

Building Modern Land Administration Systems

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KEY QUESTIONS ABOUT LAND

Efficient and effective land administration underpins the very functioning of states and societies. Imagine a country where, for example, tenure to land cannot be secured or mortgages cannot be established in aid of property development. Across the world, key questions about land include: What are its measurements? Where is it? What are its boundaries? What is on it? What can be done with it? Who owns it? Who can use it? What is its value? How can it be improved? Inability to answer such questions curtails social and economic development, environmental management, and good governance.

Land administration is the way in which rules of tenure are applied.¹ Such rules govern, for instance, the transfer of land rights from one party to another through sale, lease, loan, gift, or inheritance; the regulation of land and property development; the gathering of revenues from land through sales, leasing, and taxation; the use and conservation of land; and the resolution of conflicts over ownership and use of land.

Figure 1: Benefits of Good Land Administration



Note: Modern land administration systems are framed by principles of sustainability, transparency, efficiency and effectiveness, responsiveness, clarity and simplicity, security and stability, and consistency and impartiality.
Source: Adapted from World Bank. 2011. *ICT in Agriculture*. Washington. www.ictinagriculture.org/

Highlights

- Effective systems for recording land ownership, land values, and land use are the foundation on which the efficient operation of a market economy depends.
- The Government of the Philippines knows that both land and information about land must be husbanded. It looks to streamline laws and regulations for property rights, valuation, and taxation as well as organizations, standards, and technological processes.
- To build a modern land administration system, policy issues should be tackled first, but, policy goals cannot be achieved unless there is—most urgently at local level—a functioning land administration infrastructure with up-to-date and accessible information technology.

Challengingly, the many-sided dimensions of land administration cross judicial, regulatory, and fiscal domains. On top, good land administration depends crucially on accurate—but also accessible, complete, interoperable, secure, and timely—data and information about land and property, compiled in ways that promote confidence between the public, its commercial enterprises, and government.

LAND ADMINISTRATION IN THE PHILIPPINES

In the Philippines,² land has been the subject of a multiplicity of inconsistent laws, regulations, processes, and standards, and has been managed by overlapping institutions with limited collaboration.³ Land information, unsurprisingly, has been neglected so that, as of 2007, about 46% of the country's 24.2 million land parcels remain untitled (of which about 70%, or 7.8 million, are residential).⁴ Since data and information are all, the country's record of land ownership weakens security of tenure; opens the existing land administration system to abuse; and denies the public, its commercial enterprises, and government a complete view of land ownership, impacting performance across sectors. What is more, limited supply of land and population growth will both exacerbate land use conflicts and intensify pressure on public services.

There have been long-standing efforts to streamline the country's approach to land administration. Since the Eighth Congress of the Philippines (1987–1992), a land administration reform act and related measures have been filed and refiled without much legislative success (the passage of a National Land Use and Management Act has been in the offing for several years).

There are no quick fixes to land tenure problems. Building a modern land administration system is a colossal endeavor because legislation, organizational structures, financial mechanisms, and technical guidance are closely interconnected and subject to the vagaries of political processes. In the Philippines, excepting unlikely, favorable circumstances in both the House of Representatives and Senate, improvements

¹ More precisely, the United Nations Economic Commission for Europe defines land administration as the processes of determining, recording, and disseminating information about the ownership, value, and use of land when implementing land management policies. See UNECE. 1996. *Land Administration Guidelines: With Special Reference to Countries in Transition*. United Nations Economic Commission for Europe. New York and Geneva.

² The land mass of the Philippines covers 30 million hectares, of which 15.8 million (or about 53%) are classified as forestlands and 14.2 million (or about 47%) are alienable and disposable lands.

³ Duplication of functions impacts almost all components of land administration including surveying and mapping, land classification, land titling, transfers of title, land information and records, land taxation, and land valuation. The primary executing agency is the Department of Environment and Natural Resources, especially the Land Management Bureau, which conducts land classification and land titling. However, other key players include the National Mapping and Resource Information Authority; the Land Registration Authority, especially the Registry of Deeds; the Department of Agrarian Reform; the National Commission on Indigenous Peoples; the Courts; the Department of Finance, in particular the Bureau of Local Government Finance; and of course the Assessor's Office in the local government units at provincial, city, and municipal levels.

⁴ In neighboring Viet Nam, about 90% of land parcels are registered.

can only be achieved in the long term (15–20 years). Toward this, in 2000, the Department of Environment and Natural Resources partnered with the World Bank and the Government of Australia's Department of Foreign Affairs and Trade—Australian Aid to strengthen land administration and management through a loan to the government and technical assistance that included an Innovation Support Fund. Specifically, the project aimed to bring about (i) clear, coherent, and consistent land administration policies and laws; (ii) accelerated programs to formally recognize and record rights to land; (iii) an efficient and effective land administration system; (iv) internationally accepted valuation standards; and (v) a well-functioning land market operating in both urban and rural areas. From 2006, a second phase of the project aimed to (i) develop national policies, formulate a regulatory framework, and reform the institutional structure for land administration and management; (ii) issue titles in urban and rural areas; and (iii) standardize land valuation. Significant accomplishments have included the Real Estate Service Act of 2009 and the Residential Free Patent Act of 2010.

EXPANDING LOCAL GOVERNMENT SERVICE DELIVERY

To note, land administration reform can be instituted even in the absence of an act. In the Philippines, there is performance at the local level a genuine frontline desire for better land administration and management, specifically by means of local government units (LGUs) that provide leadership and steer partnerships across land administration agencies to deliver better services to people. Naturally, given the wide range of services they are tasked with delivering, LGUs want improvements in security of tenure that, combined with efficiencies in tax administration, raise local government revenues. Under the Second Land Administration and Management Project, approaches at that level of government were, from 2007–2010, pilot-tested by the Australian Aid in 14 participating LGUs under its Innovation Support Fund. Programmatic and small grants were approved, on demand, for initiatives (and associated training) including land administration agency coordination and governance, systems and database development, Cadastral Index Map and Geographic Information System applications, systematic titling and tax mapping, and one-stop shops. In 2010, an independent evaluation judged that the approach had resulted in unexpectedly large benefits for the LGUs involved.

Building on this, in 2011 the Bureau of Local Government Finance in the Department of Finance and the Asian Development Bank (ADB) joined hands to help LGUs improve public service. Through the Japan Fund for Poverty Reduction, 10 LGUs (including four mature LGUs earlier assisted by the Australian Aid) piloted improved land administration initiatives—including valuation and taxation innovations—that generate sustainable local government revenues. Specifically, in the participating LGUs, five outputs eventuated from the

whole-of-government approach ADB promoted:

- LGUs and partner land administration agencies collaborated actively, efficiently, and effectively in the delivery of better services to people (the pulse of the private sector was ascertained through mass surveys).
- Unified land information systems were established and operationalized in the LGUs and their partner agencies.
- Property valuation policies and practices were updated.
- Zoning plans and comprehensive land use plans were revised by the LGUs and their partner agencies with stakeholder participation. The plans permitted progressive disaster risk reduction and management (DDRM) and were climate change adaptable (CCA).
- The land tenure status of the LGUs was assessed and appropriate land tenure improvement and financing strategies and plans were prepared.

Figure 2: Linking Land Administration, Revenue Generation, and Investment



Source: ADB.

In the LGUs, noteworthy outcomes from ADB's assistance and technology transfer included (i) clarity in the property base; (ii) expansion in tax revenue; (iii) improved local collection efficiency; (iv) established e-government systems; (v) built capacity in DDRM-CCA and comprehensive land management planning; (vi) a unified land information system combining spatial and textual land-related information from partner land administration agencies, linked to real property and business revenue systems, and supportive of LGU land management functions in physical planning, disaster risk management, and social mapping; and (vii) updated schedules of market values, all of which strengthen economic growth and finances. In 2013, the Department of Finance asked ADB to expand the scope of operations to (i) deepen, upscale, and institutionalize gains in the participating LGUs; (ii) replicate good practice models in four additional LGUs in Ilocos Norte; and (iii) roll out revision of schedules of market values nationwide.

Related Link

- ADB. 2011. *Technical Assistance to the Republic of the Philippines for Support to Local Government Revenue Generation and Land Administration Reforms*. Manila. www.adb.org/projects/documents/support-local-government-revenue-generation-and-land-administration-reforms-tar

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