

Initiatives to Improve Land Administration System in the Philippines

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Key words: land administration, cadastre

SUMMARY

The state of the land administration system in the country has pushed for a solution-seeking agenda that in the long-term would fix the weaknesses and flaws of the present situation. The paper tackles the initiatives undertaken by the Philippine government to improve its land administration system, through the Land Administration and Management Project (LAMP). LAMP was conceptualized to respond to the weak and inefficient land administration system in the country which has eroded confidence and trust in the titling and registration system as a whole.

Among the outputs of the project is the establishment of One-Stop Shops (OSS), where all the land agencies involved in land transactions are brought together in one roof to provide efficient delivery of services to the public. With the OSS concept, cadastral mapping, land titling, land registration and subsequent transactions, land valuation and taxation and other land transactions are carried out. The OSS also generally offers lower costs, faster and generally improved land transaction facilities for the public. Other initiatives on the improvement of land administration system in the country include the Innovation Support Fund of LAMP2 for Local Government Units (LGUs) and the advocacies for the Land Administration Reform Act (LARA) Bill, the Valuation Reform Act, the Valuation Professionalization Bill and Amendments to the Free Patent Provisions of the Public Land Act.

Pending the passage of the LARA Bill is the transfer of the Land Registration Authority (LRA) from the Department of Justice to DENR, to improve coordination in its activities. LRA also has its own Land Titling Computerization Project (LTCP) which aims to enable the quick and secure registration of lands in the country through the application of computer systems.

The initiatives, consists of strategies and proposed legislations, contribute to improving the present situation of land administration in the country, continuing to address the problems identified in the first phase of LAMP; enriching, updating and mainstreaming procedures on surveying, mapping, titling, registration, valuation and taxation; and advocate for the proposed legislations which are important components for the legal and institutional framework of land administration.

ACRONYMS

AusAID	Australian Agency for International Development
BIR	Bureau of Internal Revenue
CARP	Comprehensive Agrarian Reform Program
CENRO	Community Environment & Natural Resources Office (of DENR)
CLOA	Certificate of Land Ownership Award
DAR	Department of Agrarian Reform
DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DOF	Department of Finance
DOJ	Department of Justice
LAA	Land Administration Authority (proposed)
LAMP	Land Administration & Management Project/Program
LGU	Local Government Unit
LMB	Land Management Bureau (in DENR)
LMS	Land Management Service (now part of DENR regional offices)
LRA	Land Registration Authority (previously in DOJ, now in DENR)
NAMRIA	National Mapping and Resource Information Authority
NCIP	National Commission on Indigenous Peoples
PA-LAMP	Philippines-Australia Land Administration & Management Project
ROD	Registry of Deeds

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I. INTRODUCTION

UNECE (1996) defines land administration as the process of determining, recording and disseminating information about the tenure, value and use of land when implementing land management policies. It is considered to include land registration, cadastral surveying and mapping, fiscal, legal and multi-purpose cadastres and parcel based land information systems, and in many systems information supporting land use planning and valuation/land taxation systems.

In the Philippines, initiatives to improve the land administration system is being established through the Land Administration and Management Project (LAMP). An important backbone of such system is an efficient land information system which serves the basis for decision-making for efficient administration and management of our land resources. The International Federation of Surveyors *Statement on the Cadastre* highlights the importance of the Cadastre as a land information system for social and economic development from an international perspective and since countries differ from one another in different aspects, the statement does not prescribe a uniform Cadastre for all but gives a range of options in establishing and managing it. The Cadastre is an official record of information about land parcels, including details of their bounds, tenure, use and value. It provides information identifying those people who have interests in parcels of land; information about those interests (e.g. nature and duration of rights, restrictions, and responsibilities); and information about the parcels (e.g. their location, size, improvements, value).

Information about land parcels in the country, i.e. survey data, ownership, valuation, is managed by different agencies. Oftentimes, this information, together with other land records are needed by different users in their transactions, and access to the service is not quite good since the clients need to transfer from one office to another.

However, land administration is not limited to the development of land information systems. It also looks on legal and institutional frameworks, like the formulation of new laws, amendment of old ones and the establishment of institutions.

II. STATE OF LAND ADMINISTRATION IN THE PHILIPPINES

Land administration in the Philippines focuses on the following components: mapping and survey, land classification, original land titling, transfers of title, land information and records, land taxation and land valuation.

The main agencies involved in land administration include: DENR (Office of the Secretary, LMB, PENRO, CENRO); NAMRIA; Courts; LRA/ROD; DAR; NCIP; BIR and BLGF (DoF)

and local Assessors' Offices. The table below identifies mandates/functions which are duplicated among these agencies:

KEY DUPLICATION/OVERLAP BETWEEN AGENCIES		
Mandates/Functions	Agencies involved	Source of duplication/overlap
Primary classification of public land as A&D land	DENR/NAMRIA; NCIP	Conflict between responsibilities for land classification as determined by EO 292 of July 1987 (instituting the Administrative Code), and the Indigenous Peoples Rights Act (IPRA) 1987.
Undertaking of land surveys for titling purposes	DENR (LMB); DAR; Potentially NCIP	Administrative Code provides authority to both DENR and DAR to undertake land surveys. IPRA 1987 gives NCIP responsibility for the identification, <u>delineation</u> , and recognition of ancestral lands/domains.
Approval of subdivision surveys for titling purposes (for land already titled)	LMB; LRA	Property Registration Decree (PD 1529 of June 1978, as amended) permits either LMB or LRA to approve such plans.
Award of original private rights in A&D land	DENR (Patents); DAR (CLOAs); Courts (court decrees); NCIP (CADTs)	Two titling processes (administrative, judicial), both mandated by law. Legislation authorizing different forms of ownership rights in land, by administrative process.
Maintenance of independent, uncorrelated versions of cadastral maps/records	DENR (LMB); LRA	A consequence of two agencies involved in two titling processes. The practice is neither explicitly mandated nor necessitated by law.
Compilation of land maps and information	Multiple agencies	A reflection of differing agency needs for land information, but some unnecessary overlap occurs.
Land valuation and related mapping for tax purposes	BIR; LGUs	Different valuation methods mandated by different property taxation laws.

Source: DENR-LAMP, *Institutional Arrangement Policy Study*, 2002, pp.32-33.

As of December 28, 2007, the Land Registration Authority (LRA), which was previously under the Department of Justice has been placed under the jurisdiction of DENR, through Executive Order No. 690, in order to have a concerted and well-coordinated effort in formulating policies as well as planning and implementing programs and projects of the LRA. The country's present land administration situation is plagued with the following problems:

1. Multiple land agencies. There are at least 19 agencies involved in land administration, however, there is the lack of a coordination mechanism among them, particularly on data exchange and sharing. There is also duplication and overlap of functions among these agencies.
2. Multiple land laws. Major land administration laws are outdated and conflicting with each other. Due to the large number of these laws, inconsistencies often arise, especially on the mandates and functions of agencies.
3. Multiple land titling processes. Compared with neighboring Southeast Asian countries which uses administrative procedures in title registration of land, only the Philippines employs two land titling processes: administrative and judicial. This results to unnecessary costs, extensive delays and in some cases, competing claims over land being determined by administrative and judicial processes concurrently but in isolation from each other.
4. Multiple forms of ownership rights in land. There is confusion over the status and relative merits of various rights in land, for example CLOAs, Patents, Original Certificates of Title, Transfer Certificates of Title, Certificates of Ancestral Land Title and several more. The problem is more on peoples' perceptions, due to the various instruments and the different processes through which the title is created.
5. Multiple standards for land valuation and multiple agencies undertaking valuation. There are multiple systems, laws/regulations and standards used by government agencies for land valuation employing different methodologies. The systems are used for different purposes including real property taxation, compensation for land acquired for public investment, and for land valuation under the CARP. Valuations are often doubtful, incorrect, and influenced by local politics.
6. Multiple taxes on land ownership/transfer. Responsibility for taxes on real property is shared between the national and local governments, with local governments collecting taxes on the value of land and both levels taxing land transfers.

And the most basic of all, which is land information, is not efficiently managed in terms of filing system, storage space capacity, lack of budget to operate records administration, poor technically trained personnel in records management units, lack of equipment and materials for records maintenance and reconstruction, limited inventory of records, and missing records.

These situations resulted to the dysfunctional land market that reduces opportunities to the poor, threatens the country's economic development, global competitiveness and sustainable management of resources.

III. INITIATIVES TO IMPROVE THE LAND ADMINISTRATION SYSTEM IN THE PHILIPPINES

III.1 The Land Administration and Management Project (LAMP)

The Land Administration and Management Project is the government's first step towards the implementation of a long-term (15-20 years) land administration and management programme. It is multi-funded with inputs from the World Bank under a Learning and Innovation Loan, the Australian Government through an AusAID grant and the Government of the Philippines. The loan was executed in October 2000 and became effective in January 2001. The overall goal of the project is to alleviate poverty and enhance economic growth by improving the security of land tenure and fostering efficient land markets in rural and urban areas, through the development of an efficient system of land tilling and administration which is based on clear, coherent and consistent policies and laws and is supported by an appropriate institutional structure. The objective of the Project is to test alternative approaches to accelerate programs designed to improve the protection of rights to land, eliminate fake titles, introduce an equitable system of land valuation, formulate and approve policy and regulatory changes, and formulate the institutional arrangements needed to support implementation of the subsequent phase of the Program. The expected outputs of the program are the following:

- Clear, coherent and consistent land administration policies and laws;
- Accelerated programs of formally recognizing and protecting rights to land;
- An efficient and effective land administration system;
- An effective and transparent land valuation system; and
- A well functioning land market operating in both urban and rural areas.

Now on its second phase, LAMP2 is built on the lessons learned and experiences gained from LAMP1 and reflects the long-term commitment of the Government of the Philippines to reform its land administration system. The reform is envisaged to entail legislative amendments, institutional restructuring, revisions to many procedures in land administration, and the provision of secure tenure to land owners and occupiers across the Philippines. As part of this reform process, LAMP 2 has the following goal, purpose and objectives:

The goal of LAMP is to reform the land administration system so that it contributes to the country's socio-economic development goals. It aims to accelerate the process of land administration reform and apply the lessons of LAMP1 in selected regions, provinces and municipalities to support the progressive expansion of tenure security and the adoption of approved property valuation standards and procedures through sustainable partnership agreements. The objectives of LAMP2 are the following:

1. To pursue and develop policy, legislative and regulatory changes in support of LAM reform. (*Policy development*)
2. To develop transparent, gender responsive and service oriented institutional and HRM&D arrangements for land administration and develop the institutional capacity to (i)

implement and manage LAMP II at the national, regional, provincial and municipal levels and (ii) lay the foundation through education and training for the future expansion of tenure security and land valuation and appraisal activities. (*Institutional development and capacity building*)

3. To increase the level of tenure security in the urban and rural areas of selected provinces through an accelerated land adjudication program and establishment of an efficient and accessible land registration system. (*Tenure security*)

4. To improve the quality of government and private sector property appraisal performance through the adoption of uniform valuation standards and a single valuation base for taxation and to pursue property taxation reform. (*Property valuation and taxation*)

5. To establish the organizational and management framework, systems and plans for the efficient and effective management and implementation of LAMP. (*Project management*)

The following are some strategies and proposed legislations to reform the present land administration system in the Philippines, aside from the main activities of LAMP on surveying, mapping, titling, capacity-building and education, among others:

Strategies

III.1.1 One-Stop Shops (OSS)

Executive Order No. 467 dated October 5, 2005, defines the implementation arrangements for LAMP2 and the creation of One-Stop Shops. The OSS shall provide an integrated delivery of services to the public to facilitate land related transactions to the government and the public through integrated land registration and record management systems.. The OSS shall house the offices of the Registry of Deeds, LAMP Provincial Project Implementation Offices (PPIOs), representatives from DENR regional and provincial offices, Department of Land Reform (DLR), Bureau of Internal Revenue (BIR), LGU Assessor's Office and other relevant offices as may be deemed appropriate. These agencies are enjoined to provide the required support to ensure the efficient operation of OSS and its replication in other provinces. The OSS shall be headed by a manager to be recommended by DENR-PCO who can be a designated ROD of LRA or appropriate DENR Officer.

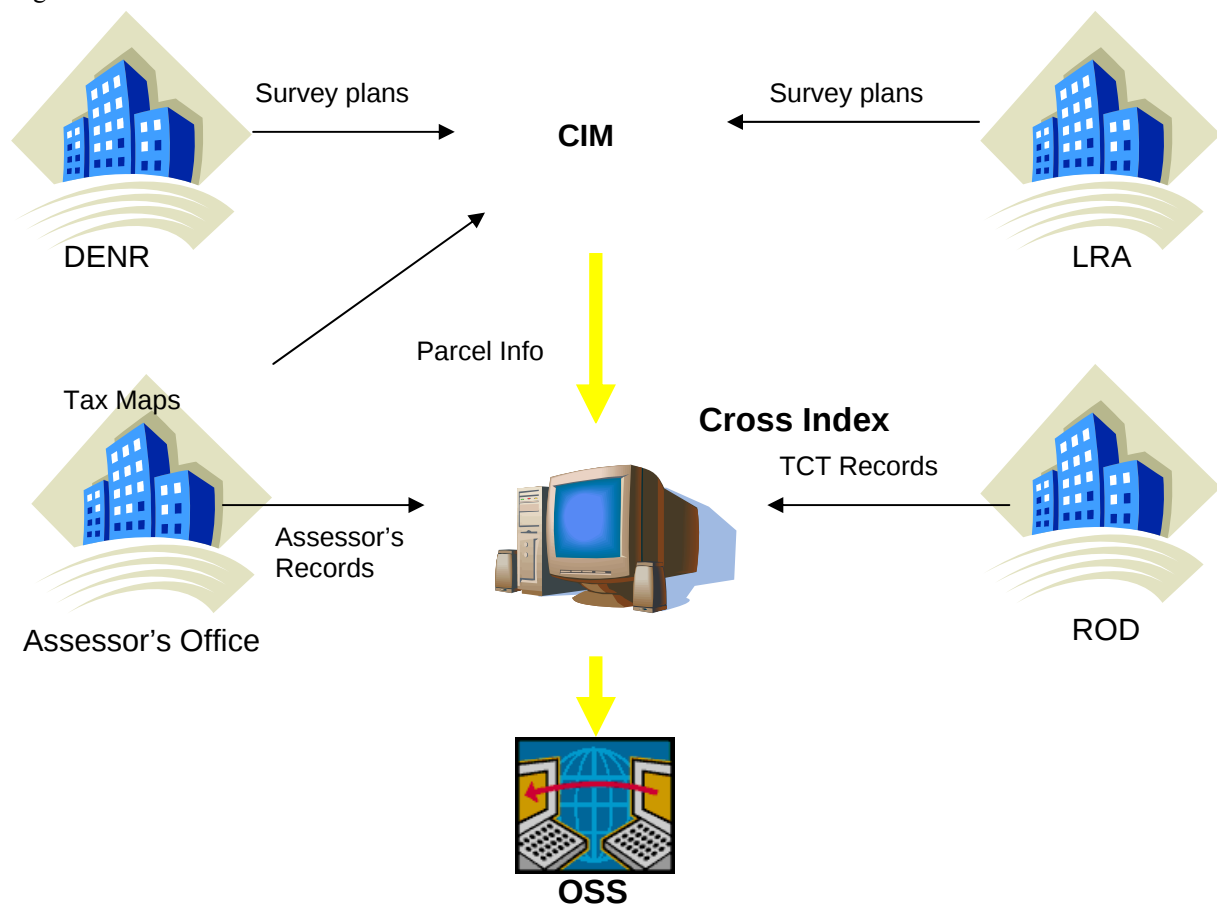
The OSS in most instances, provides a single point of contact for customers. It offers lower costs, faster and generally improved land transaction facilities for the public, build public and government confidence in the land management system, by providing a validated cadastre index map and provide information and services for payment of taxes and fees, as well as lodgement and approval.

At present, aside from the OSS in Leyte and Quezon City, temporary OSS have been already established in Bohol and Bukidnon, the selected provinces covered by LAMP2. The figure below illustrates the land data types from different agencies which can be accessed in the OSS

through the development of the Cadastral Index Map (CIM), which consists of cadastral data and other land information (e.g. survey plans from DENR and LRA, tax maps from Assessor's Offices and ownership records from ROD) and is envisioned to be the common map (spatial reference) across all agencies that will increase harmony and consistency of land information and improve information sharing among agencies for better and more efficient land-related planning and services and increase the confidence of users in the public service delivery.

An important feature of CIM is its unique parcel identifier used to identify individual land parcels and all the associated land records.

Figure 1. OSS Flowchart of Information



Source: LAMP

III.1.2 Innovation Support Fund (ISF)

LAMP2 provides for the establishment of a grant fund from the Australian Government to the total of \$1.5 million AUD, to encourage provinces and

municipalities to become actively engaged in initiating process of land administration and management reform and improved delivery of land related services.

The ISF is a mechanism and unit built-in under the Project Management Component of LAMP2. ISF operates within the directions and objectives of LAMP2 with the National Steering Committee for LAMP2 being the over-all policy guidance and decision making body for the ISF facility. A management team provides over-all administrative supervision and guidance of the ISF facility. The ISF management team includes the Executive Director of LAMP, the Team Leader for Technical Assistance and the ISF Manager.

The specific objectives of the Innovations Support Fund (ISF) facility is to support and promote activities and programs that:

- Introduce focused interventions, innovations and new processes developed in LAMP to select LGUs
- Improve governance, transparency and efficiencies in basic land administration and management service delivery, specifically in land tenure security, land valuations, land titling and land records management.
- Strengthen local inter-agency cooperation, convergence, service integration and partnership of key stakeholders in land administration and management services and functions, particularly, the establishment and operations of a One-Stop-Shop facility for land administration and management services.
- Enhancement of local institutional accountability, capacities, performance and participation of land administration and management services.
- Support and strengthen local land administration and management policy, advocacy, instructional and administrative reform initiatives.

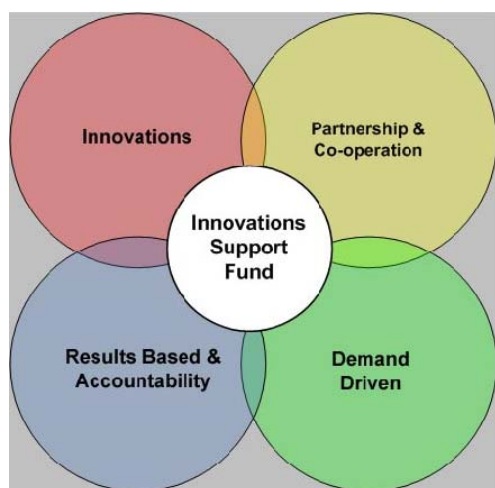


Figure 2. ISF Guiding Principles

All applications and the implementation of the ISF grant shall be based on the guiding principles of innovations, partnership and co-operation, demand driven, and results based and accountability.

The ISF program commenced in July 2006 and at present its five programmatic LGUs (Bayawan, Olongapo, Puerto Princesa, Surigao and Nabunturan continue to make substantial progress, same with the implementation of small grants in Bayombong, San Carlos, Cadiz, Legaspi and Cabarroguis.

Proposed Legislations

III.1.3 The Land Administration Reform Act (LARA)

The LARA Bill aims to integrate land administration agencies (LRA/RoD, NAMRIA, and LMB) into a single entity called the Land Administration Authority (LAA). The proposed LAA aims to enable reforms in the land administration system geared towards sustainable management of resources and records; standardization of the titling process; fully decentralized service through One Stop Shops; and the development of increased transparency and accountability across the whole administration process.

Status: As of March 31, 2009, the LARA Bill was approved by the Joint House Committees on Government Reorganization, Natural Resources, and Justice. However, until now not much action has been done towards the passage of the bill, particularly because the House and Senate are now preoccupied with the coming elections in 2010.

III.1.4 The Valuation Reform Act

The Bill proposes the creation of the National Appraisal Authority (NAA). The NAA aims to regulate and oversee the development and maintenance of a just, equitable, independent and nationally consistent real property valuation system, the development of a single valuation base and the separation of the valuation and assessment function from tax setting and political influence. The enforcement of a single valuation base shall allay confusion; provide a sound basis for the assessment of real property taxes; widen the taxation base; and assist in the improvement and enhancement of tax collection.

Status: As of March 31, 2009, the House Committee on Government Reorganization Report is now with the House Committee on Appropriations, the final review Committee before it is transmitted for floor deliberations.

III.1.5 The Valuation Professionalization Bill (Real Estate Service Bill)

The Bill provides for the creation of a Board that shall regulate and supervise real estate practitioners through education, examination and periodic evaluation. Expected benefits include the professionalization of real estate service practitioners to strengthen their accountability and protect public interest.

Status: As of March 31, 2009, the Bill has been transmitted to the House of Representatives and a Bicameral Conference Committee since it is slightly different to the Bill passed by the House.

III.1.6 Amendments to the Free Patent Provisions of the Public Land Act

The Bill provides for a shortened occupation period required from 30 years to 10 years, and extension of free patents to residential lands. Expected benefits include security of tenure;

increased titling due to streamlined procedures and shorter time required for occupation; increased economic activity and wider tax base.

Status: As of March 31, 2009, awaiting for approval of the Committee on Constitutional Amendments and Revision of Codes and Laws Report chaired by Senator Francis Escudero, who is also a sponsor of the subject Bill.

III.2 Land Titling Computerization Project (LTCP)

On the other hand, LRA has its own project, the LTCP, which started in 2000 and which covers the computerization of 154 Registry of Deeds (RDs), 14 Regional Registry of Deeds (RRDs) and the LRA Central Office. The Project shall enable the quick and secure registration of lands in the country through the application of computer systems. It intends to address the following problems affecting LRA's functional efficiency:

- Substitution and/or insertion of fake titles at the regional district level;
- Unsystematic records management;
- Difficulty in storing and maintaining large volumes of paper and microfilm;
- Variance of procedures in the RDs;
- Slow processing of transactions and queries; and
- Inadequate equipment and personnel.

The Land Titling Computerization Project (LTCP) involves the computerization of the processing and issuance of land titles to improve the land management record system in the country. The Computerized Land Titling System aims to link all levels of the LRA Central Office the Regional Registry of Deeds and the Registries of Deeds nationwide. This will make available to the entire organization, historical and other knowledge bases for making informed and intelligent decisions on Land Titling and Registration.

The LRA Land Titling Computerization Project (LTCP) was not efficiently and effectively implemented and both government and public interest are not adequately protected under the contract. As of December 2004, Phase I remained uncompleted when Phases I-IV was supposed to be completed in January 2004. The implementation of the project was adversely affected by the apparent failure of LRA to decide on the new features necessitating numerous revisions/data conversion issues and inability of the project proponent to provide adequate funds to complete the project.

As of the first quarter of 2008, proponents are yet to comply with the requirements stated in the Compromise Agreement before the issuance of Notice to Proceed to be able to start the project mobilization.

The LTCP and LAMP has yet to agree on how to coordinate with each other on the issues of data access and exchange and duplication of effort. DENR and LRA has yet to set a meeting to discuss such matter with the Secretary of DENR.

IX. CONCLUSION

Initiatives to improve the land administration system can only work if the different stakeholders will cooperate and participate willingly in the process. First and foremost of these stakeholders are the government agencies themselves which should recognize flaws in the implementation of their functions and commit themselves to reforming the system to provide better and efficient public delivery of service. However, stakeholders are not limited to these concerned agencies, rather it involves a lot more, from the private sector to the poor people in both rural and urban areas. An efficient land administration system would therefore benefit everybody who has a stake in a parcel of land.

With LARA still pending in Congress, and with some agencies resisting its passage into law, interventions were made such as placing LRA under the jurisdiction of DENR with the purpose of getting agreements in duplicity of works not just on mapping and approval of surveys but also with the output of both LTCP and LAMP, on mechanisms of how to exchange and share data. Both projects are geared towards computerization of records and development of land information systems and eventually better land administration, and it is of importance that integration of such records be agreed on to avoid duplication of work and to maximize cost of doing the work. A good land information system serves as the foundation of an efficient land administration.

Other advocacies of LAMP, particularly on the proposed RESA Bill and the Valuation Reform Act, would lead to an enhanced land administration system where there is a standard value for land and where valuation is uniform and fair. It shall also professionalize real estate practitioners which would strengthen accountability and protect public interest.

An efficient land administration will result to lower costs of land transaction, better and more accessible land information, and increased transparency and accountability. It also contributes to an active land market which increase investment on land, and permit land to be used as capital through mortgage, rent and other types of financial instrument and which shall encourage the public to transact within the formal system. Eventually, this would lead to the achievement of security of tenure, poverty reduction and economic development.

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BIOGRAPHICAL NOTES

Rhea Lyn M. Dealca is presently a student at the Technische Universitaet Muenchen, Germany taking up Master's Programme Land Management and Land Tenure. She is a licensed Geodetic Engineer who started her career with FF Cruz and Co., Inc., a private surveying company who was also involved with the Land Titling Computerization Project. She later on joined the Land Administration and Management Project1 (LAMP1) as a technical staff in the Project Management Office, and was exposed to the different activities of the project in its management office and prototypes on the fields of surveying, mapping, planning, monitoring and evaluation, consensus-building workshops, policy development and procurement. In 2005, she transferred to the Policy Studies Division of the Department of Environment and Natural Resources, and was exposed to policy formulation on the sectors of land, forestry, protected area, environment and mining. She is set to go back to her position in the Policy Studies Division of DENR upon finishing her Master's course in Germany.

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