

MOVING SENDONG SURVIVORS TO SAFER GROUND IN CAGAYAN DE ORO

CASE STUDY ON THE COMMUNITY MORTGAGE
PROGRAM AS A RESPONSE TO HOUSING NEEDS
AFTER TROPICAL STORM SENDONG

(DECEMBER 2011 - JANUARY 2014) | LAYLA SAWYER

FOREWORD

What if catastrophe strikes? What if your house and that of thousands of others is washed away and in the long aftermath of the storm, your land has become a ‘no build zone’? What if a multitude of complexities and obstacles prevent you from obtaining alternative housing? How long can families survive, let alone live decently, without a roof above their heads and a house to live in?

These ‘ifs’ became a reality when tropical storm Sendong (international code name ‘Washi’) hit northern Mindanao in the night of December 16th, 2011. And this case study tells the story of how Cordaid together with the Filipino Peace and Equity Foundation (PEF) and local communities, came up with innovative solutions for 3000 displaced families living in the post-disaster area of Cagayan de Oro.

By combining forces PEF and Cordaid’s Investments unit created a guarantee fund that served as a financial express lane, accelerating access to a community mortgage program, allowing families to finally achieve land ownership and to start building safer and more secure houses.

But that’s not all. At the same time Cordaid’s Disaster Risk Reduction experts and PEF assisted local communities of displaced families in setting up community associations. These then dealt with city and village agencies to provide the necessary public utilities and permits.

In short, individual displaced and houseless victims became strongly organized and resilient communities of land owners and house builders.

This report shares how Cordaid, together with PEF and local communities themselves, found innovative solutions in a relatively short time, how results were achieved and how we learned valuable lessons along the way.

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List of acronyms

BIR – Bureau of Internal Revenue

Cordaid – Catholic Organization for Relief and Development Aid

CMP – Community Mortgage Program

HLURB – Housing Land Use Regulation Board

PALC – Preliminary Approval and Locational Clearance

PEF – Peace and Equity Foundation

PHP - Philippines Peso. This report mentions PHP rates and the approximate USD equivalent as per the September 2014 exchange rate.

SAC-ACDO – Social Action Center of the Archdiocese of Cagayan de Oro

SHFC – Social Housing and Finance Corporation

BACKGROUND



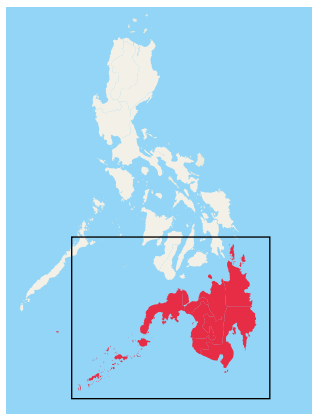
Sendong memorial at Isla de Oro, inscription reads: "This mango tree saved more than 50 people, residents of Isla de Oro, at the height of the unprecedented flooding caused by Tropical Storm Sendong last December 16, 2011."

On the night of December 16th 2011, tropical storm Sendong (international code name Washi) hit Northern Mindanao resulting in flash floods and enormous destruction in the cities of Cagayan de Oro and Iligan. According to official reports, almost 20,000 houses were damaged within Cagayan de Oro alone, and more than 200,000 people were affected.

In response, the Peace and Equity Foundation (PEF), one of Cordaid's long term partners in the Philippines, set up RECOVER HOPE, a community-driven relocation program in collaboration with the Social Housing and Finance Corporation (SHFC) and various local civil society organizations. This case study documents the progress of RECOVER HOPE and the challenges it has faced along the way.

From the start, two departments within Cordaid pooled expertise and resources in order to optimally support RECOVER HOPE. Cordaid Investments has been supporting this project through a Guarantee Fund, in order for the affected families to be able to purchase new land through the government's community mortgage program. Cordaid Disaster Response has been supporting this project (and will continue to do so in 2014-2015) with grants to organize the community and increase its resilience through Community Managed Disaster Risk Reduction.

SETTING UP AN EXPRESS LANE



South China sea

Philippine sea

Mindanao

Iligan

Cagayan de Oro City

Cotabato City

Zamboanga

Davao

General Santos City

In the aftermath of Sendong, it soon became clear that many people in Cagayan de Oro would need to find alternative housing. Some neighborhoods close to the river, such as the Isla de Oro, had been completely washed away by the floods and were declared by the government to be 'no build zones.' More importantly, the traumatic experience of the flooding caused people themselves to urgently seek relocation onto safer grounds. It also quickly became clear that the local government acting on its own would not have the capacity to provide enough housing for all the affected families.

As a reaction to the looming housing shortage for Sendong survivors, the Social Housing and Finance Corporation (SHFC), a government agency of the Philippines, decided to open up a pilot express lane in their Community Mortgage Program. Although this program had been providing group mortgages to low-income communities since 1988, it was the first time for SHFC to open up an express lane to finance the purchase of land for relocating disaster victims.

Obtaining all the required documents to qualify under the regular lane is a time-consuming process. Under the newly established express lane it was therefore agreed that a portion of the documentary requirements could be completed at a later stage, under the condition that PEF and Cordaid would guarantee completion of the so-called 'deferred documents' within a year (*see Guarantee Fund*).

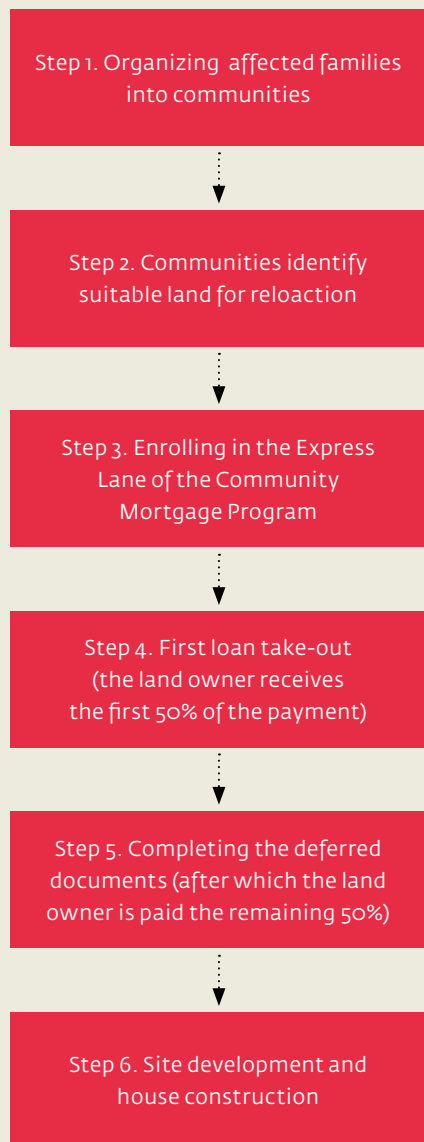
CMP Regular Lane:

- Community Associations are able to get a group mortgage from SHFC, lasting 25 years, at a rate of 6 % per year.
- Either 'on-site' to help informal settlers gain tenure over the land they occupying, or 'off-site' when there is a threat of calamity or eviction.
- Communities of 20-200 families, which have been formally organized for more than a year.
- Lot acquisition loan of 90.000 PHP (or 2.000 USD), site development loan of 15.000 PHP (or 340 USD), housing loan of 60.000 PHP (or 1.350 USD), for each family.
- Can take more than 5 years.
- Associations guided by a registered 'CMP mobilizer.'
- Community driven process.

New in the CMP Express Lane:

- First time for SHFC to accommodate 'off-site' relocation in response to a calamity.
- Up to 500 families under a single Community Association.
- A portion of the documentary requirements postponed until after a part of the loan has been taken out.
- PEF & Cordaid Guarantee Fund to provide assurance to SHFC that 'deferred documents' will be completed within a year.

Overview of relocation process under the Express Lane



Simplified overview of relocation process under the Express Lane of the Community Mortgage Program, for a detailed process flow see www.shfcph.com.



Associations following financial management training

CMP-Mobilizer. As the beneficiaries were only just recovering from Sendong, they could not afford the usual ‘mobilization fee,’ and the management costs of the CMP-mobilizers were instead covered by PEF and Cordaid. This funding meant that in the course of 2012, more than 8000 families were organized into 36 different Community Associations. A huge accomplishment compared to the target of 2,025 families that had originally been set.

Working with recovering families was a challenge. In the confusion after Sendong, it was especially important to make sure everybody received the correct information. For example, many reported being under the impression that free housing would be made available by the government. Eventually it became clear that only those whose houses had been deemed ‘completely damaged’ as opposed to ‘partially damaged’ would qualify for free housing. Many of those who did not qualify concluded therefore that the CMP express lane was their next best option. In this way, the program was benefiting people that would otherwise not receive any help.

Under the new express lane, the Community Associations became more diverse than under the regular lane. Although some of the associations contained mostly families from the same area, other associations had members from many different parts of the city who did not previously know each other. This is partly because SHFC raised the limit of families per association from 200 to 500 in order to accommodate as many people as possible. This meant that associations that were interested in the same areas of land merged to form a larger association. So on the one hand, this made the overall number of applications more manageable, but on the other hand, it may have added to the time it took each association to organize itself and set up an internal management structure. Throughout each stage of the project, proactive community building played a crucial role. For example, SHFC requires the associations to register with the Housing Land Use Regulation Board (HLURB) as a Homeowners Association. The HLURB requires the association to elect officers, and to have various committees and organizational structures in place. Besides these official requirements, the associations have some big group decisions to make (such as choosing a relocation site and a house design). In addition, getting all the paperwork in order

STEP 1: Organizing families into communities

Since SHFC can only provide group mortgages to legally organized communities, it was first necessary for families to arrange themselves into Community Associations under a ‘CMP-Mobilizer.’ These so-called mobilizers are local civil society organizations that perform the important function of guiding the Community Associations through the intricate details of the program, from negotiating with land owners to navigating the different government agencies, to building up the internal capacity of the association.

In Cagayan de Oro, there were two organizations, Group and Touch, that had previous experience with the program, but due to the sheer volume of people in need of housing, the Social Action Center of the Archdiocese of Cagayan de Oro (SAC-ACDO) was also encouraged to register with SHFC as an accredited

required a significant investment of time and effort, all of which is made easier by having a well-organized community.

In a later stage, after the mortgage is taken out, the associations are required to collect the monthly fees from its members, as they are collectively accountable to SHFC for the loaned amount. This is why it is very important that the process is truly driven by the community. This was more difficult to ensure after Sendong, when people's decisions were more likely to be influenced by relief operations from outside the communities.

Although each association has a different dynamic, as of 2013 they are all holding regular meetings and have established their vision, mission and goals. Their members have attended a variety of trainings to develop their organizational skills and financial management capacity. Looking back over the past two years, there are many indicators that the associations have increased in their technical capacity. At first, the mobilizers were needed at every step to assist with paperwork and meet with the many government agencies. However, as time went on, the officers of the associations became more confident and were increasingly able to attend to business independently.

STEP 2: Communities identify suitable land for relocation

After the families were successfully organized into associations, their next step was to scout for suitable land and negotiate a fair price. The association needed to obtain a notarized 'Letter of Intent to Sell' from the landowner which could be used to officially enroll in the program. It is important to realize that, at this point, the land owner does not yet receive any payment, or even guarantee that SHFC will purchase the land on behalf of the association.

For the families involved, the most important criteria for selecting land was that it would be safe from flooding. However, the cost of the land was also an important factor, as it would determine the association's monthly mortgage payments. Under SHFC's guidelines, 90,000 PHP (or 2,000 USD) per family was the maximum amount that could be borrowed for purchasing land (based on their past experiences with the paying capacity of beneficiaries). Besides this predetermined loan ceiling, SHFC did their own calculations for determining the value of the land, and would not pay a higher price than their appraisal value. This meant that if the price of land was higher than the appraised amount, the associations would need to put up their own resources as equity. SHFC's appraisal value however was not disclosed until much later in the process, leaving the associations in a weak position to bargain with the land owners after the fact. Although SHFC later adjusted their appraisal method, this meant in some cases, progress was held up for months while the recovering families raised their share of the equity.

Because processing the required paperwork with the different government agencies combined with SHFC's internal processes took longer than anticipated, land owners were forced to wait a long time to receive payment. Understandably, this was nerve racking for the associations. If a land owner would back out at this point, the association would need to search for suitable

land all over again. In the projects being handled by the Social Action Center, the archdiocese paid the land owner so-called 'earnest money' - a relatively small amount (around 500,000 PHP or 11,300 USD) to make sure they did not back out. The reason they were selling their land in the first place was often because they needed the money. Therefore, the earnest money certainly helped to tie them over until SHFC made the first payment. When it came time to pay the land owner, SHFC would subtract the amount and issue a separate check to repay the archdiocese.



All 420 families in the Villeview Lumbia association will be relocated to this tract of land.

Establishing a cooperative relationship with the landowner was crucial for the associations. Unfortunately, many bad experiences with uncooperative land owners were reported during interviews. It seems like everything that could go wrong in fact did go wrong at one point or another. For example, there were cases where the government declared that a portion of the land was not safe for building. Since SHFC would not pay for the portion of land that was unbuildable, the land owners decided to sell to somebody else. Sometimes there were issues when siblings jointly owned the land. There was even a case where the land owner died during the process, leaving the case to be settled by the courts. In August 2012, as a reaction to the issues mentioned above, SHFC and other government housing agencies organized a forum for the involved land owners in Cagayan de Oro. Besides creating a better understanding of the Community Mortgage Program, they were able to emphasize to the land owners that the associations purchasing their land were Sendong survivors. While another buyer might be able to provide payment more quickly, by being patient, the land owners were providing the survivors with a so-called 'charity of time.' This understanding of the bigger picture, as well as the earnest money, seemed to help with the willingness and flexibility of many land owners.

STEP 3: Enrolling in the express lane

As soon as the associations had a 'Letter of Intent to Sell' from the landowner it could start its official registration with the HLURB as a Homeowners Association. The associations also needed to provide a number of documents regarding their selected land, such as a vicinity map, a zoning certificate, and a subdivision plan, as well as several tax declaration

documents. Since there was a lack of government engineers (only two for all of Mindanao), the PEF and Cordaid grant covered the cost of a private engineer to create these documents for the associations.

When all necessary documents were in order, and the associations had been registered with the HLURB, the documents were handed over to SHFC, who then conducted their own inspection of the land, as well as a background inspection of the association and its members. SHFC needed to confirm for example that the selected land was not prone to disasters, and that the land title did not have any pending legal issues. SHFC also needed to confirm, among other things, that the members had a sufficient annual income to be considered for a loan and that they were in fact Sendong survivors. Although it is understandable that the long history of the program has taught SHFC to be cautious with documentary requirements, it seems a shame that so much time is spent in verifying the documents by performing independent inspections.

CMP mobilizers also reported that the guidelines for the express lane were not always clear and that associations received feedback on their documents in a piecemeal fashion. In fact, the official SHFC guidelines for the express lane were not published until January 2013, almost 13 months after Sendong hit. Throughout the process the express lane was considered to be a work in progress and problems were addressed as they were encountered.

It is important to realize at this point, that the associations were not all moving through the process in parallel. They were all at different stages of processing documents, depending on when they had been organized and had found suitable land. Not only that, but each case had its own exceptions or problems that needed to be solved. In May 2012, a technical working group with all stakeholders (chaired by SHFC in Cagayan de Oro) had been created where all such problems could be addressed. Although this was very effective in solving problems locally, many decisions were not within the authority of the regional SHFC level, and still had to be relayed to the head office in Manila.

Since this was a pilot project, any associations that had not been enrolled in the program by January of 2013 were transferred to the regular lane. This meant that 14 associations (3,174 families and 11,700 people) were successfully enrolled under the express lane, whereas the remaining 22 associations that missed the cut-off point are currently being processed under the regular lane.

STEP 4: First loan take-out

When all documents had been completed, and approved by the regional SHFC office, the mortgage documents still needed to be approved by SHFC's board. This was decidedly not merely a formality, and especially for the projects in the express lane, the board was very thorough in their examination. Only after this approval does the landowner receive a Letter of Guarantee.

After the land owner receives the Letter of Guarantee, several months of paperwork followed, during which the associations signed the loan agreement with SHFC and the deed of sale was



Photo Layla Sawyer

“We saw people struggling, every single day. My parents’ land, in one of the upland barangays, was very close to a temporary relocation site. So I told my mom, why don’t you sell your land for them to build on? My mom is 85 and maintaining land is more difficult now. Also, at her age, she’s a walking pharmacy! I want her to be able to relax and just enjoy herself a little. So my mom agreed, because it’s a win-win situation. We approached our church, who told us about the Community Mortgage Program. But first the people had to come see the land for themselves. In the end, we had to wait 9 months to be paid for the land, but then the advance from the church helped. I would call every week to see what was happening. We had a very good relationship with the 145 families that will be transferred here. In fact they named their community association after our family name ‘Bermundo.’”

executed. After this the landowner was paid the first 50% for the land. If the landowner had been provided earnest money, this was subtracted from the amount, and a separate check was issued to the archdiocese.

After the first loan take-out is when the guarantee period for the ‘deferred documents’ kicked in that are being guaranteed by PEF and Cordaid. The first associations that managed to take out a partial loan did not manage this until November 2012, more than 11 months after Sendong. The last associations to qualify under the express lane didn’t get their first loan take-out until October 2013, a full 22 months after Sendong.

STEP 5: Guarantee Fund and ‘deferred documents’

After the landowner has been paid the first 50% of the cost of the land, the associations had 12 months to complete the additional documents. In order to guarantee this, PEF and Cordaid put up 25% of the cost of land in escrow (a bank account administered by a neutral third party) to serve as a ‘Guarantee Fund’ for SHFC. Each of the documents was allotted a specific percentage of the guarantee amount, and these funds are released to PEF as soon as SHFC determines that the association has complied with their requirements. After one year, if any document has not been

complied with, SHFC can withdraw the amount that this document represented from the neutral bank account, and this amount will not be returned to PEF and Cordaid (see box below).

Deferred Documents:

Each association has to comply with the following documents within one year of the first loan take-out. Each document represents a specific percentage of the amount that is being guaranteed by PEF and Cordaid. As soon as any document is completed, the corresponding amount in PHP is released back to PEF and Cordaid.

1. Preliminary Approval and Locational Clearances (PALC) and Road Right of Way (RROW) - 10 %
2. Site development technical plan/ Subdivision Plan - 15%
3. Tax Declaration in the name of the Community Association - 5%
4. Master List of Beneficiaries with loan apportionment - 15%
5. Community Profile - 10%
6. Loan Purchase Agreement - 10%
7. Three months of amortization and one year MRI - 15%
8. Collection Efficiency Ratio of 80% maintained during the 1 year period - 20%.

Status of Guarantee Fund as of December 2013:

- Total amount guaranteed by PEF/Cordaid: 31.6 million PHP (or 713,000 USD) (100%)
- Released back to PEF/Cordaid so far: 14.7 million PHP (or 331,000 USD) (46.55%)
- Forfeited to SHFC: 303,000 PHP (or 6,800 USD) (0.98%)
- Still in guarantee fund: 16.6 million PHP (or 375,000 USD) (52.47%)

See the financial model on the last page for more information.

A major problem with the guarantee fund was that some of the documents being guaranteed were entirely out of the control of the associations, the mobilizers, or even PEF. The Preliminary Approval and Locational Clearance (PALC), for example, was entirely dependent on speedy processing by different departments of the city government. Many of the people interviewed, reported being very frustrated by city politics that came into play during the guarantee period. When a new mayor was elected in July 2013, things seemed to improve. However, certain steps in approving the PALC still needed to pass through various city departments, which are dominated by an opposing political party. Whether from a lack of awareness about the express lane or absence of political will, the delays in this phase of the project were substantial and seemingly unnecessary.

In November 2013, when the first associations hit their 1 year deadline, two of the associations (Medalla Millagrosa Phase I and II) had not yet managed to obtain their PALC. This resulted in a 303,000 PHP (or 6,800 USD) call being made on the guarantee fund. Although certain deadlines in the guarantee agreement are now being renegotiated with SHFC, this amount is not recoverable (however, it is still within PEF's projected losses).

Another challenge was to transfer the tax declaration to the name of the community association. For this, the association needed to get approval for a Capital Gains Tax Exemption, which had to be processed at the Bureau of Internal Revenue (BIR) headquarters in Manila. Unfortunately, the BIR office was not fully aware of the express lane, and some associations had to wait up to ten months for a reply. As mentioned above, PEF and SHFC are currently negotiating an extension for the documents where they are expecting difficulties. However, at the end of the day, it seems what the Guarantee Fund should be guaranteeing is the compliance of the associations, not the compliance of the government.

STEP 6: Site development and house construction

After all the deferred documents have been completed, the name on the title deed can be transferred to the association¹ and SHFC makes the final payment for the land. It was a big breakthrough in January 2014 when the first association managed to accomplish the transfer of the title deed, although up until now they are the only one and the land owner is still waiting for the final payment from SHFC. Despite this, some of the other associations have already gotten a head start on preparing the land, as they were able to negotiate early access with the land owner.



Photo Layla Sawyer

CMP stakeholders requesting government support at the Cagayan de Oro city hall in January 2014.

At this phase of the project, cost seems to be the biggest bottleneck. As for site development, the loanable amount from SHFC is only 15,000 PHP (or 340 USD) per family. If you have an association of 420 families, as in the case of Villeview Lumbia, that is still only a maximum of 6.3 million PHP (or 142,000 USD) to make 5.8 hectares of land habitable in terms of roads, drainage and water systems. In coming up with their individual site development plans, the associations are struggling to keep their planned costs within this amount, depending on the specific terrain. Public resources from the city government, such as the heavy machinery, would help to lower the costs of site development.

¹ After a certain number of years, the association can request to have the title and the loan individualized. More details can be found on www.shfcph.com



Photo: Layla Sawyer

Some associations were able to negotiate early access with the land owners to get a head start on site development.

As for the houses to be built, SHFC's loanable amount is a maximum of 60,000 PHP (or 1,350 USD) per family. The associations were free to choose their own house designs, and many associations chose designs made for them by Habitat for Humanity. These houses were designed to be resilient to typhoons and earthquakes, and the materials could be sourced locally. However, whichever one the associations chose, all designs ended up projecting a cost of more than 60,000 PHP (or 1,350 USD) to have a fully functional house. Since many of the associations have not used the full 90,000 PHP (or 2,000 USD) per person for purchasing land, they are hoping that SHFC will allow them to realign this under an increased site development loan. Other cost reduction strategies are to again call on the

city government for in kind assistance and to investigate ways of sourcing building materials more cost-efficiently. Either way it seems likely that most associations will either need to get supplementary loans from SHFC, or raise additional equity.

Since November 2013, the mayor's office has become aware of this urgency, and is making a substantial effort to assist the associations. The mayor has also created a designated task force on housing, which is, among other things, helping the associations get their documents moving through the various city departments. However, it is a constant challenge for all involved to not get involuntarily caught up in city politics.

WAY FORWARD

Keeping people motivated

In their desire to be relocated quickly, it may be that families signed up without fully realizing what the program would entail or how much time it would take. As expected, the fact that house construction has not yet started is causing skepticism among the families. Mobilizers and association officers are reporting low morale among the communities, which is causing some people to drop out of the program or to stop making their monthly payments.

Also being guaranteed by the fund is a Collection Efficiency Rate (CER) of 80% for the first year. Each association must collect at least 80% of the monthly mortgage payments (on average across the 12 months) from the individual families. This means that people are already paying for their new land, but not yet able to live there. For 2014, the local organizations are faced with the challenge to make people see that there is in fact an end in sight. As soon as there is a building permit, construction of at least a handful of model houses will start, in order to serve as a tangible reminder of what they are currently making payments for.

Another frustration is that there are steep fees involved for many of the documentary requirements, which were not all factored in from the beginning. Some of these fees are supposed to be absorbed by the land owners, as is stipulated in SHFC's regular lane guidelines, but this also depends on the individual arrangements made with the land owner. Also, some of the fees are turning out to be much higher than originally expected. Setbacks such as these are demotivating for the associations, since raising such an amount will take time. Going forward, it is clear that there needs to be a way to lift some of the financial burden off of the associations. Although SHFC can provide an additional loan for some of these fees, associations are hesitant because it will add to their monthly amortization.



Photo: Ding Fiellos

Layda Acut is a beneficiary of TAMHOA, one of the associations under the regular CMP lane. She sells various goods like rice, groceries and water.

Recovering livelihoods

Another important component of the project was to help people rebuild their livelihoods. Under the Community Mortgage Program however, the beneficiaries already needed to have a certain paying capacity to get through SHFC's background inspection, so it seems this group per definition had a certain ability to bounce back. That said, all the people who were interviewed eagerly mentioned livelihood as one of their key priorities. Getting started is a challenge however, because the communities are not yet all together in one place.

The mobilizers have already taken essential preparatory steps for the livelihood activities, such as skills mapping and consultations with the communities. The Group Foundation, one of the mobilizers, already has been given a small revolving fund for supporting livelihood initiatives, but the associations that have made use of this were not in the express lane. Many of the associations in the express lane are already coming up with livelihood ideas, but have not yet taken out loans from the mobilizers to start these businesses. It is important to consider that they are working in an urban environment, so it is not possible to engage in large scale agricultural activities. Ideas that are currently being considered are in the range of a transport cooperative, hollow blocks production, laundry services and organic gardening. In 2014-2015, PEF and Cordaid will continue to support them in rebuilding their livelihoods through skills trainings and start-up loans.

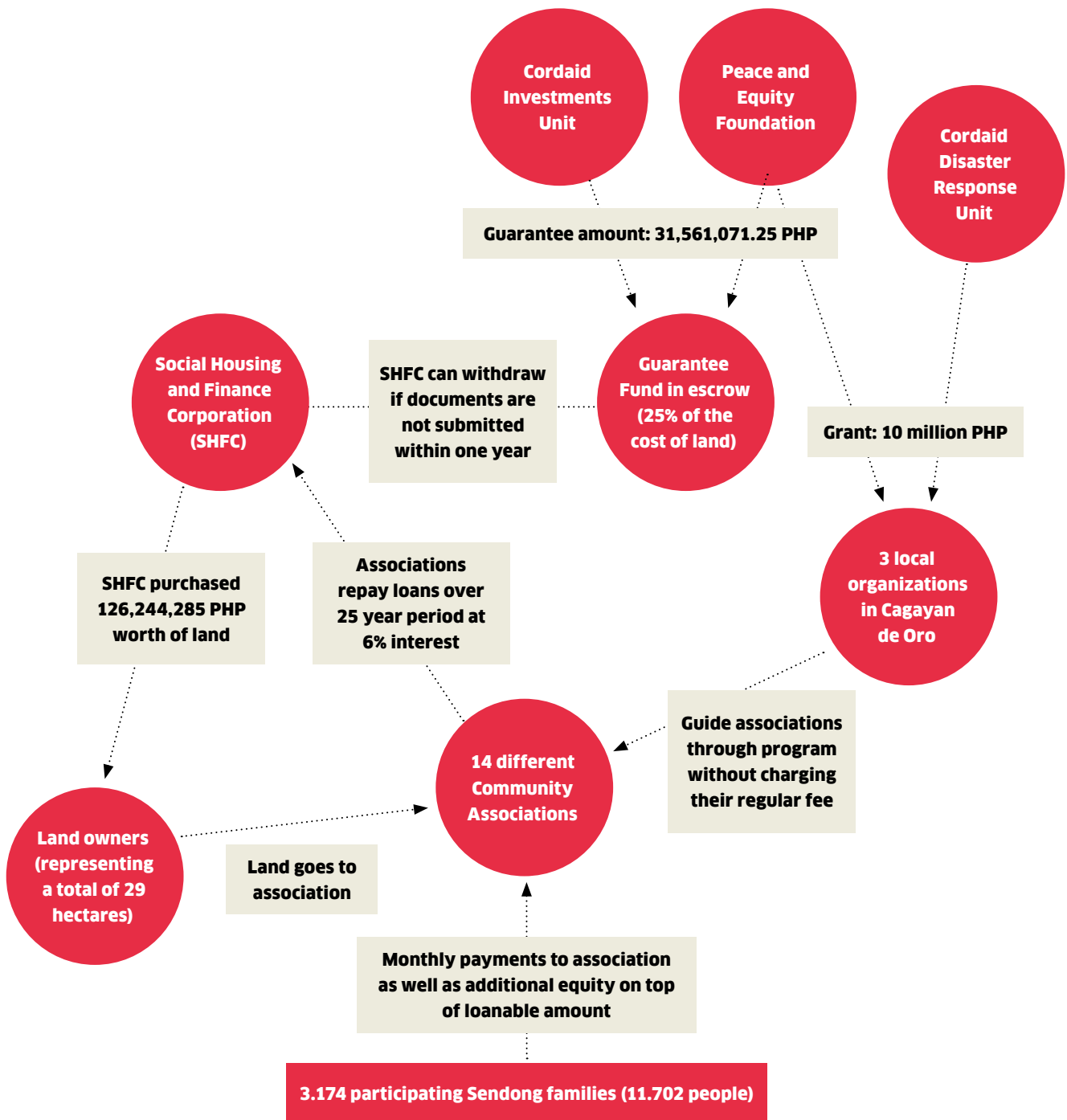
CONCLUSIONS

Although this pilot has not always run smoothly, by sharing the risk of trying out the express lane, PEF and Cordaid have made an important contribution towards improving the national capacity to respond to housing needs after calamities. By taking this risk together, SHFC is able to learn and improve the express lane. Since SHFC serves a larger area than just Cagayan de Oro, this experience will eventually benefit more people than just the Sendong survivors. Although many admitted to being frustrated when things were moving slowly, they also admitted that SHFC was open to hearing their feedback.

Listening to the stories of the mobilizers and the associations, the express lane in its current functioning is not able to respond fast enough to the urgent housing needs of people recovering from a devastating calamity. Although some things are difficult to speed up, such as community organizing and searching for land, if SHFC could institutionalize express lanes with other government agencies, processing the required documents could be speeded up considerably. The impending deadlines of the guarantee fund greatly motivated the mobilizers and the associations, especially when they started to come close. It might therefore be valuable to set deadlines throughout the year, as well as a grace period for unforeseen circumstances.

It is important to note that the guarantee fund does not only provide a financial guarantee, but also a more symbolic commitment that PEF will stay involved in the project for as long as it takes. For the past two years, they have dedicated a full time staff person, as well as continuing grant funds to help the associations comply with the documents. Although the CMP mobilizers and SHFC are now in a better position to manage expectations by informing future applicants of the expected timeframe and the overall costs, the associations themselves can also build their ability to handle unforeseen costs by starting a savings scheme at an earlier stage. Since PEF and Cordaid were willing to act as guarantors, SHFC was willing to take a leap which they might not have done otherwise. By taking this step together, SHFC and PEF are raising the bar for future community driven relocation efforts.

FINANCIAL MODEL



ABOUT CORDAID

Cordaid is based in the Netherlands and has country offices in 11 countries. It has been fighting poverty and exclusion in the world's most fragile societies and conflict-stricken areas for a century. It delivers innovative solutions to complex problems by emphasizing sustainability and performance in projects that tackle security and justice, health and economic opportunity. Cordaid is deeply rooted in the Dutch society with more than 300,000 private donors. Cordaid is a founding member of Caritas Internationalis and CIDSE.

ABOUT PEF

Since 2001, the Peace and Equity Foundation (PEF) has been the steward of a national endowment fund for civil society-led efforts to reduce poverty in the Philippines.

Today, PEF promotes social enterprises to help rural households have a sustainable income and rural communities have productive assets, basic social services and resiliency against climate change.

PEF pools financial and knowledge resources to help households improve their income and move out of poverty.

To achieve this, PEF will:

- Build on social enterprise development models that work,
- Enable social entrepreneurial capacities of communities and civil society partners, and
- Promote good governance and people's participation in local enterprise and economic development

COLOPHON

Information for this case study was gathered from a combination of interviews with local stakeholders, focus group discussions with beneficiaries, and PEF monitoring documents. Much appreciation to the Touch Foundation, Group Foundation, Social Action Center of the Archdiocese of Cagayan de Oro, Xavier Science Foundation, Housing Land Use Regulation Board, Social Housing and Finance Corporation, Housing and Urban Development Coordinating Council, Presidential Commission for the Urban Poor, Local Government Unit of Cagayan de Oro, and all participating Homeowners Associations for kindly providing their time and insights.

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