Department of Agriculture and technical advise on farming methods and application of farm inputs. In addition, DAR also provides training on leadership and cooperative management.
- 44.8 The Philippine Coconut Authority (PCA) assists coconut farmers in conserving and replacing old coconut trees with new ones. PCA also provides technical advice to farmers to prevent and control coconut infestation.
- 44.9 The social infrastructures especially in the forms of farmer cooperatives are already firmly set on the ground to help farmers improve their economic situation. The LAM project could link claimants to these support services by providing them with information related to the names of the agencies concerned, their locations, the types of services they offer and how to access their assistance.
- 44.10 The Local Advisory Group is composed of high-ranking officials of government agencies led by no less than the provincial governor and the mayors of the six pilot municipalities of Palo, Sta. Fe, San Miguel, Pastrana, AlangAlang and Dagami. This is quite an influential group, which can put pressure on agencies like the Land Bank and National Food Authority to consider modifying some of their lending policies and procedures for the benefit of their clients.
- 44.11 LAG should also suggest programs and strategies that would make it attractive for titleholders to keep their titles instead of selling them.
- 44.12 Out of forty-one informants, thirty-five are aware of the existence of the One-Stop-Shop office. They say that they have learned about the OSS from the radio program that is aired every Sunday. Three informants from Dagami revealed that they came to know about OSS from the pamphlets the local CRS gave them.
- 44.13 At present, it is not possible to come up with concrete and specific recommendations on the One- Stop- Shop (OSS). The reason for this is because except for the Front Desks that refer appropriate documents to concerned agencies, the OSS is still a promise. Moreover, the terms of engagements with other partner agencies are still being finalized. Similarly, the manual of operation is also being prepared including the process flow of activities from one agency to the other. However, the promise of improved titling process that is embodied in the concept of OSS creates a lot of hope and confidence on people. For example, when asked what they think of OSS, 95% of the informants under this

study said, “*nakakainggit naman ang mga susunod sa amin. Hindi na sila dadanas ng mga madudugong karanasang dinanas namin.*” (We envy those who will come after us. They would no longer suffer the bloody experiences we had regarding titling.)

**End**