

Philippines

“Batangas Port Development Project”

Project Summary

Borrower	Government of Republic of the Philippines
Executing Agency	Philippine Ports Authority
Exchange of Notes	March 1991
Date of Loan Agreement	July 1991
Final Disbursement Date	July 1999
Loan Amount	¥5,788 million
Loan Disbursed Amount	¥5,497 million
Procurement Conditions	General Untied
Loan Conditions	Interest Rate: 2.7%, Repayment Period: 30 years (10 years for grace period)

<Reference>

(1) Currency: Peso

(2) Exchange Rate: (IFS annual average market rate)

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	
Rate	Peso/US\$	24.31	24.48	25.51	27.12	26.42	25.71	26.22	29.47	40.89	38.64
	Yen/US\$	144.8	134.7	126.7	111.2	102.2	94.1	108.8	121.0	130.9	117.0
	Peso/Yen	5.96	5.50	4.96	4.10	3.87	3.66	4.15	4.11	3.20	3.03
Consumer Prices*	100.0	118.7	129.3	139.1	151.7	164.0	177.8	186.8	207.8	220.7	

* 1990 = 100

(3) Rate at the time of appraisal: 1 peso = ¥6.8

(4) Fiscal Year: January ~ December

(5) Abbreviations

BCWD	Batangas City Water District
ECC	Environmental Compliance Certificate
DAR	Department of Agrarian Reform
DENR	Department of Environment and Natural Resources
DND	Department of National Defense
DOTC	Department of Transport and Communications
DPWH	Department of Public Works and Highways
DSWD	Department of Social Welfare and Development
NEDA	National Economic Development Authority
NHA	National Housing Authority
NPC	National Power Corporation
PCUP	Presidential Commission for the Urban Poor
PNP	Philippine National Police
PPA	Philippines Ports Authority

(6) Terminology

- Berths: Places such as wharves and piers for vessels to moor. Also the unit for counting mooring spaces.
- Ro-Ro (roll on, roll off) vessels: Vessels which carry trucks and other vehicles together with their cargo (they can also transport passengers at the same time).
- General cargo vessels: Vessels which transport a wide variety of freight but do not carry passengers (in this report, this category also includes container vessels).

- Domestic cargo: Cargo carried domestically (inward and outward).
- Foreign cargo: Cargo carried internationally (import and export).
- Core house: In the Philippines, a core house is one where only the structural frame and outer frame are prepared (they are habitable, but are generally improved further before they are occupied).
- Jeepney: The jeep-based group taxis used in the Philippines (they can carry up to 15 people).

Project Location

Figure 1 Project Map

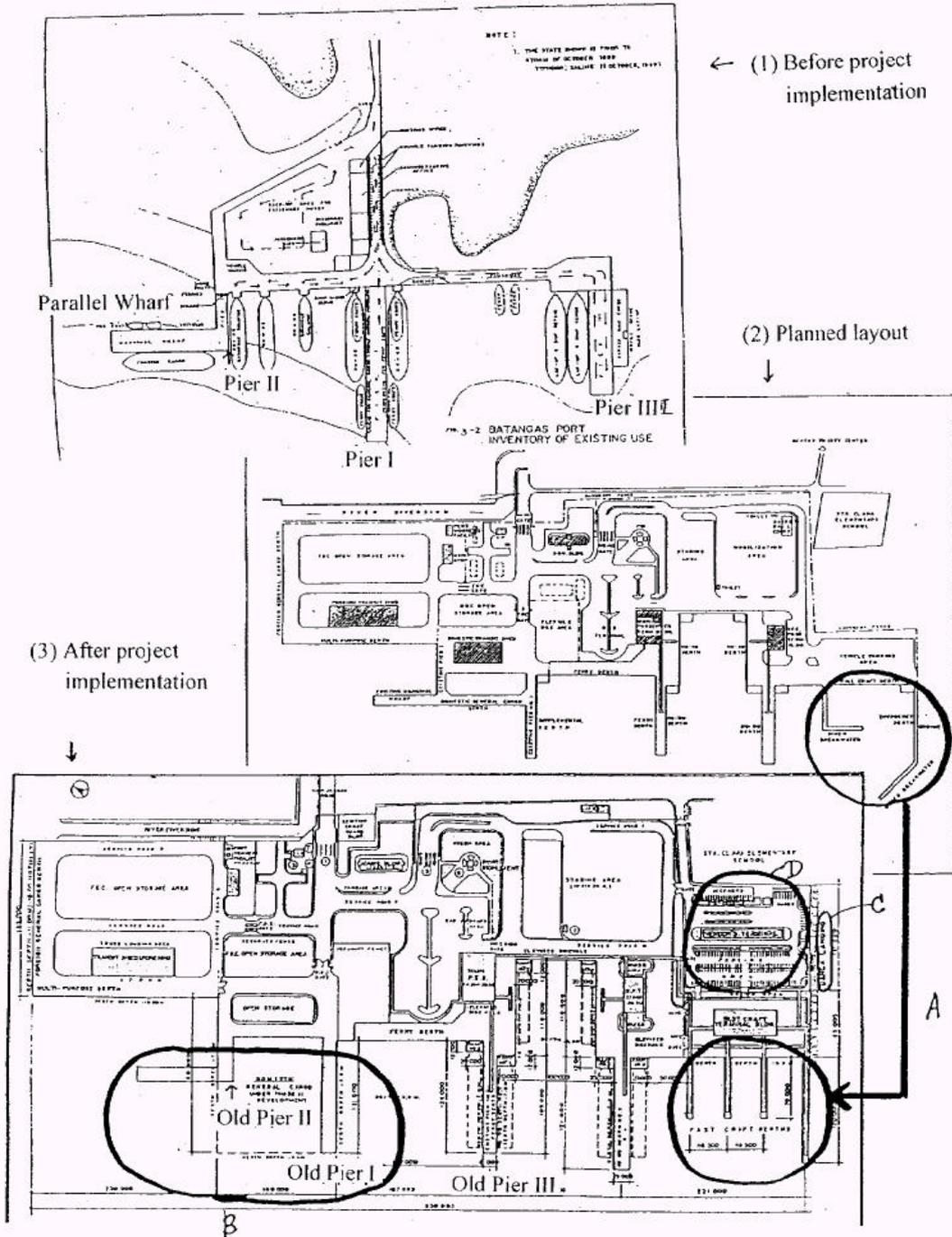


Figure 2 Batangas Port Route and the Surrounding Region

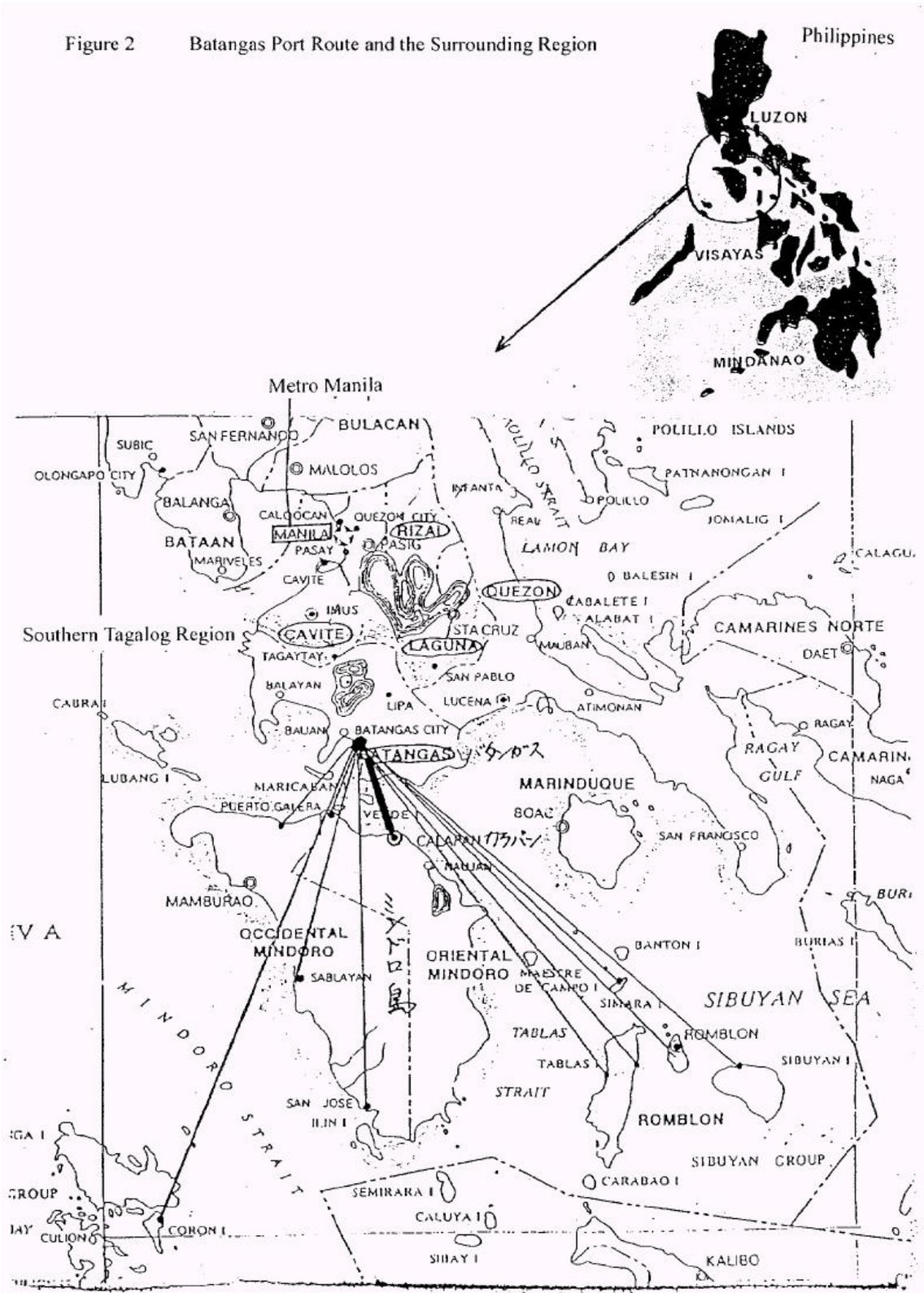
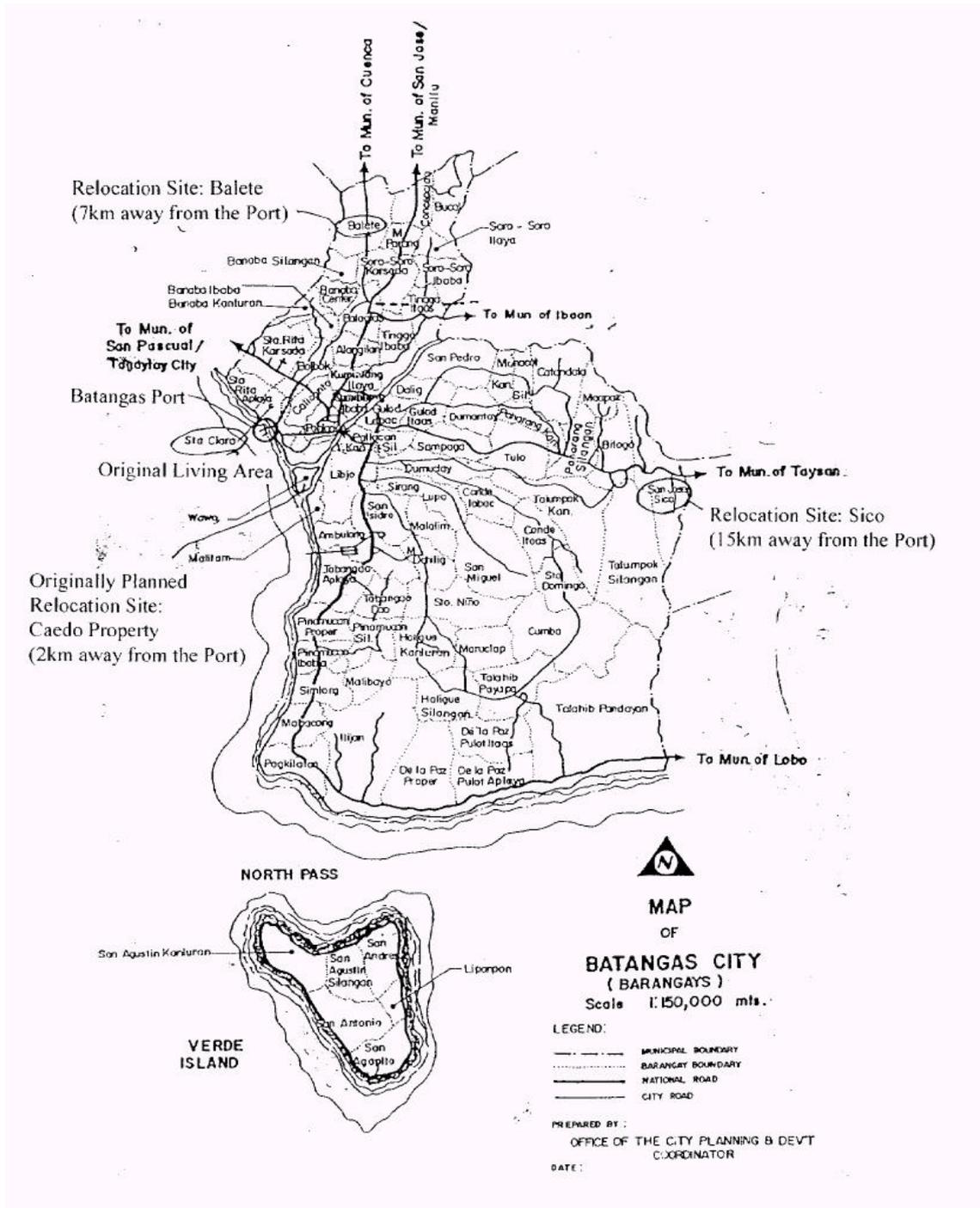


Figure 3 Relocation Site



Foreword

The provision of an ODA loan for this project was decided in 1991 as an extremely important project for the economic development of the Philippines. At the implementation stage of the project, there were difficulties in the relocation of 1,467 households, leading to the demolition without agreement (hereinafter referred as demolition) of the houses in June 1994. The Japanese government, which had been requiring the Philippine government to achieve the peaceful relocation, viewed this outcome gravely and halted the ODA loan for the project. The loan was resumed in December 1994 and the construction of the port was completed in March 1999.

In conducting this post-evaluation study, JBIC decided to focus on evaluation of the resettlement of residents, as well as examining the emerging impacts of the completion of the project. In addition to the JBIC evaluation, JBIC took the view that the resettlement part required further evaluation from a third-party viewpoint by an expert who has enough experience in resettlement issues in the Philippines. To that end, Dr. Emma Porio¹ of the Department of Sociology and Anthropology at the Ateneo de Manila University was commissioned to conduct a third-party evaluation.

1. Project Summary and Comparison of Original Plan and Actual

1.1 Project Summary and ODA Loan Portion

This project aimed to improve and expand the cramped and inadequate facilities of Batangas Port in order to make transportation more efficient, and promote development in the surrounding regions. The JBIC loan covered the entire foreign currency portion of the project and a part of the local currency portion.

1.2 Background (at the time of appraisal in 1990)

1.2.1 Development plans for Batangas Port

Batangas Port is situated 110km south of Metro Manila, on the northeast coast of Batangas bay, which lies to the southwest of Luzon Island (see the "Project Location" map at the beginning of this report). It is a naturally favorable site for a large-scale port development. At the time of the appraisal in 1990 the main function of Batangas Port was as one end of the Ro-Ro vessel service to Calapan Port, the gateway to Mindoro Island. Since the 1980s the development of Batangas into a large-scale port had been planned to give the functions listed below, in order to promote the development of the region.

¹ Dr. Emma Porio, Professor and Chair, Department of Sociology and Anthropology
Graduated doctor of sociology at Hawaii University. Has conducted numerous investigations and research projects into urban poverty and relocation, particularly in the Philippines. Has also worked as a consultant for the World Bank and the UN etc.

- (i) Improved function as the point of access to Mindoro Island: To promote the distribution from Mindoro Island, which supplies agricultural products to the Manila capital region and the Southern Tagalog Region, thereby contributing to the development of Mindoro Island.
- (ii) Function as a hub port contributing to the economic development of its hinterlands: To stimulate the regional economic development of the Southern Tagalog Region, which is the industrial heartland of the Philippines.
- (iii) Function relating to the Manila Capital Region: As a second port to supplement Manila Port in the Manila Capital Region, where traffic congestion is worsening.

Based on these development policies, JICA conducted a feasibility study (F/S) for the development of Batangas Port in 1984, acting on a request from the Philippine government. Within the F/S, the development plan was divided between long-term and short-term elements. The short-term plan aimed to improve and expand the existing facilities, which were extremely cramped and dilapidated, to increase the efficiency of distribution through the port. The long-term plan aimed to expand Batangas into a large-scale port with full facilities for handling foreign cargo, which would promote its functions as a supplementary port for Manila. This project, as the first phase of the Batangas Port Development Project, corresponded to the short-term portion of the overall plan. Phase II of the project covers a portion of the long-term plan. The loan agreement for phase II was signed in September 1998.

1.2.2 Necessity for the Project (Phase I Project)

Table 1-1 The Facilities of Batangas Port before the Implementation of this Project

Facilities	Size	Use	Status	Construction date
Pier I	Length 135m, Width 15m, Water Depth 6m	Shared between Ro-Ro and general cargo vessels	Under repair (from typhoon damage)	1940's
Pier II	Length 48m, Width 12m, Water Depth 4m	Shared between Ro-Ro and general cargo vessels	Extremely dilapidated	1971
Pier III	Length 85m, Width 15m, Water Depth 2.67m	Inner side for ship repair, outer side for barge mooring	Extremely dilapidated	1971
Parallel wharves	Length 93m, Width 15m, Water Depth 7.5m	General cargo vessels (domestic and foreign)	Wharf entrance congested with cargo vehicles	1972
Land for port facilities	2.6ha	Offices, customs house, passenger terminal, parking space	Cramped and crowded with vehicles, passengers and cargo	n.a.

(Source): Materials at the time of JBIC appraisal

As shown in the "Project Location" Figure 1 and Table 1-1, the facilities of Batangas Port before the implementation of this project were extremely cramped in the berth facilities and the

port area, and they were becoming dilapidated. As a result, the operation of the port faced the problems outlined below, making efficient and orderly operation impossible.

- (i) It was impossible to separate the movement paths for cargo, passengers and vehicles, which made cargo handling inefficient and put the passengers at risk as they moved around the port.
- (ii) There were none of the cargo storage areas essential for smooth warehousing and other cargo handling operations, and there was not enough parking space, which led to freight and vehicles backing up outside the port facilities.
- (iii) The Ro-Ro vessels shared the same berths as general cargo vessels, which caused confusion on the berths and caused delays to vessels and their users. There were no berths capable of accommodating large vessels of over 10,000DWT², so they had to berth offshore and be loaded and unloaded from barges.

This project, which was the first step of the long-term development of Batangas Port, was planned to solve these problems and meet further growth in shipping demand. President Ramos made this project one of the most important elements of his "Philippines 2000 Plan"³.

1.3 History

Appendix one "Project History" gives more details, and Section 3.1 gives a detailed account of the resettlement.

1984	Feasibility Study by JICA (the report was issued in December 1985)
May – Jun. 1987	"Batangas Port Development Project E/S" was appraised by JBIC
Jan. 1988	Loan Agreement of "Batangas Port Development Project E/S" was signed (Loan Amount: ¥192 million)
Jul. – Aug. 1990	"Batangas Port Development Project" was appraised by JBIC
Jul. 1991	Loan Agreement of "Batangas Port Development Project" was signed (Loan Amount: ¥5,788 million)
May 1993	JBIC receives an application from the PPA for concurrence to the port construction contract (concurrence withheld until December of the following year)
Jun. – Jul 1994	Demolition
Jul. 1994	Project finance halted by the Japanese government
Dec. 1994	Loan resumed by the Japanese government and main project construction contract concurred by JBIC
Feb. 1995	Start of main construction works
Mar. 1999	Completion of this project (Phase I project)

² DWT = Dead Weight Ton

³ This was a development plan prepared by President Ramos which aimed to make the Philippines competitive in the international economy by 2000.

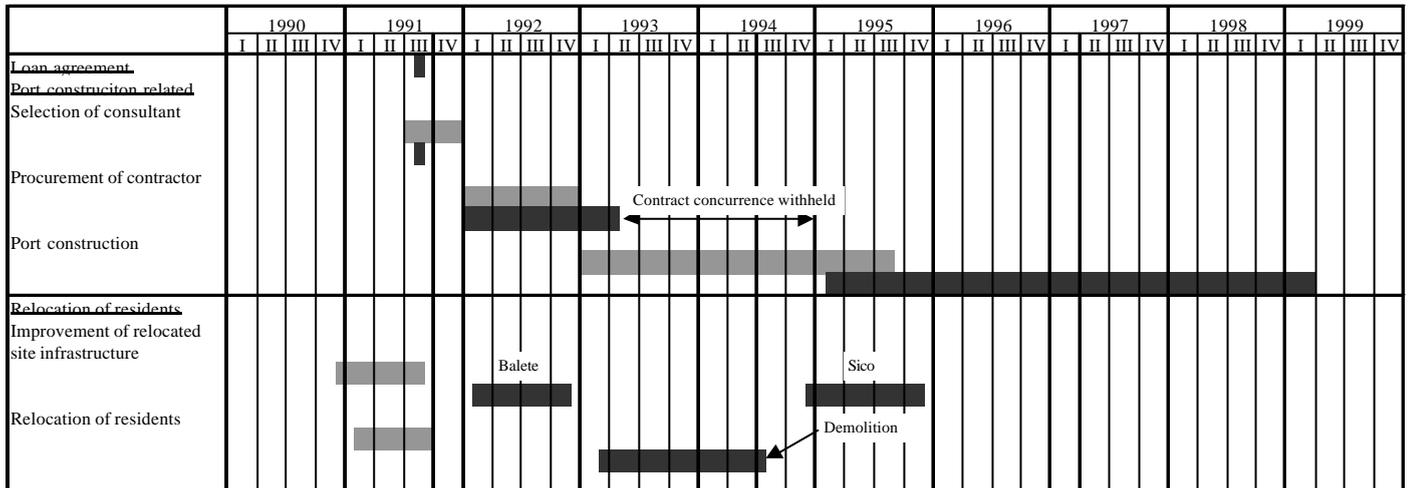
1.4 Comparison of Original Plan and Actual

(i) Project Content

	Plan (at the time of appraisal)	Actual
Project Scope <u>Port construction</u> <ul style="list-style-type: none"> • Construction / improvement of Ro-Ro berths • Foreign cargo berths • Multi-purpose berths • Creation of reclaimed land, construction of various buildings • Small craft berth (with breakwaters) • Construction / improvement of domestic cargo berths <u>Construction of facilities supporting of relocated residents</u> <ul style="list-style-type: none"> • Roads pavement from relocation site, Sico to city center • Vendor's terminal within the port site <u>Consulting Service</u> Detailed design / construction supervision etc.	Construction of 4 berths, Improvement of 2 berths (Water depth 5m, Length 120-130m) 1 berth (Water depth 10m, Length 185m) 1 berth (Water depth 10m, Length 220m) Passenger terminal, warehouse, parking lot etc. 1 place 2 berths (Water depth 10m, Length 220m)	Construction of 6 berths (all the berths were constructed) Same as left Same as left Same as left Change to 7 fast craft berths Cancelled (postponed to Phase II Project)
	310 M/M	390M/M

(Source) JBIC materials, PPA materials

1.4.2 Implementation Schedule



- Plan: "Port construction related" is at the time of appraisal (August 1990).
"Relocation of residents related" is at the time of agreement of memorandum by Inter-Agency Task Force (March 1989)
- Actual

(Source) JBIC materials, PPA materials

1.4.3 Project Cost

(Unit: ¥ million, (): 1 million peso)

	Plan (at the time of appraisal)				Actual				Difference			
	Foreign currency		Local currency		Foreign currency		Local currency		Foreign currency		Local currency	
	Total amount	Loan amount	Total amount	Loan amount	Total amount	Loan amount	Total amount	Loan amount	Total amount	Loan amount	Total amount	Loan amount
Civil works	2,819	2,819	3,435 (505)	2,359	2,245	2,245	4,016 (1,049)	2,858	-574	-574	+581 (+544)	+517
Consulting service	328	328	132 (19)		376	376	18 (5)	18	+48	+48	-114 (-14)	
Tax	-	-	378 (56)		-	-	652 (170)	-	-	-	+274 (+13)	
Sub-total	3,147	3,147	3,945 (580)		2,621	2,621	4,686 (1,224)	2,876	-526	-526	+741 (+644)	
Contingency	282	282	343 (51)		-	-	-	-	-	-	-	
Local amount	5,788			5,497			-291					
Burdened by the Philippine Government	1,929			1,811			-118					
Total	7,717			7,308			-409					

(Source) JBIC materials, PPA materials

[Exchange Rate] at the time of appraisal: 1 peso = ¥6.8, Actual: 1 peso = ¥3.8 (Average rate at the time of loan disbursement)

(Reference) Cost for Resettlement

(Planned at the time of agreement of memorandum by Inter-Agency Task Force: March 1989)

(Unit: million peso)

	Total	PPA	NHA	DSWD	NPC	BCWD	DPWH	Batangas City	Batangas Province	Central Govern-ment
Plan										
Acquisition of relocation site	4.72	4.72								
Land development	22.49	6.23					16.26			
Provision of core house/preparation of housing site	11.16		11.16							
Relocation cost (clearance of houses, transfer of residents etc.)	0.86	0.86								
Social services	1.40			1.40						
Water supply	4.15					4.15				
Electricity Supply	1.41				1.41					
Total	46.19	11.81	11.16	1.40	1.41	4.15	16.26			
Actual										
Acquisition of relocation site	5.61	5.61								
Land development	17.38	12.30					2.00	2.00		1.07
Provision of core house	3.34	1.39		1.95						
Relocation cost (clearance of houses, transfer of residents etc.)	8.96	8.96								
Water supply	1.28	0.08					1.20			
Electricity supply	1.16	1.16								
Payment of financial assistance	42.21	42.21								
Road repair to Sico	52.27	52.27								
Construction of vendor's terminal within the port site	45.50	45.50								
Livelihood program loan	3.00									3.00
Acquisition of school site	0.63	0.63								
Total	181.31	170.09	-	1.95	-	-	-	3.20	2.00	4.07

(Source) PPA materials

(Note) "Construction for road repair to Sico" and "Construction of store facilities within the port site" are earmarked for "1.4.3 Project Cost".

2. Evaluation on Project Implementation

2.1 Project Scope

There were some changes to the scope of the project. The main changes were as follows:

- (i) Change from small craft berth (with breakwaters) to fast craft berths ((3)A in Figure 1 "Project Location" at the beginning of the report).
- (ii) Cancellation of the construction and improvements of domestic cargo berths ((3)B).
- (iii) Construction of facilities to support relocated residents.

In addition, Pier III was scheduled for improvement, but it was in such poor condition that it was entirely replaced.

The first change was made because the introduction of the fast craft service in 1995 to Calapan Port on Mindoro Island caused a large increase in passenger numbers and necessitated specialized berths for such crafts. The small vessel moorings were relocated to a site at the end of the landfilled area ((3)C). The small craft berths are mainly for the local fishermen, who were mainly among the relocated residents, to moor their fishing boats. The new location has gentle waves and is usable without a breakwater. The second change was made because a design change to give greater convenience and safety necessitated major landfill works, which were deferred to phase II of the project. These changes were appropriate measures taken to accommodate changes in the types of vessels using the port (see 4.2.2). The third group of changes consisted of the construction of a road from the Sico relocation site to the city center, the construction of a vendor's terminal within the port and the related landfilling work ((3)D). The amount of consulting services was increased from the planned 310M/M to 390M/M due to the changes in project scope and the extension of its implementation schedule.

2.2 Implementation Schedule

Construction was completed in March 1999, three years and seven months later than the planned date of August 1995 at the time of JBIC appraisal. The loan disbursement period was extended by two years and nine months in response from October 1996. The main reason was a delay of one year and seven months in reaching the contract concurrence with JBIC due to problems with relocation. The above-mentioned alterations to the scope of the project caused a further delay of around one and a half years.

2.3 Project Cost

The cost of this project (port construction) was kept within the planned amounts. The cost of the resettlement increased approximately fourfold from the planned 46 million Pesos (not covered by the loan) to 181 million Pesos (partly covered by the loan).

2.4 Implementation Scheme

2.4.1 Executing Agency

The executing agency was the Philippine Ports Authority (PPA), which is a public corporation established in 1974 under the supervision of the Department of Transport and Communications (DOTC). It is responsible for the construction, operation and maintenance of state-owned ports. The PPA set up a project team with 30 members, including its own staff and consultants, for this project.

2.4.1 Consultant

At the time of the appraisal, the plan was for the consultant to be selected by a shortlist method, but actually a direct contract was made with the consulting firm which prepared the detailed design and tender documents for the project. The firm is a joint venture between one Japanese and one local firm. Its tasks were assisting the tendering process, construction supervision and the environmental monitoring. The PPA rates the ability of coordination of the consultant highly.

2.4.3 Contractor

The contractor for the port works was secured as a single contract through an international competitive tender with preliminary scrutiny of qualifications. The PPA rated the ability of the contractor highly. The PPA asked the contractor to employ as many as possible of the relocated residents in the construction works, and it should be also noted that the contractor made a very strong effort to comply with this request to the full.

3. Evaluation on Resettlement

In this chapter we will analyze and evaluate the actions of the parties involved in the resettlement of residents for this project (phase I) in chronological order and go on to evaluate the impact of the relocation on the residents. From these evaluations we will summarize the lessons which can be learned from the resettlement of Phase I Project and discuss how it has been improved for Phase II Project. This chapter is an evaluation by JBIC, and any parts which are extracted from the third-party evaluation will be noted as such. The details of the findings of the third-party evaluation can be found in the "Third-party Evaluation Report" (in English, with summary part translated into Japanese).

3.1 Process

3.1.1 Legislation Pertaining to Resettlement and Affected Residents

(1) Affected Residents (Relocatees)

At the planning stage of this project, it became clear that residents would have to be relocated in the course of the project. The report of the F/S which was carried out by JICA in 1984 stated that 500~600 households of illegal settlers⁴ were living in the area planned for the expansion of the port, and that their presence would hinder the execution of the project.

They had come to the Batangas Port area from Luzon Island and some from as far away as Visayas in search of work, becoming part of the residents of Barangay⁵ Santa Clara. In general most illegal occupants in the Philippines have low incomes, but some of the households in Santa Clara had been there for 100 years, and there was a considerable spread in their incomes. Some were successful in catering and entertainment-related businesses and owned large houses. This is considerably different from the illegal settlement zones of the Manila capital region, which are gatherings of households with very little disparity in their standards of living.

In 1986 the city government of Batangas conducted the first socio-economic survey of 718 (on approx. 1ha. of land) households that would be subject to relocation, in which the residents concerned were formally notified of the Batangas Port Development Plan. Most of the residents had some means of supporting themselves, mainly informal jobs⁶ closely related to the port, such as working as street vendors and porters.

⁴ The question of whether those subject to relocation under this project were "illegal settlers" or not was a point of contention in this relocation process, but with the exception of a few households, those relocated had no proof of the ownership of the land. In the Philippines, land ownership is based on land registration, but traditionally "land tax declarations" is regarded as proof of land ownership. The leader of the opposition segment of the relocatees had lived in the area since his grandparents' generation. On that basis they objected to being classified as "illegal settlers" and started court actions and other moves. However, they lacked any of the above proofs of land ownership, and was therefore unable to win recognition of ownership in court. Furthermore, the coastline is designated as state-owned land.

⁵ Barangay = The smallest administrative division in the Philippines.

⁶ In general the term "informal jobs" refer to jobs that are relatively easily accessible and have irregular working hours (as defined by the International Labor Organization (ILO)).

(2) Legislation on land acquisition and resettlement of residents in the Philippines

In the Philippines, the acquisition of land by the state for the implementation of public projects is permitted and the necessary procedures are laid down⁷, such as the payment of fair compensation to landowners under Executive Order No.1035. Another feature of resident resettlement policy in the Philippines is that illegal settlers are also afforded a measure of protection under Republic Act No.7279. The Act mainly concerns local government units, which are obliged to provide resettlement land for illegal settlements who are relocated. The Act also covers the provision of infrastructure improvement for the resettlement land and livelihood support. Furthermore, the detailed rules stipulate that if there is an unavoidable need of demolition, the operation should be carried out in a more humane manner (this point will be mentioned later).

Republic Act No.7279 was newly enacted⁸ on 1st March 1992, while the preparations for resettlement under this project were under way. No such legislation had existed before that. Therefore, a third-party evaluator pointed out that this project became a test case for the new legislation.

3.1.2 Resettlement Plan and Process of the Negotiations

(1) The implementation scheme and the selection of relocation sites

The first scheme for carrying out the resettlement was established on 10th June 1986, namely Special Committee for Sta. Clara with representatives from Batangas City, the PPA, the Department of Social Welfare and Development (DSWD), the Church and Sta. Clara Community Group⁹. The committee considered four alternative relocation site proposals and recommended the Caedo Property (10ha, 2km from the port), for which an application had been made for sale to the city. Acting on this recommendation, an Inter-Agency Task Force of related agencies was established on 29th March 1989, including the PPA, Batangas City, the National Housing Authority (NHA), the Department of Public Works and Highways (DPWH), the DSWD, the Presidential Commission for the Urban Poor (PCUP), the Department of Agrarian Reform (DAR), the National Power Corporation (NPC) and the Batangas City Water District (BCWD). The organizations concerned signed the Memorandum of Agreement (MOA) on joint development of Caedo, and planned the implementation schedule and the financial burdens on each. However, the MOA was not materialized. The relocatees refused Caedo because the area was vulnerable to flooding, and it was dropped as a relocation site. The process was sent back to the beginning with the selection of the relocation site, and the formulation of the

⁷ Land was acquired under Executive Order No.1035 from several landowners among those resettled for this project.

⁸ The Act was enacted following demands from NGOs and other parties requesting for the rights of the urban poor without land. Considering the fact that illegal settlement was a crime in the Marcos era (under Presidential Decree No.772), it is clear that the times have changed dramatically.

⁹ In the Philippines, each barangay has an organized community group in addition to its administrative organization (the Barangay Council, which will be described later). The Sta. Clara community group also existed from before the establishment of the Special Committee for Sta. Clara. It is a residents' organization for the whole of Santa Clara, and was not particularly focused on the relocatees.

implementation system.

For the reselection of the relocation site, the PPA, Batangas City, NHA and Barangay Council¹⁰ made a detailed study of 15 candidate areas according to NHA selection criteria. Barangay Council members attended visits to the candidate areas. At a meeting held on 27th October 1990 the other parties present received confirmation from the attending Barangay Council members affirmed that represented the affected residents. They were then tasked to communicate information from the committee to the residents (however, a faction of the affected residents later became adamantly opposed to the relocation plan). In January 1991, three of the 15 candidate areas remained and one of them, Balete (7km from the port, 6.5ha), was selected for reasons including costs and land ownership. In May the approval of the provincial governor, the city mayor, the District Congressman for Batangas, and the barangay captain were obtained and the PPA purchased the land for 5.61 million Pesos. Later the area of Sico (15km from the port, 4.5ha), which was owned by Batangas City, was provided for renters and sharers who did not own their housing structures.

(2) Consultations with the Affected Residents

As described above, the PPA conducted consultations with community group representatives and Barangay Council members from the time of the establishment of the Special Committee for Sta. Clara in 1986 up to the purchase of the Balete site in 1991.

The resolution of the Barangay Council (August 1989) calling for a relocation within Sta. Clara shows that there was a division of opinion from that time within Santa Clara over the relocation. At the Public Hearing held on 8th September 1992, the barangay captain was the only resident in attendance. At the Hearing the barangay captain reported that the residents were opposed to the relocation, but the PPA, having already bought the land at Balete and begun developing it, replied that reselection was impossible.

The deadline for voluntary relocation was set at 15th March 1993, but a strong opposition group emerged from among the affected residents. The group was backed by 13 NGOs which sent a joint letter to President Ramos, and the anti-relocation action spread. On 15th February a Ad-Hoc Inter-Agency Committee was set up upon instructions of the President. It was presided by the secretaries of the Department of National Defense (DND)¹¹ and the Department of Transport and Communications (DOTC) with responsibility in cabinet for the Southern Tagalog region (including Batangas province), and the membership included PPA, DND, NHA, PCUP, Presidential Advisory Committee, PNP (Philippine National Police), Batangas City, Batangas Province, and the DSWD. The Committee continued consultation with the residents until the end of 1993, explaining the necessity of developing the port and the relocation and assistance

¹⁰ The barangay Council is run by residents' representatives. A barangay captain, who is chosen by the residents leads this Council. The barangay captain at the time was not faced with relocation.

¹¹ The secretary of Department of National Defense was appointed because he is a native of Batangas and because, within the cabinet, he was responsible for the South Tagalog region, which includes Batangas (cabinet members in the Philippines are each assigned a region). The third-party evaluation indicated that the appointment of the DND director as chairman further complicated the resident relocation.

package. However, the strong opposition group insisted on relocation to some site nearby the port on the grounds that they would otherwise lose their livelihoods. Their demands for assistance increased every time the matter was discussed and the two sides were proceeding along parallel lines.

(3) Assistance Package

The final package of assistance offered under this resettlement is as shown in Table 3-1 (individual assistance components are those in boxes [2] and [5]). With some exceptions, these were proposed to the affected residents by the Ad-Hoc Interagency Committee in January 1994. Under the first relocation plan in 1989 (Caedo), only the land and the core house were to be supplied, with no financial benefits such as disturbance pay or housing assistance. After that, when the committee began negotiations with the residents, the government side added a disturbance payment of 10,000 Pesos and a housing loan. However, the opposition group demanded a higher value of financial benefits, including disturbance pay of 50,000 Pesos, housing loans of 100,000~150,000 Pesos, and compensation equal to the appraised value of the demolished houses (at least 10,000 Pesos) (as of July 1993). These benefits would cost approximately five times as much as the financial benefit package offered by the government side, and could not be provided under the available government budget. However, in the final package a cash payment of 20,000 Pesos for housing assistance was added and the disturbance pay was increased from 10,000 to 15,000 Pesos.

This package is far in excess of the stipulations of Republic Act No.7279 (which specified the minimum assistance package) and was more comprehensive and expensive than any other case in the Philippines. Under the Act, it is the responsibility of the local government and the related agencies to secure and prepare the relocation site, but there is no obligation to provide free residential land, houses and financial benefits. Appendix D, Table 1 of the third-party evaluation report compares projects involving relocations in the Manila Capital Region.

The package provided for this resettlement, including individual benefits and infrastructure, was highly preferential.

Table 3-1 Support and Subsidies for Resettled Residents

Provisions of Republic Act No.7279	Content of support and subsidies	
	Balete (development by PPA)	Sico (developed by Batangas City)
[1] Ensurement and improvement of relocated land (Article 21)	PPA purchased 6.5ha of private land in Barangay Balete in Batangas. - Distance from the port: 7km - Cost of land acquisition: 5.61 million Pesos - Cost of land development: 12.3 million Pesos - Preparation of 849 plots of residential land	Batangas City provided 4.5ha of municipally owned land in Barangay San Jose in Batangas - Distance from the port: 15km - Cost of land acquisition: - Cost of land improvement: 5.07 million Pesos - Preparation of 450 plots of residential land
[2] Housing Assistance: Provision of residential land and housing, with concessionary financial measures in long-term finance and interest payments (Article 2 (r))	- Residential land plots (50m ²) provided as a grant - Housing assistance (three options) [1] Provision of a core house (equivalent to 25,000 Pesos) as a grant [2] Cash payment of 20,000 Pesos (house construction subsidy) [3] Provision of housing loans of 40,000 Pesos (interest rate 6%, repayment period 10 years) (however, no loan applications were received). - 66 core houses have been constructed.	- Residential land plots (70m ²) provided free as a grant - As a rule, structure owners are entitled to same housing assistance as in Balete. In reality, however, renters and sharers were also provided with core houses. - 75 core houses have been constructed
[3] Provision of basic services in relocated area (Article 21)		
(a) Water supply	PPA constructed 15 wells (but the maintenance of the wells was not enough and Batangas City laid the piped water).	Wells and water tanks
(b) Electricity supply	Electricity distribution by Meralco	Electricity distribution by Batelec
(c) Sewerage and solid waste	- Concrete drainage channels - Garbage collection twice a week by the city	- As left - Garbage dump provided nearby
(d) Access to main roads and means of transportation	- Asphalt road paving (8m wide) - Two jeepneys donated by PPA	- As left - Two jeepneys purchased with financial assistance from the Office of the President
Health service, education and other high-priority services are to be provided.	- An elementary and junior high school were constructed nearby (PPA bought the site and the school was built by DND) - Dispatch of medical care teams by City Health Office - Provision of medical equipment for the clinic by a Japan's ODA grant - Construction of public toilets	- An elementary school on the site, and an existing junior high school 1km from the site. - As left. - A new clinic was built by a Japan's ODA grant
[4] Livelihood Programs and loan provision (Article 22)	- A loan fund of 1.5 million Pesos was promised by the Office of the President - Establishment of neighborhood association - Canteen operated within the port	As left
[5] Measures beyond the scope of the regulations (subsidies for individuals)	- Payment of disturbance pay (10,000 Pesos per household) - Additional payment of 5,000 Pesos (September 1994)	As left
[6] Measures beyond the scope of the regulations (infrastructure improvement)	- Road paved from Sico to the center of Batangas City (9km) - Construction of vendors' terminal in the Port (to support the livelihood of relocated residents)	

Source PPA materials, Republic Act No.7279.

Note The provision of the jeepneys and item [6] were decided after the demolition.

(4) Increase in numbers of relocatees and the development of the relocation site

The number of residents subject to relocation was 718 households under the first household survey in 1986, rising to 971 households by the second survey in November 1992 and 1,467 by the final survey in October 1993, doubling in seven years. The increase was due to the following factors:

- (i) Increase in the size of the port development area¹².
- (ii) Increase in the number of households due to people moving into the area over the seven year period.
- (iii) Residents seeking to maximize their benefits petitioned for relocated resident status for cohabiting families in a house, in addition to the family that owns the house.

Of the 1,467 households, 1,041 were structure owners, 81 were renters and 345 were sharers. Under the act (Republic Act No. 7279), only the owner of a house is eligible for benefits, but the Church and NGOs pressed for relocation plots to be prepared for renters and sharers as well. At the start of 1994, Batangas City decided to provide the relocation site at Sico for those households. The preparation of relocation sites started with infrastructure construction in Balete from February 1992 and the construction of core houses from the end of 1992. The relocation site at Sico was added later and therefore, while the core houses were built in time for the arrival of the relocated residents, the infrastructure preparation¹³ was performed through intensive work by the DND one year after the demolition in November 1994.

3.1.3 Demolition

(1) Voluntary relocation and the breakdown of negotiations

The strong anti-relocation group among the affected residents which emerged on the resident side in 1992 came to lead the negotiations with the government and persuade other residents¹⁴. On 15th November 1992 the first voluntary relocations were to take place due to the completion of preparations at the Balete relocation site, but the opposition group erected barricades to prevent the relocation. As described above, the negotiating with the committee of related agencies remained deadlock in 1993. When the opposition group demanded extraordinary amounts of compensation, the NGOs which had supported them until that point withdrew, as there was no prospect of an agreement.

The government side was determined to carry out the development of Batangas Port, as it was a highly important national project. Since the time of the appraisal for this project (1990), JBIC and the Japanese Government have been calling for relocations to be carried out peacefully under the responsibility of the Philippine government. The Environmental Compliance

¹² Executive Order No.431 dated 19th October 1990 determined that the port construction area should be expanded beyond that called for in the F/S short-term plan.

¹³ Sico served as the relocation site for other projects within Batangas, and while it had some infrastructure at the barangay level, the zones occupied by relocatees under this project lacked water and electricity.

¹⁴ According to the third-party evaluation report, the emergence of a strong anti-relocation group among the residents left some people feeling alienated from the negotiations with the government and there was a wide range of attitudes to the relocation among residents.

Certificate (ECC)¹⁵ issued on 5th January 1993 specified that the relocation be completed before construction could start.

On 19th May 1993, the PPA petitioned JBIC for a contract agreement for the construction portion of this project, but JBIC withheld agreement due to little progress on the resident relocation problem. This situation made it extremely important for the Philippine government to carry out relocation of the residents as soon as possible.

The PPA followed the procedures laid down in Republic Act No.7279 and issued the first evacuation notice on 20th January 1994 and the second on 3rd February, indicating that a demolition would be carried out if voluntary relocation did not take place within one month. However, the demolition was not carried out, due to JBIC's requests to the Philippine government for a peaceful solution and the campaign against the project by NGOs and the media. On 21st March a friction between the opposition group and the PPA led to a temporary closure of the port to preserve public order, and notice was given on 20th April that the demolition would go ahead from 25th April. President Ramos decided to postpone it following the requests from the Japanese government, but in May the leader of the opposition group was elected to the captain of Santa Clara barangay, and relations between the government and the residents became increasingly strained. This situation led the government to conclude that there was no alternative to forcible demolition, and President Ramos approved that course of action.

Under this strained situation, some residents did voluntarily relocate in search of a peaceful life. The first relocations began in March 1993, and by the time of the demolition in June 1994, 498 households had already agreed to relocate and had received their benefits. Of those, 200 had already moved. The volunteers mainly comprised those households who had some prospect of regular cash income after relocation, and those who did not own houses and therefore found the government's package of benefits and assistance attractive. Conversely, those who were working in informal jobs closely associated with the port were afraid of losing their livelihoods if they moved away from the port, and many of them participated in the opposition segment.

(2) Demolition

On 24th June 1994 the PPA again notified the residents remaining on the project site that the site would be cleared and buildings demolished on the 27th, but the residents did not respond. The demolition began at 9:10am on 27th June and finished on 3rd July. The people involved in the demolition were approximately 300 workers from a private construction company contracted for the demolition work, and around 300 PNP members on hand to ensure the security of the operation. On the 27th the government made efforts to conduct the demolition peacefully, suspending the clearance and holding talks with the militant faction. However, in the turmoil of the first day several people were injured and, according to the PPA report, one of the residents was shot in the right leg¹⁶ and one girl was temporarily hospitalized for the effects of tear gas.

¹⁵ In the Philippines the acquisition of an ECC from the Department of the Environment and Natural Resources (DENR) is a mandatory precondition for the implementation of infrastructure projects.

¹⁶ The injured man says he was shot by a police officer, but the PNP only sanctioned its officers to shoot into the air as a warning, so the truth of the matter is unclear.

Four of the demolition workers and two police members were lightly injured by stones thrown by the residents. The media and NGOs in both the Philippines and Japan took up the issue of the forcible clearance, harshly criticizing the Philippines and Japanese governments for this "inhumane project".

Republic Act No.7279, Article 28 and the implementing rules of the article stipulate numerous conditions for the demolition of houses to make the process more humane. This relocation satisfied all conditions. According to the rules, house demolitions may only be carried out "when a public infrastructure project with sure sources of funding is to be carried out", and must follow the procedure below.

- (1) Proper consultations must be held with the residents, or their representative, concerning the necessity of relocation and the site they will be moved to, and they must be encouraged to relocate voluntarily.
- (2) A census of households must be taken.
- (3) Residents must be notified of demolition at least 30 days in advance, and the notification is only valid for 90 days.
- (4) Local government representatives must be in attendance when the demolition takes place.
- (5) The identity of the personnel involved in carrying out the demolition must be checked.
- (6) If the consent of the residents is not available, the demolition must be carried out within business hours (8am to 3pm on weekdays).
- (7) Heavy machinery may only be used for durable structures.
- (8) Uniformed national police must stand at the front line of the demolition to supervise the proper conduct of the demolition work.
- (9) Residents must receive the transportation to their relocation sites, food assistance (from DSWD) and medical assistance (from Ministry of Health).

3.1.4 After the Demolition

(1) Relocatees' acceptance of relocation package

Immediately after the demolition, the 1,467 households subject to relocation were transferred to the sites in Balete and Sico, which the government had prepared for them, but 400 of the households, including the opposition group leader (the barangay captain) occupied private land in Villa Anita, the access roads to the ports, an elementary school and other areas close to the port. Many other households moved back to their places of origin, or to other areas. Table 3-2 shows transition in the numbers of households moving to each destination, as reported by the PPA. In the two years after the demolition the number of households moving to the relocation sites rose, but recently numbers have been declining again, particularly in Balete.

Table 3-2 Transition in the Numbers of Relocatees (households) Moving to Each Destination

Relocation destination	3 Aug., 1994	Aug. 1995	May 1996	May 1999
Balete (849 plots prepared)	556	535	690	556
Sico (450 plots prepared)	77	131	104	123*
Subtotal for relocation sites	633	666	794	679
Occupation of land near the port	380	n.a.	n.a.	n.a.
Other (previous home towns etc.)	454	n.a.	n.a.	n.a.
Totals	1,467	n.a.	n.a.	n.a.

Source: PPA materials. * from interviews with Batangas City DSWD.

The uptake of financial benefits (see Table 3-3) situation is that of 1,467 relocated households, 1,458 received their benefits, including the opposition group. The PPA has attempted to trace the other nine households, but their whereabouts are unknown, probably because they have moved to distant areas.

Table 3-3 Transition in Numbers of Financial Benefit Recipients

	3 Aug., 1994	30 Nov., 1994	28 Feb., 1995	16 Aug., 1995
Structure owners	741	n.a.	968	1,039
Renters/Sharers	231	n.a.	343	419
Totals	972	1,076	1,311	1,458

Source PPA materials

(2) Moves by the parties concerned

On 8th July 1994, the Japanese government announced to the Philippine government its strong disapproval of the fact that the demolition was started on 27th June without notification to the Japanese side, and that injuries had resulted. It told the Philippine government that it had no alternative but to halt the loan procedure for this project. President Ramos responded by personally asking the Japanese side to "rethink the freeze", and the Batangas Provincial Council, the Mindoro Provincial Council, the Chamber of Commerce and Industry and other bodies similarly petitioned Japan to resume the loan. On the other hand, the affected residents and NGOs of the Philippines and Japan carried out an anti-movement to stop ODA loan. President Ramos held a discussion meeting in Batangas on 19th August to meet directly with the anti-relocation residents. As new support measures, he promised them priority for jobs in the port and places in occupational training programs, and decided to set up a tripartite committee¹⁷ (representatives of the PPA, Batangas Province and the opposite group residents) as a forum for further negotiations. This positive intervention by the president himself led Prime Minister Murayama to say at a summit in Manila on 24th August that finance to the project would be resumed when the climate was right.

¹⁷ This tripartite committee met in August and September 1994, but the militant leader made demands including plots of 100m² each in the privately-owned Puyo Property near the port for the 300 households occupying nearby areas. Once again there was no convergence between the sides and discussions were broken off after three meetings.

(3) The resumption of loan procedure and other measures by the Japanese government and JBIC

The Philippine government's efforts to obtain the consent of the residents were recognized, and the number of consenting households was rising, prompting the Japanese government and JBIC to resume the loan on 19th December 1994. At that time the Philippine government made firm promises to the relocated residents of “peaceful solutions” and the two government exchanged notes on the following:

- (i) Continued efforts to persuade dissenting residents and to accomplish a peaceful and legitimate relocation.
- (ii) Measures to improve the lives of the relocated residents (priority employment at the port, infrastructure improvements at Balete and Sico etc.).
- (iii) The creation of a monitoring committee with the participation of both governments.

After that, the Japanese government and JBIC assisted (ii) above by providing a grassroots grant for the construction of a clinic in Sico and the provision of medical equipment for the clinic in Balete. The road from Sico to the city center (9km) was repaired using a portion of the project loan. The repairs consisted of mending cracks and were carried out between January and November 1997. The main construction work of the project began on 8th February 1995 and JBIC asked the PPA to report the worker employment situation, in order to ensure that relocated residents would be employed.¹⁸

3.2 Impact on Relocated Residents

The third-party evaluation included an household survey¹⁹ in Balete and Sico to gauge the impact of the relocation on the residents. The survey reported that a majority were satisfied with their houses and other aspects of their living environment, although their income and employment opportunities were diminished²⁰. There had been attempts to run livelihood support programs, although it was reported that the formation of organizations by the residents was inadequate, and the results were unsatisfactory. The following is a brief summary of the findings of the survey for the third-party evaluation. (For details, refer to Part III, Appendix F of the Third-party Evaluation Report).

3.2.1 Living Conditions

Balete is 7km from Battangas Port and Sico is 15km away, journeys of 15~20 minutes (4.5 Pesos) and 40~45 minutes (7 Pesos) respectively by Jeepney. In May 1999 there were 556

¹⁸ According to the report dated 18th February 1997, 188 out of 652 full-time employees were relocated residents, of whom 108 lived in Sta. Clara, 66 in Balete and 14 in Sico.

¹⁹ Around 15% of households were sampled at random in both Balete and Sico, a total of 93 samples. Half the respondents were heads of households and half were other members. In addition to this household survey, other methods such as key informant interviews and focus group discussions were used.

²⁰ The analysis of the third-party evaluator is that a reduction in employment opportunities is not peculiar to this relocation, but is typical of off-site relocations (relocation of residents to places away from their original locations).

households living in Balete and 123 in Sico. As a rule, Balete is the relocation site for structure owners and Sico is for renters and sharers before relocation, but there are exceptions. When asked about their houses, infrastructure and other aspects of their physical environment, 63% in Balete and 74% in Sico said their relocation sites were better than Sta. Clara. Sta. Clara was particularly lacking in basic infrastructure, and the housing was cramped. The community participation is important for the maintenance of basic infrastructure such as water supply and drains, but these cooperative systems are inadequate.²¹ The well provided by the PPA in Balete is not working, and Batangas City laid piped-water supply. In Sico the supply of water and electricity is inadequate, and some households have to make their own arrangements to buy water. Staff from Batangas City and the DSWD have been working at the location sites from immediately after the relocation until now regorously address the problems of the residents.

3.2.2 Income, Employment and Livelihood Programs

Regarding the employment situation, 87% of respondents in Balete and 96% in Sico said that they had less employment opportunities than they did in Sta. Clara. At present, 53% of respondents in Balete and 6% of their households are unemployed²², while the figures for Sico are 45% and 4% respectively. The rate of unemployment among respondents was high because members other than heads of households were interviewed, but as low-income households face hardship if some members other than the head do not work, even a low rate of unemployment in the respondents' households is not fully acceptable. Compared to before the relocation, the major port-related jobs such as vendoring and portering have become less common. Jobs less connected with the port, including working abroad, have increased.

The third-party evaluator's analysis is that the reduction in employment opportunities is mainly due to (I) a reduction of informal work in the port as the port is modernized, and (ii) relocation away from the port. Before the port was developed, people could move freely in and out and make a living as vendors, porters or other occupations, sometimes illegal, even if they had no fixed employment. In short, the port was a relatively easy place for unskilled laborers to make money. However, now that the port has been developed, entry to the facilities is restricted, reducing the opportunities for informal work inside. For people working in such jobs, it was very important to live near the port so that they could go to work whenever ships docked. Theirs was not a lifestyle compatible with taking a jeepney to the port to work. The opposition group resisted relocation away from the port, and those residents who resisted relocation and then moved to occupy areas close to the port, together with the opposition leader, were mainly engaged in informal work at the port.

Many respondents in both Balete and Sico said that their income had fallen after relocation, while their expenditures fell in Balete and rose in Sico. For residents in Sico there was a steep rise in the proportion of expenditures taken by transport costs.

²¹ One reason for the lack of cooperative systems among the residents, is that during the relocation process splits emerged among the residents according to their attitudes to the relocation.

²² "Unemployment in the respondent's household" means that all the members of the household concerned are unemployed.

Batangas City was also involved in efforts to support livelihoods in the relocation sites. The president's office also promised to supply a loan of 1.5 million Pesos, but only 500,000 Pesos for Balete and 750,000 for Sico have been used so far. These funds were used by the residents' cooperative to set up livelihood programs, such as Jeepney services, sewing and handicrafts, but these programs did not work well because the residents lacked organization and entrepreneurial skills. The third-party evaluation also reported that some of the residents treated the Jeepney as their own private property. However, by now new programs have been put into operation with the assistance of Batangas City and the DSWD, and they are expected to bear fruit. The new programs include finance to self-employed workers, and occupational training in association with the city's business associations. They have already disbursed 100,000 Pesos in loans to 130 people. The PPA has also constructed vendors' terminal sufficient for 55 stores to provide jobs for relocated residents within the port facilities. The stores are used in rotation by 500 people.

3.2.3 Perception of Relocatees

Overall, 74% of respondents in Balete and 65% of those in Sico responded that they were satisfied with their relocation site. However, due to problems such as the difficulty finding jobs, there is still strong demand for improvements to the economic situation. Some of the residents have already abandoned Balete and Sico. The degree of satisfaction of each resident is widely varied, depending on their previous lifestyle and their view of the relocation. Part of the reason why respondents in Sico were particularly satisfied is that most of those households did not own their own housing structure in Santa Clara.

3.3 Summary and Lessons Learned

The above was an analysis of the process of the resettlement of residents for this project, and its impact on those residents. We will now summarize our evaluation of the resettlement and the lessons we can draw from it.

3.3.1 Summary of the Resettlement

The third-party evaluator examined why the discord with the residents intensified despite the fact that all related procedures were carried out in accordance with the law and with an unprecedented level of benefits and assistance for the residents. The evaluator raised the following points:

- (i) A strong opposition group emerged from among the residents during the consensus-forming process, dividing the subsequent positions of the residents and the government quite fixed and unyielding.
- (ii) The involvement of high level officials and NGOs with left-learning elements.
- (iii) Excessive reporting by the media in Japan and the Philippines.

Thus, in the case of this resettlement, legitimacy and preferential treatment were not sufficient

to solve the problems of the relocation, which were intertwined with a number of factors, such as the parties involved, politics, and the climate of the times. The people concerned with this resettlement at the time were doing their best from their respective positions, but were still left with cause for complaint. The residents complain that they were treated as illegal settlers, and the relocation sites were chosen without adequate consultation. The government was dissatisfied because even though they had consulted with the Barangay Council members, gone through proper procedures and given as much support as possible, they were not thanked by the residents for their efforts.

3.3.2 Lessons Learned from this Resettlement

Problems of resettlement are problems unique to the country concerned, and, as described above, each individual case has its unique character. There is no single, general solution. Nevertheless, the following lessons for the parties concerned (including JBIC) can be drawn from the resettlement of this project.

(1) Conduct consultations with residents reflecting their diversity

The legislation calls for consultations with the residents or their duly designated representatives, but in practice it was difficult to hold consultations with all of the residents. In some cases, as with this relocation, consultations are held with the representatives of the residents, but those representatives are unable to persuade the residents. Some residents own their housing structures, while others are renters, and the jobs and opinions of residents vary widely. Considering this kind of diversity among the residents, it is important to involve different types of affected residents into the consultations from the first stages of planning resettlement measures, and their opinions should be drawn into a consensus. Furthermore, as many channels of information as possible should be established in the field to enable balanced information-gathering efforts.

(2) Finalize the list of relocated households at one time before the project

In this relocation, the number of relocated households doubled over the seven years between the first census of such households and the final census. It would have been better to act before the decision was taken to start the project to conduct a census of the project area that would finalize the identities and numbers of relocated households, including the number of illegal settlers among them.

(3) Complete the development of relocation sites before the project

In this relocation, the building of infrastructure at the Sico site, in particular, did not begin in earnest until after the demolition.

Relocation to an unprepared site would be daunting to anybody and it is very important to have the infrastructure in place early, so that the relocation sites are places people can move to with peace of mind.

(4) Involve the participation of residents in the formation of livelihood programs

Relocation away from the port and the modernization of the port itself have reduced employment opportunities, as was fully anticipated. The livelihood programs should have been

prepared, through consultations with the residents, to be ready before the relocation. In this project, the cooperatives at the relocation sites attempted to set up livelihood programs, but the household survey found that half of respondents had not participated in discussions concerning those programs. It is also important to establish the cooperative systems and links between residents before they relocate so that they will be able to use those systems afterwards. That is another reason why the relocation should be carried out smoothly, without causing friction among the residents.

3.4 Resettlement Package for Phase II Project

Drawing on the experience of phase I, a local consulting firm specializing in social development, which was employed under the E/S loan (contract agreed in March 1997) cooperated with a university to conduct a joint survey and consultation with the 77 households of illegal settlers subject to relocation under phase II. The consultation with the residents took place in nine meetings, with the participation of the affected residents, the related agencies, residents who had already been relocated to Balete and Sico, and other interested parties. The consultations included questions and demands from the residents and explanations from the government of the relocation process and the package offered. The parties involved exchanged numerous ideas and opinions on how to improve the quality of life after relocation. After this kind of thorough preparation, the relocation of residents to Balete was carried out peacefully in February 1998. The third-party evaluator attributes the smooth relocation to systematic planning, free resident participation in the discussions, the smaller number of relocatees, and the relationship of trust between the residents and the government representatives. The absence of any strongly opposed residents and the readiness of the existing Balete relocation site were also important factors. Thus improvement on the points which triggered problems in the phase I resettlement led to a commendable success in the phase II resettlement.

The PPA is now implementing occupational training programs, which are open to relocatees under Phase I and II Project, with the main aim of improving the skills of the port-related workforce. The related costs of consultant employment, equipment procurement etc. are to be covered by the loan for the phase II project.

4. Evaluation on Operations and Maintenance

4.1 Operations and Maintenance Scheme

The operation and maintenance of Batangas Port is handled by the Port Management Office, which is responsible for facilities maintenance, supervision of the observance of rules and procedures, security etc. (see Appendix 3 - "Organizational Chart for Batangas Port Management Office")²³. Cargo handling and the operation of the terminal are contracted out to a private-sector operator, with the charges set by the PPA. A set proportion of the profits are paid to the Batangas PMO. Batangas PMO has 80 staff and employs a further 700 stevedores. The port as a whole employs approximately 1,000 people. After this project, 70 security guards were employed in the port.

In 1998, the operating revenue of Batangas Port amounted to 30.3 million pesos (from port fees, contract income etc.) and operating expenditures (including personnel costs), 29.1 million pesos, leaving an operating profit of approximately one million pesos.

4.2 Port Operation Status

In this section we will examine the increased efficiency of port operation and the changes in cargo and passenger traffic. By examining these qualitative and quantitative aspects, we will evaluate the operation status of Batangas Port after the implementation of this project. The port construction was completed in March 1999 (although it was usable as in today from November 1998), so it is rather too soon to make an evaluation of quantitative changes at present, only half a year later. Therefore in this analysis we will emphasize qualitative changes in the operation of the port.

Batangas Port handles both domestic and foreign cargo, but around 80% of the total is domestic. The main method of shipping domestic cargo is on trucks which can be loaded individually onto the Ro-Ro vessels. General cargo vessels are hardly used, except on long-distance routes. Approximately 70% of the Ro-Ro vessels freight moves to and from Calapan Port on Mindoro Island, but there are other routes, as shown in "Project Location Figure 2". There are no statistics for the classification of the freight carried on the Ro-Ro vessels, but goods shipped to Calapan are daily sundries, while those coming into Batangas are agricultural products from Mindoro, such as rice and fruit. Around 80% of passengers travel between Batangas and Calapan, with 40% of those traveling on the Ro-Ro vessels and 60% on the fast craft vessels introduced in 1995.

²³ The organization of the PPA consists of a headquarters and PMOs operating in 22 major ports. The PMO in Batangas manages port facilities in six nearby ports as well as Batangas Port.

4.2.1 Increased Efficiency in Port Operation

As stated in "1.3.2 Necessity of the Project", the port facilities at Batangas were cramped and dilapidated before the implementation of the project, making orderly and efficient operation impossible. The improvements and expansions made under this project have solved those problems. In particular, the construction of specialized berths for Ro-Ro vessels, fast craft vessels and general cargo vessels separated the movement paths for freight, vehicles and passengers, making port operation more efficient and safer. The land area of the port facilities was also expanded from 2.6ha to 23ha, and facilities such as warehouses, freight storage zones, parking areas and a passenger terminal were added. Security has been strengthened, and a payment of 10 Pesos (approximately ¥30) is now charged for entry to the passenger terminal. According to interviews with passengers, luggage theft was rife in the old waiting rooms and security was lacking, but now the waiting rooms are safe and worth paying 10 Pesos to enter.

We will now examine changes in the operational status of Ro-Ro vessels, fast craft vessels and general cargo vessels.

(1) Ro-Ro (roll on, roll off) vessel

Table 4-1 shows the changes in the Ro-Ro vessel services between Batangas Port and Calapan Port before and after the completion of this project. The project was completed in March 1999, but vessel operation became possible as in today in November 1998. Therefore the years compared are 1997 and 1999. Before the project, there were no berths specifically for Ro-Ro vessels, limiting the number of Ro-Ro vessel operators to three companies. As a result it was customary for berthed ferries to remain there waiting to fill up with vehicles and passengers even past their scheduled departure time, forcing other vessels entering the port to wait for berths. The construction of six specialized Ro-Ro berths made it possible for the number of operators to increase to eight. Time spent at berth was controlled under PPA direction, and vessels were obliged to leave on time, even if they were not full. This eliminated waits for berths, reducing the time for the crossing between Batangas Port and Calapan Port from 4~5 hours, including 1~2 hours of waiting, to only the 2~3 hours required for the crossing. Operation at night was extended, making it possible for each vessel to make three round trips per day, where only two were possible before, and the number of departures per day more than doubled from 24 to 52. The depth of the berths was increased from 4~6m to 10m and the size of the vessels increased somewhat.

Table 4-1 Changes in Ro-Ro Vessel Operation between Batangas Port and Calapan Port (Before and After Completion of the Project)

	1997	1998
Number of specialized berths	0	6
Number of vessel operators	3	8
Round trips per ferry per day	2	3
Number of vessels	10	18
Average vessel GT (note)	480 GT	590 GT
Crossing time (Batangas ~ Calapan)	2-3 H	2-3 H
Berth waiting time at Batangas Port	1-2 H	0 H
Berth waiting time at Calapan Port	0	0
Number of departures per day from Batangas Port	24	52
First and last departures from Batangas Port	1:00a.m./9:00p.m.	12:30a.m./11:30p.m.

Source: PPA, Maritime Industry Authority (MARINA) and materials from private operators.

Note: GT (Gross Tonnage) = total weight in tons (the unit for expressing the weight of a vessel).

(2) Fast Craft Vessels

In February 1995, an operation of fast craft vessels was introduced, cutting the time for the crossing between Batangas Port and Calapan Port from more than two and a half hours with the Ro-Ro vessel to 45 minutes. Compared to the Ro-Ro vessel, the fast craft service is rather more expensive (70 pesos for the Ro-Ro and 100~125 for the high-speed service), but around 60% of the passengers traveling to Calapan now use the fast craft service. During the construction period of this project, provisional services were provided using the previous facilities, but the use of temporary boarding ramps²⁴ meant there were problems with safety for boarding and alighting passengers. Seven new berths were built under this project, enabling passengers to travel safely. Table 4-2 shows the changes in the fast craft services between Batangas Port and Calapan Port before and after the completion of this project. There was no substantial change in the number of departures. The fact that the current level of service was already operating before the seven specialized berths were constructed illustrates the level of congestion in the port facilities at that time.

(3) General cargo vessels

The construction of long and deep multi-purpose berths and foreign trade berths made it possible for large freighters to dock. This removed the need for offshore cargo handling and made loading and unloading more efficient. Most notably, handling of international container ships began at the foreign trade berths in June 1999, and that business is expected to grow.

²⁴ Ramps are constructed to fit the various vessels coming to the berths, serving as gangplanks for passengers and vehicles to move between the quay and the vessels.

Table 4-2 Changes in Fast Craft Vessels Operation between Batangas Port and Calapan Port (Before and After Completion of the Project)

	1997	1998
Number of specialized berths	0	7
Number of ferry operators	2	3
Round trips per ferry per day	3~6	4~7
Number of vessels	7	7
Crossing time (Batangas ~ Calapan)	45 min.	45 min.
Berth waiting time at Batangas Port	0	0
Berth waiting time at Calapan Port	0	0
Number of departures per day from Batangas Port	32	35
First and last departures from Batangas Port	5:00a.m./6:30p.m.	4:45a.m./6:30p.m.
Average Load Factor	n.a.	More than 50%

Source: PPA, Maritime Industry Authority (MARINA) and materials from private operators.

4.2.2 Transition in Cargo Volume and Passenger Traffic

(1) Transition in the Past

Table 43 (presented graphically in Table 44), shows the transition in cargo and passenger traffic at Batangas Port over the past ten years. As mentioned above, the construction work for the project was only completed in 1999, making it difficult to evaluate its impact at this time. However, examination of transition over the past ten years shows that passenger numbers have been growing rapidly, while volumes of domestic and foreign cargo have been stagnating. The growth in passenger numbers is due to the fast craft service, which began in February 1995. The lack of growth in cargo volumes was mainly due to natural disasters in 1993 and 1994²⁵, the economic depression of 1997~98 and the restrictions imposed on the use of facilities by the construction works between 1995 and March 1999. Compared to the forecast made at the time of the E/S (1988), the volume of domestic cargo in 1995 was below expectations, but the volume of foreign cargo and the numbers of passengers have exceeded the forecast.

However, while the volume of domestic cargo as shown in Table 4-3 has been declining, other statistics show that the number of vehicles carried on Ro-Ro vessels rose from 86,000 in 1993 to 130,000 in 1998. This large increase in a five year period suggests that the actual volume of domestic cargo may have increased. The volume of cargo carried on Ro-Ro vessels is calculated automatically according to the types of vehicle carried (for example, 10MT for a six-wheeled truck), but the assumed figures may often have been lower than actual loads carried.

Foreign cargo consists of imports of rice, fertilizer, livestock, gypsum, sugar, salt and other commodities, with almost no exports in recent years. However, since container vessels started using the port in June 1999, exports have begun growing gradually. The main export products are electrical appliances, which are produced in the Southern Tagalog industrial zone. The volume of container freight handled was still only 257TEU²⁶ in October 1999, there were two

²⁵ There was flooding on Mindoro Island in 1993, followed by a major earthquake the next year.

²⁶ TEU is the unit for counting containers. It is the volume of container traffic converted into the equivalent

container vessels docking each month, but from October that rose to two per week, with the volume handled per month growing.

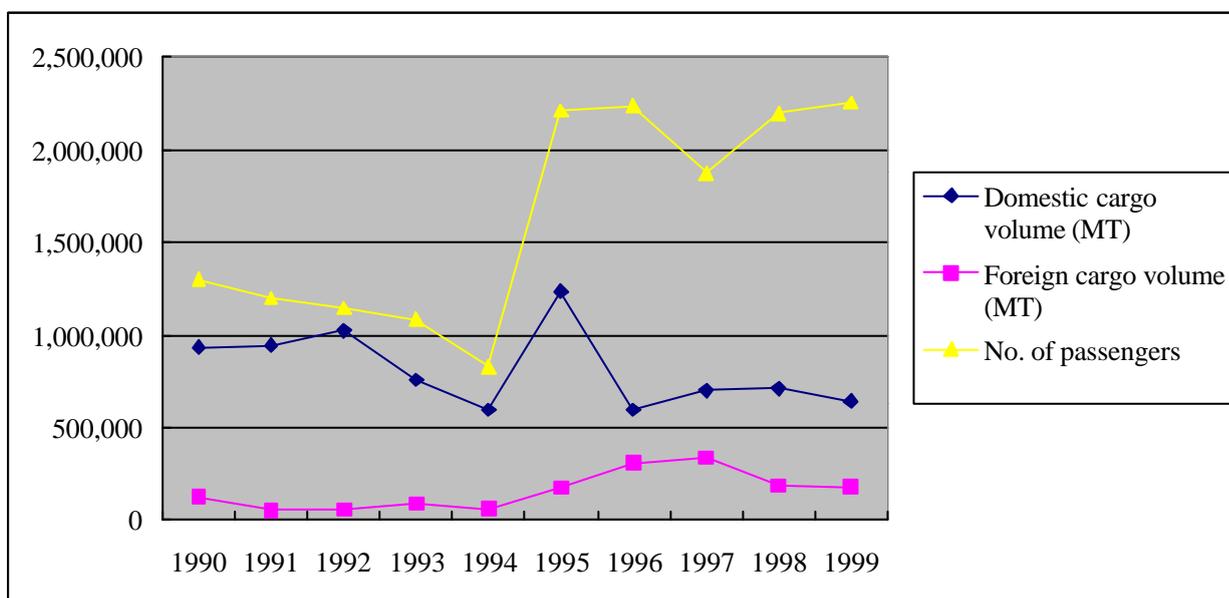
Table 4-3 Transition in Cargo and Passenger Traffic at Batangas Port

		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
No. of vessels called at port	Domestic	5,175	5,648	6,735	7,106	8,293	13,994	15,688	19,404	20,406	20,428
	Foreign	56	51	40	48	41	89	88	102	111	135
Total		5,231	5,699	6,775	7,154	8,334	14,083	15,776	19,506	20,517	20,563
Domestic cargo volume (MT)	Ship out	392,978	381,411	429,067	319,203	267,629	348,693	323,874	385,292	382,279	350,504
	Ship in	541,500	562,165	594,758	437,303	327,444	385,075	270,593	315,437	330,619	293,327
	Total	934,478	943,576	1,023,825	756,506	595,073	733,768	594,467	700,729	712,898	643,831
Foreign cargo volume (MT)	Export	3,533	4,972	10,468	3,556	729	40	0	278	0	729
	Import	121,138	51,055	48,094	85,625	60,553	174,964	308,454	335,689	187,198	180,475
	Total	124,671	56,027	58,562	89,181	61,282	175,004	308,454	335,967	187,198	181,204
No. of passengers	Boarding	632,536	599,139	586,636	538,178	408,210	979,412	963,254	853,032	978,809	1,047,461
	Leaving	667,293	601,295	558,867	547,855	423,132	1,233,339	1,273,516	1,020,726	1,221,148	1,209,931
	Total	1,299,829	1,200,434	1,145,503	1,086,033	831,342	2,212,751	2,236,770	1,873,758	2,199,957	2,257,392

(Source) PPA materials

Note Figures calculated for 12 months of 1999 based on data up to September. Usage volume always increases at the end of the year, so this is a somewhat low estimate.

Table 4-4 Transition in Cargo and Passenger Traffic at Batangas Port



number of twenty-foot containers.

(2) Future Transition

Plans are now being prepared for large passenger vessels from Visaya and Mindanao to dock at Batangas Port. If these plans come to fruition they will greatly increase passenger numbers. Traveling from Visaya or Mindanao as far as Batangas by boat and then switching to overland transport as far as Manila would be around three hours shorter than traveling by sea the whole way. Such a service would attract considerable demand. Under phase II, Batangas Port is to be equipped as an international port with foreign cargo handling capacity of 4.34 million tons per year (in 2005). After that, Batangas would function much more strongly as a supplementary port for Manila, both for passengers and cargo.

4.3 Maintenance

At the time of the field survey, there were no problems with the maintenance of the port facilities constructed for this project, although they had only recently been completed. The PPA has drawn up guidelines for maintenance which are followed for the maintenance of all ports.

4.4 Environmental Impact

The ECC for this project mandated monitoring of water quality, atmospheric quality and noise during the construction of the port, which was conducted by the consultants. Monitoring after the end of construction is not carried out because it is not mandatory, but the construction of the port facilities included the installation of waste water treatment equipment in the port, and there do not appear to be any significant problems. Garbage handling currently consists of collection from the passenger terminal and collection of waste landed by vessels. However, garbage collection tends to be delayed due to the inadequate capacity of the Batangas City garbage disposal facilities, and the parties concerned are considering alternative measures.

5. Project Effects and Impacts

5.1 Quantitative Effects and Impacts

At the time of the appraisal, the Economic Internal Rate of Return (EIRR) was calculated at 15.37%, and in this evaluation it was recalculated to 15.22% (see Appendix 2). As Table 5-1 shows, the calculations for the appraisal and for the evaluation were based in different assumptions, but the project achieved the anticipated level of quantitative effect.

The benefits considered were changed because of the added construction of fast craft berths, the cancellation of the domestic cargo berth construction and other changes to the scope of the project. For Ro-Ro vessels it was anticipated at the time of the appraisal that the reduced berth waiting time would make it possible to change the service to Calapan from four ferries making two round trips to two ferries making three round trips, with the reduction in the number of ferries yielding savings in vessel maintenance costs. In fact, both the number of vessels and the number of round trips made by each increased (Table 4-1), which invalidated the assumption. The economic impact of the construction of the Ro-Ro berths was therefore changed to reduced waiting times for vehicles and passengers on ferries to and from Calapan. For foreign cargo, the economic effect yielded by greatly increased container handling volumes in future was calculated.

Table 5-1 Points for the Calculation of EIRR

	At the time of appraisal (1990)	At the time of evaluation (1999)
EIRR	15.37%	15.22%
Cost points	[1] Project cost (the whole of this project)	[1] Project cost (the whole of this project)
		[2] Maintenance cost (2% of the total project cost)
Benefit points	[1] Reduced maintenance costs for Ro-Ro vessels	[1] Economic effect by introduction of fast craft vessels
	[2] Reduced waiting time for vehicles on board Ro-Ro vessels	[2] Reduced waiting time for vehicles on board Ro-Ro vessels
	[3] Savings in berthing costs due to more efficient handling of domestic cargo from general cargo vessels	[3] Reduced waiting time for passengers on board Ro-Ro vessels
	[4] Savings in mooring costs due to more efficient handling of foreign cargo from general cargo vessels	[4] Economic effect by handling of foreign cargo containers
	[5] Reduced maintenance costs (0.25% of project cost)	

- Notes: (1) Multiplying the increased number of passengers on high-speed ferries to and from Calapan by the difference in fares (55 Pesos) produces the passengers' willingness to pay (assuming the economic effect of reduced waiting time is in line with the additional payment).
- (2) The willingness to pay of freight consignors is high, as the cost of exporting one TEU is \$500 higher from Batangas than from Manila, but consignors still want to use Batangas. Of the difference, \$300 (10,000 Pesos) is due to the expansion of the port, and that figure was multiplied by the TEU figure.

5.2 Qualitative Effect and Impacts

The increased efficiency of the port's operation can be regarded as a direct, qualitative effect of the project, which has already been described in 4.2.1. In this section we will examine a ripple effect of the project, which is the function of Batangas Port in promoting the development of the region, as described in "1.2.1 Batangas Port Development Plan", and observe the action of this function at the end of the project.

(1) Functions as the point of access to Mindoro Island

Mindoro Island supplies rice, fruit, livestock, fish and other foods which are consumed in the Manila Capital Region and Southern Tagalog Region. This distribution route was made more efficient by the construction of Ro-Ro vessel berths for this project, assisting in the shipping of fresh products. The introduction of the fast craft vessel cut the transit time between the ports of Batangas and Calapan from over two and a half hours to 45 minutes, increasing the number of people from the area around Calapan (a city of approximately 100,000 people) making day trips to Batangas. Increased tourism to the island is among the other benefits. This project has had a considerable impact for the development of Mindoro Island.

(2) Functions as a hub port contributing to the economic development of the Southern Tagalog region

The Southern Tagalog region (see "Project Location" Figure 2 at the beginning of this report) comprises 14 provinces to the south of Manila. Of these, Cavite, Laguna, Batangas, Rizal and Quezon are in advantageous locations close to Manila, and have been attracting increasing investment by companies over the past ten years, leading to a proliferation of industrial estates. Documents from the Philippines Board of Investments (BOI) show that of the total annual investment, 25% is directed to this Southern Tagalog Region, of which half goes to Batangas province. Investment in Batangas increased sharply in 1997, mainly in the energy, industrial and industrial area development sectors, which are fields that will underpin future economic growth.

The governments of Batangas province²⁷ and Batangas City²⁸ say that Batangas Port functions as a magnet for investment, and investment has been pouring in since 1995, when this project began, in anticipation of future development. In 1995 there was only one industrial estate in Batangas, but that has now grown to 15, and some of the new companies in the area have started shipping containerized exports from Batangas Port. The province and city anticipate increased employment accompanying industrial development as a further ripple effect of phase II of the project.

(3) Functions relating to the Manila Capital Region

The reason why Batangas Port has attracted such development, as described above, is that some of the products of the Southern Tagalog Region can now be exported from Batangas, and not from Manila as it has been in the past. The shift promises to yield a large increase in efficiency. Traffic congestion in the Manila Capital Region continues to worsen and daytime truck

²⁷ Population 1.81 million.

²⁸ Population 230,000. Batangas has developed historically as a trading town, and around 60% of its working population are in tertiary industries.

movement in the region is regulated. The traffic situation is a major impediment to distribution, and the handling capacity of Manila port is not expected to be able to keep up with demand in future. Shipment from Batangas costs \$500 per TEU more than from Manila, but some consignors are willing to pay the difference to ship from Batangas rather than Manila and there is a high potential demand for the port.

However, the construction of the South Luzon Expressway, which will link the Manila capital region to Batangas Port is behind schedule²⁹ and the congestion around Lipa has been indicated as a bottleneck impeding distribution. It now takes around two or three hours to drive from Manila to Batangas, but the completion of the expressway is expected to cut the journey time to around 90 minutes. The rapid completion of this road is an important accompaniment to the future development of Batangas Port.

6. Lessons Learned

Lessons learned concerning the resettlement of this project have been discussed in 3.3.2.

²⁹ The expressway was originally scheduled to be completed at the same time as this project, but problems with land acquisition delay the construction works. The portion covered by an ODA loan will be completed in 2000, but there is no way of knowing how long the 21km BOT portion between Lipa and Batangas might take.

**Demolition and Resettlement
of Sta. Clara Residents:
Policy, Politics, and Personalities
in the Batangas Port Development Project**



Prepared for
Japan Bank for International Cooperation (JBIC)
by
Dr. Emma Porio

with the assistance of

Ms. Christine S. Crisol

Ms. Nota F. Magno

Mr. David M. Cid

Mr. Ryan M. Indon

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LIST OF ACRONYMS

BATELEC-Batangas Electric Company
BPDP – Batangas Port Development Project
CBOs - Community-based Organizations
DENR – Department of Environment and Natural Resources
DND – Department of National Defense
DPWH- Department of Public Works and Highways
DSWD- Department of Social Welfare and Development
DTC - Department of Transportation and Communications
ECC – Environmental Compliance Certificate
JG – Government of Japan
LGC - Local Government Code of 1991
LGU - Local Government Unit
MERALCO-Manila Electric Company
MWSS or NAWASA-National Waterworks and Sewerage System
NGOs - Non-government Organizations
NHA - National Housing Authority
JBIC – Japan Bank for International Cooperation(former Overseas Economic Cooperation Fund)
PCUP – the Presidential Commission for the Urban Poor
PMS – Presidential Management Staff
PPA - Philippine Ports Authority
RROW – Road Right of Way
UDHA-Urban Development and Housing Act of 1992

EXECUTIVE SUMMARY

The Batangas Port Development Project (BPDP) of the Philippine Ports Authority (PPA) was one of the major flagship programs of Philippines 2000, the development plan of the Ramos Administration in its bid for a globally competitive economy. This report focuses on the events and processes surrounding the project starting with the loan approval from the Japanese government in 1991 to the relocation and demolition without agreement (hereinafter referred as demolition) of Sta. Clara residents in June 1994. Although the displacement of residents and the demolition of their houses have always accompanied large infrastructural developments in the Philippines, the BPDP attracted high visibility and attention from the Philippine and Japanese media, high government officials, and NGO leaders both in Japan and in the Philippines. This was mainly due to the campaign mounted by the organized segments of Sta. Clara, represented by a community-based organization (CBO), the CLARA-CBO¹, with support from church leaders, NGOs, and high level political officials.

The evaluation sought the answers to the following questions²: (1) Although the relocation process was implemented within the framework of the law, why did the demolition occur without agreement from residents? (2) What are the socio-political and economic impacts of the relocation to the affected residents? (3) How does the Batangas port relocation package compare with other similar packages? and (4) What lessons can be learned from this resettlement experience?

A. Demolition Without Agreement Despite Consultations

Despite the attempts of the Philippine government to follow the legal requirements, the demolition occurred because of the following reasons:

1. *Inadequate system of consultation and relocation from the point of view of the residents and NGO leaders*: from the social preparation stage of the community, site acquisition and development, the relocation process, and to the organization of the post-relocation activities.

From the point of view of the PPA and the LGU, however, they had consulted the leaders and informed the community of the need to relocate them because the modernization and expansion of the port is very important to national development. While some community leaders participated in the site selection and the negotiation of the compensation and relocation package, this was not **systematically** disseminated to the affected residents. The demands of the Sta. Clara residents as articulated by the CLARA-CBO leaders kept on changing, that in the end, it exasperated the government officials and disappointed the church leaders and the NGOs allied with them. More significantly, the consultations and negotiations could not arrive at a consensus because the positions of both the PPA/LGU leaders and the influential community leaders were quite fixed and unyielding: the latter

¹ To preserve confidentiality in research and to protect the anonymity of persons and organizations, names have been changed.

² To answer these questions, the evaluation utilized the following research methodologies: records review, survey, key informant interviews, focus group discussions (FGD), and field observations. The survey employed a systematic sample with a random start, selecting a 15 percent sample of the population of relocatees in Balete and Sico, yielding a total sample of 93 households.

wanted on-site development while the former had to push for the implementation of the approved loan package for the port development which made the relocation of residents necessary. **Therefore, demolition without agreement from residents was difficult to avoid.**

2. *The relocation process and the master list of beneficiaries was based on a contested/negotiated data base, therefore lacking in credibility and legitimacy.* Several surveys reporting different numbers of beneficiary households (HHs) were conducted prior to the 1993 survey (1,467 HHs). The 1986 reported 718 HHs while the 1992 survey reported 917 HHs. While the 1993 survey became the basis of the master list of HHs, the community did not believe this survey will mean much to their lives and did not pay attention to it. Some even refused to participate because they thought it would mean that they agreed to the relocation. This is the reason why some were not included in the list, which underwent several revisions through the intercession of influential people from the community and the LGU even after the final validation in October 1993. There was a mesh of information disseminated to various stakeholders who acted according to their own perspectives, interpretations, and interests.
3. *The organization of the relocation process itself lacked transparency and accountability.* Owing to the intractable positions of both the PPA and CLARA-CBO, eventually the demolition seemed to have evolved into “some kind of a military operation.” This was after the negotiations bogged down and the major negotiator on the Philippine government side, the National Defense Secretary³ saw no other way but to move the residents out of the project site. Presumably, this decision was also made after military intelligence reports alleged that the CLARA-CBO leadership and the Sta. Clara community were “infiltrated by left-leaning elements”⁴.
4. *The people doubted that the relocation would push through as they had received several notices to vacate before and nothing happened afterwards.* It was therefore like the Philippine government crying “wolf” several times (issuance of several notices) without the animal ever appearing. Finally, when the demolition squads accompanied by members of the Philippine National Police (PNP) came on June 27, 1994, it came as a surprise to the majority of the Sta. Clara residents. Several factors also reinforced this belief, such as:
 - i. The site was not quite ready, especially the Sico relocation area. While building structures and facilities for basic services have already been constructed in Balete, residents perceived these to be incomplete. Most of the infrastructures and facilities in Sico were constructed after the demolition, between 1994 and 1995, by a brigade of soldiers from the DND.

³ Although, the documents do not show evidence of military participation in the demolition, the National Defense secretary was a major player in the negotiation process in 1993-94. Perhaps this influenced the accounts of the residents and other key informants who alleged that the way the demolition was conducted resembled a military operation. In general, Filipinos do not make a distinction between the police and the military. Anybody wearing military-like uniforms and carrying arms are perceived to belong to the military.

⁴ [JBIC footnote] In those days, Philippine Government was quite sensitive to the activities of the left.

- ii. Transport trucks, food assistance, and evacuation centers were not quite adequate on the day of the demolition.
- iii. The residents were under the impression, strongly reinforced by their leaders that since they had an ongoing court case against the PPA (filed by PPA in February 1993), the latter cannot take any action (including demolition) against them.⁵

5. *According to Villa Anita residents, the demolition resembled a "war-like" situation: 552*⁶ demolition squads from Metro Manila hired through a contractor, supported by 300 members of the Philippine National Police (PNP) was an overwhelming sight to residents. Key informants also alleged that the presence of men in military uniform during the demolition may have been connected to the National Defense Secretary's role in the negotiation. From the accounts of key informants and the documents, the participation of high level officials like the National Defense Secretary seemed to have complicated the negotiation, demolition, and the subsequent relocation. It seemed to have communicated the idea to the residents that the government was willing to pay whatever price was needed to push through with the development of the port. More importantly, the political climate between 1988 and 1994 was quite sensitive. At that time, the presence of military officials in development projects always attracted the attention of left-leaning elements.

6. Although the Philippine government seemed committed to pursue the development of the Batangas port despite criticisms, its authority was quite weak. The project was implemented by agencies that did not have enough nor stable resource base and have also their own institutional interests to protect. It also appeared that these agencies did not obtain the assistance of expert individuals/institutions who had experience in relocation operations as this would mean delegating authority and resources to them.

The Philippine government is quite weak because its agencies are unable to compel majority of its citizens to follow its laws and regulations. The following illustrates this contention.

- i. The people did not really believe that their houses were going to be demolished because for seven years they have been "censused" and told the same information over and over again but nothing happened.
- ii. The relocation plans and package offered kept on being negotiated and it kept on changing because of the assertions of the CLARA-CBO, with support from the church and some NGOs. Meanwhile, the government seemed willing to pour resources on it since it was a key flagship program of the Ramos administration. The president himself gave special attention

⁵ [JBIC footnote] This is only in cases where the residents file a writ of preliminary injunction and judge had issued a technical restraining order. The court decision is being appealed by PPA.

⁶ [JBIC footnote] The number is from a LGU document. According to PPA documents, the number of demolition squads is 300.

to the implementation of the relocation and the construction of the port itself. This became more critical when the Japanese government made several representations to the president and other government officials for a peaceful resolution to the Sta. Clara issue. Ironically, the institutional interests of high-level officials in the port development including those of the Japanese government drove the compensation demands from the residents higher and impossible to meet.

- iii. The LGU/PPA found themselves in a situation where they have to implement their decisions despite the lack of agreement from the community. The PPA had acquired the Balete property in 1991 with concurrence mainly from barangay leaders. Intensive consultations with the community, however, occurred between 1993 and 1994 when national executive officials were involved. The loan agreement was executed in 1991 but the Japanese government told the Philippine government to fix the problem of “squatters” first. Yet, the Philippine state does not have the resources, the political will, and the compelling authority to provide solutions to the problem of landlessness among the poor and their squatting in private/public lands.
- iv. More importantly, a significant number of the residents were mobilized by the CLARA-CBO who took a hard line position of not relocating anywhere but in Sta. Clara or nearby.

B. Socio-economic Impacts on Relocatees

Majority of the relocatees are quite satisfied with their housing conditions and basic services in the relocation sites. Like in other off-site relocation⁷ areas, the major negative impact of relocation is the decrease of their incomes and employment opportunities. The Philippine government initiated several income restoration activities but these did not work effectively because of the relocatees’ lack of entrepreneurial skills and the alleged corruption and mismanagement among the officers of the cooperatives. This study recommends that the residents be trained to increase their competency on life-strategizing and survival skills, community organization (CO), and business operations, marketing and management. Special efforts have to be exercised to match their educational backgrounds, leadership capabilities, and potentials with the corresponding training or apprenticeship programs. In the same manner, any income-generating activity or program (IGA/IGP) has to match the leadership, management, and skills capability of the residents with the appropriate leadership or decision-making position in the group and the type of IGA/IGP.

C. The Batangas Port Relocation Package vs. Other Relocation Packages

A total of P181.31 million (or P125,000/family) for the relocation of Sta. Clara residents (see Appendix D). The LGU of Batangas City also spent an additional P7.7 million for the Villa Anita residents to acquire the 3-hectare Puyo property (worth 21 million)⁸. Compared to other

⁷ [JBIC footnote] Relocation to another site from the original living site

⁸ Sta. Clara residents who refused to move to Balete and are now squatting in Villa Anita “pooled” their financial compensation together and bought two hectares from the Puyo property. The additional hectare was paid by the

relocation packages of similar projects, the Batangas relocation package is quite superior. This can be seen in the provision of housing assistance, financial compensation, livelihood assistance, and the construction of infrastructures for basic services like roads, transportation, electricity, water, drainage, education, and health. The Batangas relocation is perhaps one of the most, if not the most expensive relocation package in the resettlement history in the Philippines.

D. Relocation Process of Phase II

The formulation and implementation of the Phase II relocatees in 1998 benefited very much from the lessons of the Phase I relocation experience, and a thorough consultation process was conducted for it. The Phase II resettlement process was quite smooth and peaceful because of the systematic planning, open/participatory consultations, and the smaller number of people involved with clear lines of authority and responsibility. In addition, it is also important that negotiating parties relatively trusted each other.

E. Lessons from the Batangas Relocation Project

1. Real, genuine, and participatory consultations must be conducted among the affected residents, rather than just consulting the leaders and informing the whole community later of the decisions about the relocation site/package. In the Batangas relocation, the Sta. Clara leaders who participated in the negotiations did not have full community support nor were they able to obtain consensus regarding acceptance of the relocation package. Most of the consultations conducted by the government officials and the consequent decision-making followed a top-down approach. As an example, the PPA purchased the Balete relocation site only with the participation of some members of the Sta. Clara barangay council. In short, not all residents were aware of this decision. Consultations and negotiations, then, must be conducted with leaders who have the full support of the community. Moreover, the leadership must consult its members and arrive at a consensus of their position in the negotiation. More importantly, this must be verified by the implementing agency or committee.
2. Socio-technical preparation for both the community and the government officials is necessary for the relocation process to be organized. The implementing agencies of large infrastructural projects like the PPA and the DPWH, who usually do not have the technical background to deal with urban poor communities and resettlement issues, shall employ agencies/groups who possess the necessary expertise and experience. They should also find within their bureaucracies, people who know how to negotiate (firmly but with empathy) with urban poor communities. Government officials who have poor social and negotiating skills should not be put in negotiating positions as they further complicate the problem.
3. The process of making the final beneficiary list must be credible/legitimate and should not be subject to negotiations/revisions. Beneficiary criteria must be very clear and consistently implemented by the field surveyors. Revisions erode the legitimacy and credibility of the list.

The study recommends that a legitimate, independent, and credible party (i.e., not a government agency like PCUP) conduct a one-time survey for the beneficiary list. This could be an NGO, a university, or even a government agency but whose capability, performance, and integrity is recognized by the stakeholders.

4. Special effort must be exerted to preserve social capital (i.e., trust, goodwill, perception of legitimacy) between the government and the people; and within the community and the state bureaucracy itself. This can be ensured through clear lines of communication, responsibility, accountability, and transparency, with the rationale for each step of the process respected by the major stakeholders. Once trust is destroyed and suspicion sets in, communication lines break down and the amicable resolution of issues becomes dim.
5. The relocation costs must have secure funding from the government; if not, it must be built into the loan or the infrastructural development package. Prior to approving the loan, overseas development agencies (ODAs) like JBIC should make sure that the funding sources and the implementation of the relocation are in place and implemented by entities with high credibility and legitimacy before the residents.
6. Firmness, consistency, and relative fairness must underscore the decisions and actions of implementing agencies. Changing/revising decisions several times as well as not implementing courses of actions that have been agreed render the whole relocation process suspect. For example, several notices to vacate were given in the first quarter of 1994 but no corresponding action followed. Notices issued should be followed with a swift and consistent execution of the order.

[JBIC Comment]: JBIC would like to point out that the decision for actual demolition was quite hard for Philippine Government, since Government was requested for “amicable solution” by various stakeholders including GOJ and JBIC.

7. Employing the influence of high level officials (e.g., President of the Philippines, the Secretary of National Defense) and the participation of many government officials from all levels could result in counterproductive situations (e.g., increasing demands on the part of residents). Thus, this study recommends that demolition and relocation programs should be conducted in a low-key manner. Extreme care should be exercised to avoid situations that could potentially be sensationalized by the media and by the opposition elements.

[JBIC Comment]: JBIC would like to point out that, in the process of this project, high level officials became involved because of the difficulty of negotiation between PPA and affected families.

8. Clearing the site of infrastructural development of encumbrances (e.g., settlers) as a precondition for loan release pressures implementing agencies **to fulfill this requirement by all means** which sometimes compromises the actual relocation process itself. JBIC should make it clear to the implementing agency like PPA to fulfill the requirement in a proper manner and not to compromise the planning and implementation of the process of clearing the site and relocating the residents.

[JBIC comment]: JBIC kept making clear of this point with PPA and Philippine Government at each step of this project since the appraisal. For example, after the issuance of Republic Act 7279, JBIC requested PPA to follow each process prescribed by this law. As a result, JBIC confirmed that all the relocation process was implemented within the framework of the law.

9. The UDHA provision making the LGU responsible for the provision of housing and relocation site to residents displaced by special bodies like the PPA causes tensions and problems in the resolution of the issue. LGUs find this arrangement not very fair as they seem to be “mopping up” the displacement caused by PPA. The displacing agency should be heavily responsible for

the financing of the relocation. But they should delegate the execution of the relocation to agencies/entities (i.e., NHA in coordination with LGUs and other government agencies like the DSWD, DPWH and the like), which are mandated to relocate residents and possess the necessary experience and system.

10. Finally, the implementation of relocation projects should not be allowed to drag on for a long time as in the case of Batangas (over a period of seven years). It should be implemented within a reasonable time (1-2 years) from the moment of the inventory of beneficiary households to the actual relocation.

[JBIC Comment]: JBIC also considers that it is very important to plan a systematic relocation schedule within a reasonable time frame. Yet, JBIC prioritizes thorough consultation with affected families to the swift implementation of the schedule.

**Demolition and Resettlement of Sta. Clara Residents:
Policy, Politics, and Personalities in the Batangas Port Development Project**

by

Dr. Emma Porio

with the assistance of

Ms. Christine S. Crisol

Ms. Nota F. Magno

Mr. David M. Cid

Mr. Ryan M. Indon

Introduction

The Batangas Port Development Project of the Philippine Ports Authority (PPA) has a long political history. Starting with the Presidential Decree no. 857 in 1974, the port coverage was expanded through Executive Order no. 431 of President Aquino in 1990. In 1992, President Ramos made the development of the Batangas port one of the key flagship programs of Philippines 2000, the centerpiece of his administration's bid for a globally competitive economy. Philippines 2000 also included the development of the Calabarzon (Cavite, Laguna, Batangas, Rizal, and Quezon provinces)¹. Initiatives for the relocation of affected residents started in 1986 but activities intensified between 1991-1994. The keen political interest, the intense media coverage, the large funding with loans from the Japanese government, and the number of residents to be displaced largely shaped the developments and outcomes of the project during the past nine years. This report, however, focuses on the events and processes surrounding the project starting with the loan approval in 1991 to the demolition without agreement from affected residents (henceforth, referred to as demolition) and relocation of Sta. Clara residents in 1994 and how it shaped, then and now, the perceptions and behavior of the key stakeholders. The stakeholders are (1) the PPA, (2) the local government units or LGUs (provincial, city, and barangay), (3) the affected residents, (4) the church, (5) NGOs, and (6) the CLARA-CBO,² the community-based organization (CBO) that has been challenging the authority of the Sta. Clara barangay council in the negotiations.

Although the demolition of houses and the displacement of residents have always accompanied the development of most large infrastructural projects in the Philippines, the Batangas Port Development Project attracted high visibility and attention from the Philippine and Japanese media, politicians, and NGOs. Partly, this was due to the organized resistance of certain segments of the Sta. Clara community (represented by the CLARA-CBO) and their mobilization of support from the church, NGOs, opposition politicians, media, and the left³.

¹The organized segments of Sta. Clara asserted that their relocation was linked to the negative impacts of the Calabarzon Development Plan.

² To preserve confidentiality in research and to protect the anonymity of persons and organizations, names have been changed.

³ This was mainly gathered from the documents reviewed in the course of the evaluation. From the documentary evidence and key informant interviews, it seemed that the church, NGOs, and the left (National Democratic Front) provided mainly moral support and/or technical advice.

Objectives/Methodologies of the Evaluation

This evaluation seeks to answer the following questions: (1) Why did the demolition occur despite the consultations and negotiations? (2) What are the socio-economic impacts of the relocation on the relocatees? (3) How does the relocation package in this project compare with the relocation package of other similar projects? (4) What lessons can be learned from the Batangas relocation experience?

To answer these questions, the evaluation utilized the following research methodologies: records review, survey, key informant interviews, focus group discussions (FGD), and field observations. The survey employed a systematic sample with a random start, selecting a 15 percent sample of the population of relocatees in Balete and Sico, yielding a total sample of 93 households. The household head or the spouse (regardless of whether they are the main breadwinners or not) was interviewed for the survey (see Appendix H for a copy of the questionnaire). Additional information was gathered through a few household and key informant interviews among Villa Anita residents.

Organization of the Report

The report consists of seven parts. Part I discusses the historical and structural bases of illegal settlement and resettlement in the Philippines including an overview of relevant laws and regulations. Part II traces the resettlement process of Sta. Clara residents from the initial inventory of affected residents in 1986 to its eventual demolition and relocation in 1994. Part III documents the socio-political and economic impacts of the resettlement to relocatees in Balete and Sico. This section is complemented with some data obtained from affected residents who chose to settle/squat near the port in Villa Anita. Parts IV to VI evaluate the merits of the resettlement process/package (Phase I and II) based on its design and implementation as well as in relation to other similar projects. Finally, Part VII provides a summary of the evaluation findings and lessons learned from the resettlement process. Several appendices provide an elaboration on the key assertions of the report.

Part I. Illegal Settlement and Resettlement in the Philippines: A Background

Historical-structural background. In the Philippines, the top 20 percent of the population control most of the land, capital, and other resources. The elites with their rent-seeking mentality usually invest in land because its value always appreciates and it is an investment that is almost risk-free barring the threat of squatters. The taxation policy of the state also favors this set-up as taxes are computed in direct proportion to the income or produce derived from the land. This explains why even in Metro Manila a lot of vacant lands lay idle while congested slum and squatter communities also abound. Thus, the urban/rural poor usually do not have access to land for housing nor the capital to invest in building their homes nor in educating or training themselves and their children. They end up in low-paying occupations/jobs, requiring low education/skills. Poverty, the root cause of squatting and congestion in slum communities, is then repeated across generations among the bottom 30 percent of the population.

Owing to the concentration of investments on infrastructure and basic services in urban areas, the exodus of a large number of Filipinos from the countryside to the metropolis has been going on since World War II. More recently, high in-migration rates have been observed in rapidly

urbanizing areas and growth corridors like General Santos City or the Calabarzon area in Southern Tagalog, which includes Batangas. Thus, areas like the Batangas port are attractive to poor residents/migrants because of the potential opportunities for informal sector jobs that do not require high education/skills like stevedoring, tricycle driving, and selling/vending of goods/services. The making of an urban poor settlement like Sta. Clara is so much a part of the history of the growth of the port and of the city of Batangas. Residents of Sta. Clara came from Batangas and Luzon, including migrants from Visayas, who had settled near the port because of available economic opportunities. With low incomes, they cannot afford housing; thus, they always end up squatting in public/private lands or in low-rental housing with hardly any amenities or basic services. According to Starke (1996)⁴, they usually comprise 40 percent of the urban population living in slum and squatter settlements, **usually considered illegal settlements**. Results of numerous surveys showed that most of the Sta. Clara residents resembled those of other urban poor settlements. They possessed the following socio-political and economic characteristics: (1) low education and low skills, (2) have relatively large households, (3) low/unstable income and income sources, (4) inadequate access to basic services, (5) low health status, and (6) insecure tenure to their home/home lot (Ahmad 1998, Nuiqui 1991, Porio 1995).⁵ However, there were some residents (i.e., big structure owners, operators and owners of karaoke bars, restaurants, mini-groceries and the like) of Sta. Clara who did not fit this description. These owners and operators were some of the dominant leaders during the negotiation for/against the relocation.

Control or ownership of land in the Philippines is proven by one's possession of a title or a tax declaration in some parts of the Philippines. In Sta. Clara, some of the CLARA-CBO leaders asserted that they were not squatters. But according to municipal records only about six residents⁶ had papers (i.e., land tax declarations) to prove their ownership of their home lot. Some local officials explain that the residents have been paying building tax/permits that may have been construed by the latter as constituting legal basis for their land claims. Leaders of CLARA-CBO have asserted that their parents and grandparents have lived in Sta. Clara all their life, thus giving them rights to claim the land. Research shows that **there has never been a legal precedent to this type of claim**. The JICA Study in 1985, which is disputed by the CLARA-CBO leaders, **classifies most of the Sta. Clara residents as illegal settlers or squatters. Other documents also show that many Sta. Clara residents have been trying to secure formal ownership of the land since 1969 but their efforts have failed**. Local officials asserted that since the Sta. Clara lands were along the shoreline and mostly swampy, these were covered by a cadastral survey attesting government control over it. Moreover, through the power of eminent domain, the government can

⁴ Starke, Kevin, 1996, *Living the Slums: The Challenge of Relocating the Poor*. Pulso Monograph No. 16. Quezon City: Institute of Church and Social Issues.

⁵ Ahmad, Ijaz, 1998. *People's Participation in a Relocation Process: A Case Study of the Balet Relocation Project Undertaken by the Philippine Ports Authority in Batangas City, Philippines*. A masteral thesis presented to the School of Urban and Regional Planning, University of the Philippines; Nuqui, Wilfredo, 1991. *The Urban Poor and Basic Infrastructure Services in the Philippines*. Paper presented in a Regional Seminar on the Urban Poor sponsored by the Asian Development Bank, Jan. 22-28, Manila, Philippines; Porio, Emma, 1995. *Urban Poor Communities Fight for Survival in C. Szanton-Blanc, Urban Children in Distress*, New York: Gordon and Breach Publishers.

⁶ Accounts vary as to the number of owners. Local officials alleged that there were six residents who possessed ownership papers while JBIC papers recorded four.

also claim land for its use, especially for infrastructural projects like the modernization and expansion of port facilities as provided by UDHA of 1992 (see below). The 1996 court ruling in the case filed by Sta. Clara residents only recognized their rights to be compensated for damages to their structures and appliances (see Appendix A). This court decision, however, is being appealed by PPA. Since possession of a land title or land tax declaration is the legal basis for ownership --- which the Sta. Clara residents did not have --- then, they were illegal settlers.

Legislative basis. The assumption of power in 1986 by President Corazon C. Aquino in the throes of the People Power movement paved the way for legislations that institutionalized democratization of power and the decentralization of local governance. Notable among these were the enactment of the Local Government Code (LGC) in 1991 and the Urban Development and Housing Act (UDHA) or RA 7279 in 1992. These legislations, particularly the UDHA, were promulgated because of the advocacy of civil society groups like NGOs, POs, and the church, who have been pushing for the rights of urban/rural poor. This is particularly significant because under the martial law of President Marcos, squatting in public/private lands was considered a criminal act as provided for in Presidential Decree No. 772. The UDHA protected the rights of urban poor who do not have security of tenure to their homes (see Appendix B for a more detailed description of the law).

The UDHA provides that evictions are allowed in danger areas, **in sites of government infrastructure projects**, and when covered by a court order. In addition, the law requires that prior to demolition there must be proper consultations, a 30-day notice, and the provision of a relocation site. Despite these provisions, however, about 105 demolitions affecting 20,116 families were recorded between July 1992 and December 1995. Of these figure, only 43 percent were given relocation sites.⁷ Considering that these figures are based only on reported evictions, it is fair to conclude that compliance of the law is quite low.

Another significant provision of the UDHA is the devolution of responsibilities (in harmony with the LGC of 1991) to local governments to provide housing and relocation to illegal settlers in both public and private lands. In part, this provision is central to explaining the tensions and problems that emanated from the Sta. Clara resettlement. Since the eviction and relocation of Sta. Clara residents affected by the port expansion is the major responsibility of the local government, the PPA observed that they were doing more than what was expected of them. Yet, PPA felt that the residents did not really recognize their efforts. The local governments (provincial and municipal), on the other hand, found themselves called upon to provide solutions to problems caused by nationally-mandated agencies like the PPA, which was directly responsible for the displacement of the residents. The local governments also found themselves in new territory since the UDHA and LGC that devolved these responsibilities to them had just been recently enacted. They did not have the proper orientation/experience nor did their bureaucracies possess the technical and resource capabilities to respond to the problems of squatting, eviction, and relocation.

The Sta. Clara relocation, therefore, suffered from “transition” problems of devolution. By placing the burden of responsibility on the LGU and putting the PPA relatively “off-the-hook”, so to speak, may have accounted for the perception of some Sta. Clara residents that the latter was not sympathetic to them and behaved in an arrogant and distant manner. According to some key informants, this complicated the situation leading residents to distrust the PPA and their negotiators.

⁷ As reported by the Urban Poor Associates (UPA), an NGO monitoring evictions among the poor.

Although according to the UDHA, the PPA was irresponsible for relocating the residents, approval of the Japanese loan disbursement was dependent on clearing the project site.

The demolition of settlements is often taken as a last resort when the notice to vacate is ignored by illegal settlers and the stakeholders have exhausted all options. In most eviction cases, demolitions occurred because of the occupants' refusal to vacate the area, despite offers of a relocation site. To a certain extent, this is what happened in Sta. Clara. But what is more significant in this case is that the residents' refusal to vacate — thus, leading to demolition — was reinforced by the seeming lack of firmness and consistency in the actions/decisions of the government (the PPA, barangay/municipal/provincial/national, other agencies) and the CLARA-CBO over a six-year period, from 1988 to 1994. The following section shall further elaborate on this contention.

Part II. The Resettlement Process of the Batangas Port Development Project I

The following section describes the institutional framework of the resettlement process, choice and cost of resettlement sites, formulation and delivery of compensation package, preparation of resettlement sites, actual relocation/demolition process, income restoration programs, and measures taken by the JBIC/Japanese government. Please refer to the chronology in the appended text/tables for a more detailed description of the process.

Planning the relocation and site selection. Based on the prescribed relocation procedures, the PPA and other agencies as much as possible adhered to the legal requirements. As prescribed by law, interagency committee(s) with representations from the PPA, national/local agencies/governments, the residents, and other relevant groupings (e.g., Catholic Church) were constituted to plan and execute the planned relocation of affected residents. In 1986, a Special Committee for Sta. Clara Relocation was formed to tackle the resettlement issue. Composed of representatives from the PPA, Sta. Clara, national agencies, and local governments, they met several times to identify and evaluate the merits of several potential sites. In 1988, during an interagency meeting, they signed a memorandum of agreement (MOA) regarding the choice of the Caedo property as the relocation site. But this MOA did not materialize because the development cost was too high and the people rejected the site because of the threat of floods from the nearby Calumpang River. In 1989, a private individual bought the Caedo property. Thus, in March 1990, a liaison monitoring committee was formed to scout other relocation sites. In July 1990, a Committee on Site Selection was constituted. During a meeting in October 1990, the PPA and provincial/city officials asked Sta. Clara officials to affirm that they truly represented the affected residents. When the latter responded in the affirmative, they were instructed to relay committee decisions to the residents. Between October 1990 and March 1991, the committee met several times to visit and deliberate on the merits of 15 proposed relocation sites. In each of these visits, the provincial/city officials claim that members of the Sta. Clara barangay council accompanied the team. Thus, they could not understand why the residents kept on rejecting their relocation proposals. Provincial/city officials did not seem to realize that the committee decisions as well as the site visit deliberations were not **systematically** relayed to the community. They also assumed that the barangay leaders had the full support of the community.

Selection/ Cost of the resettlement sites. The costs of the proposed alternative sites were too high and beyond the capacity of the Philippine government (see Appendix A). The selection of the resettlement site went through an elaborate process of evaluation by a team composed of PPA

representatives, the Batangas city mayor, and officials from the National Housing Authority (NHA), other relevant agencies and the Sta. Clara Barangay Council. Of the 15 properties, only three were acceptable (Gulod at P100/sq.m. Balete at P85/sq.m, and Balagtas at P150/sq.m.). The others were either too expensive, environmentally unacceptable, or land titles/ownership were questionable or were not for sale. But Gulod residents objected to the possibility of Sta. Clara people moving into their community. So in February 1991, the barangay officials of Sta. Clara (represented mainly by their head) chose the Balagtas property with concurrence from the District Congressman, the Governor, and the Mayor. In March 1991, the executive committee of the Provincial Development Council passed a resolution in a special meeting requesting the PPA to buy the Balagtas property. But there were problems with the road right of way to the property so the Asst. Gen. Manager disapproved of its purchase. In the end, the team endorsed the purchase of Balete because the obstacles (e.g., resistance from residents) surrounding this site were still surmountable. The 62,952-sq.-m. property was purchased on May 24, 1991. In June 1991, the PPA informed the provincial development council of Batangas that it had purchased the Balete property.

Acquisition and site development costs ultimately determined the choice of Balete, 7 kilometers from the port. Later, the city government offered Sico (15 kilometers from the port), their only available property to accommodate the sharers and renters. Originally, PPA did not include them in the beneficiary list as the law does not stipulate the provision of a relocation site.

On July 8 1991, Barangay Balete filed a petition before the Sangguniang Panglunsod ng Batangas (Provincial Legislative Council) objecting to the relocation of Sta. Clara residents to their community. But this petition was addressed and resolved by the local officials. This resistance, however, would shape the host community's attitude and behavior towards the relocatees.

Consultations/Public hearing. As mentioned earlier from 1988 to 1992, the PPA held several consultations and meetings (please see chronology in Appendix A) with local officials including representatives from the Sta. Clara Barangay Council. After the acquisition of Balete, a public hearing was organized in Sept. 1992 regarding the desirability of the relocation site. It was almost cancelled because the Sta. Clara representatives did not come. When the barangay captain showed up he said he was in favor of the site but the residents refused to attend because they wanted the hearing to be held in the community. It was decided that the team could not look for alternative sites as the PPA had already invested P23 million in Balete's site development.

The deadline for voluntary relocation was set for March 15, 1993. But this was derailed because on March 9, 1993, 13 NGOs wrote to JICA as well as an open letter to President Ramos in a full-page ad in national newspapers, on behalf of the Sta. Clara residents' objections to the relocation. President Ramos instructed the DND (Department of National Defense) National Defense Secretary and the DOTC (Department of Transport and Communications) Secretary assigned to Region IV in the Cabinet Organization for Regional Development (CORD), for his Ad Hoc Committee (created in Feb. 15, 1993) to conduct hearings/consultations, and to resolve the issues raised by the affected residents. When the National Defense Secretary called the 13 NGOs to a meeting in Camp Crame, he explained to them that he, being from Batangas, was quite committed to resolving this issue. From March 1993 to December 1993, several consultations were held but according to key informants from the NGOs, local governments and national agencies, the demands of the Sta. Clara group kept on changing and the price for compensation kept on going higher. Supposedly, every time the officials agreed on certain demands of the CLARA-CBO regarding the relocation package, the latter would present another set of demands to the Ad Hoc

Committee. But according to the leaders of CLARA-CBO, they were clear on their position: on-site or nearby development but not relocation far away from the port. This position has also been reiterated by several petition letters that the group had written to the media, NGOs, and government officials in Japan and the Philippines. The PPA/local officials, on the other hand, had to insist on Balete (7 kms. away) as they had purchased and developed it already. Towards the latter part of 1993, the negotiations bogged down because both sides remained fixed on their positions.

It must be noted that at several points of the negotiation, the Committee had to organize consultations with other segments of the Sta. Clara community who claimed that those with alternative positions to CLARA-CBO were “prevented” by the latter from participating in the process. The leaders of this alternative group also claimed that they were marginalized from the negotiation process as well as in their economic activities by the CLARA-CBO leadership. These allegations, however, were denied by CLARA-CBO.

In early January 1994, the PPA (through Board Chairman and the Secretary of Transportation and Communication and the General Manager), the Batangas city mayor, and the Ad Hoc Interagency Committee Chairman and the National Defense Secretary sent a letter to the affected residents outlining the final offer of relocation package and options for different types of residents (see Appendix C for examples of demands and the final offer). PPA served the first notice to vacate on January 20, 1994 and another one on February 3, 1994. The first notice of actual demolition was served on April 20, 1994 informing the residents that they will start dismantling the structures on April 25, 1994. Responding to pressures, the Japanese government appealed on April 27, 1994 for a peaceful solution. President Ramos then decided to postpone the demolition. In the May 1994 elections, a leader of CLARA-CBO, was elected barangay captain. According to the local officials, this affected the subsequent outcome of events as the barangay captain decided to stop negotiations in early June 1994. CLARA-CBO, however, denied this. They asserted that they were always willing to negotiate as long as their rights were respected. Respecting their rights, however, meant scrapping the earlier decisions of the Committee (where Sta. Clara was represented by the previous barangay leadership) which had already been implemented, entailing great costs which the Philippine government could hardly afford.

The Demolition. President Ramos approved the demolition order upon the recommendation of Ad-Hoc Committee Chairman who was convinced it had already exhausted all means to secure the approval of the affected residents. The night before June 27, the demolition squads (530 in number) backed by a battalion from the Philippine National Police began taking their positions.⁸ Meanwhile, the community also prepared themselves for their last struggle. At 8:00 a.m. of June 27, the demolition squads started dismantling the housing structures. In the course of the demolition, several unfortunate incidents happened: the use of tear gas by the police and the throwing of molotov cocktails/stones allegedly by the residents. As a result, one child (exposed to

⁸ Accounts of the demolition from the documentary records, key informants, and affected residents had some variations. Some records alleged that there were 552 members of the demolition squads and 2 battalions of the PNP Regional Command. Although, records show the participation of the members of the Philippine National Police, residents insisted that the military was also present. It could be that in the Philippines anyone wearing a fatigue uniform is invariably associated with the military. This allegation was strengthened by the dominance of the National Defense Secretary in the consultations/negotiations.

tear gas) was hospitalized, a member of the demolition squad was hit by an arrow, another one was hit by a bullet, and a resident reportedly died of a heart attack.

Majority of those who resisted the demolition (about 300-400 families) ran and settled in the nearby property of Villa Anita.

Delivery of compensation. The compensation package consisted of the following: Structure owners were entitled to a free 50 sq.m. lot in Balete, core housing worth P25,000, and a disturbance fee of P10,000; while sharers/renters could have 70 sq.m. lot, core housing P25,000, and disturbance fee of P10,000.⁹ In addition, Balete and Sico were given P1.5 million each (or a total of P3 million),¹⁰ for livelihood from the Office of the President. Financial compensation was given in check form. The delivery of the compensation was done by a group of community volunteers organized by the PPA, who based their operations at the National Manpower and Youth Council (NMYC) headquarters in Batangas City. The PPA made arrangements with a bank so that the relocatees could encash the check they received even without their having an account with the said bank. Majority of those who resisted claimed their financial compensation and subsequently handed it over to the CLARA-CBO leadership to buy a resettlement site. It must also be noted that owing to the continued resistance and appeals by the affected residents, the PPA announced in September 1994 it will give an additional P5,000 compensation, in lieu of the P10,000 loan demanded by the relocatees.

Preparation of resettlement sites. The preparation of the Balete resettlement site took place between 1991 and 1993. After the completion of site development, a Notice to Vacate was issued on January 20, 1993 but no mobilization took place. The Presidential Management Staff called for a meeting on February 15, 1993 to facilitate the establishment of an operation center in PPA to help relocate volunteer families. The deadline for volunteer relocation on March 15, 1993 was postponed because of the dialogue called by the National Defense Secretary.

The site development of Sico (the building of roads, and installation of infrastructures for basic services) was done by an engineering battalion from the army between November 1994 to November 1995. According to the documents, the preparation of the resettlement sites cost a total of P5.07 million.

Measures taken by the Japanese Government/ JBIC. The Japanese government (JG) made clear its position to the Philippine government that it wanted a peaceful resettlement of the Batangas port residents. In fact, the loan release was dependent on the resolution of this issue. This position has been reinforced also by representations of the Japanese government to the administration of Fidel V. Ramos. In fact, President Ramos tasked the National Defense Secretary, to head the Ad Hoc Committee hoping that a peaceful resolution to the issue could be realized especially since it is from Batangas. Thus, the JBIC/JG seemed to have used their fund leverage for the Philippine government to effect a peaceful resolution to the issue. Unwittingly, however, this appeared to have strengthened CLARA-CBO's resolve to push for the cancellation of the port development and expansion and for PPA to become determined to push for their relocation.

⁹ The residents also had the choice of P20,000 cash instead of a core housing worth P25,000.

¹⁰ Part of this fund was used to purchase two jeeps for Sico for their transportation needs as well as an income-generating source for their community cooperatives, which had been organized to augment their incomes.

After the relocation, in response to the appeals for help from affected residents, the Japanese government financed the following: (1) construction of the 10.1 kms. access road to Sico (P52 million), and (2) a modern health center with facilities in Sico and medical facilities in Balete. According to JBIC records, the total grant amount approved was 6.4 million yen. But apparently, this was not maintained as the residents in Balete are currently complaining of inadequate medical facilities. The local government is also currently building a community hall in Balete which could also serve as a training center according to the officials. Pres. Ramos also instructed the PPA and local officials to create a tripartite committee to mainly address the job opportunities in the port and the livelihood needs of affected residents.

The Relocation Process: An Evaluation

As discussed in Part I, prior to demolition of areas required for infrastructural development projects, the law requires: (1) consultations with the affected residents, (2) a 30-day notice to vacate, and (3) provision of relocation areas. In the Batangas Port Phase I relocation, **these legal conditions were all met**. But assessing the adequacy of the actions of stakeholders in the light of legal requirements is not very difficult. What is difficult to assess is whether the decisions of the stakeholders were the best that could have been done in order to avert the demolition without agreement from the affected residents. But these are easier assessed after the fact rather than during the occurrence of events that led to the demolition. What is only clear from the documents and the interviews is that the stakeholders had the strongest conviction that they were doing the best at that given event.

Consultations about the relocation/compensation package. Opposition leaders alleged that the implementing agencies did not conduct enough consultations. This is despite the series of consultations conducted by the government with the community through their leaders from 1988 to 1992, and more intensely from 1993 to 1994. The results of these consultations, however, were not sufficiently relayed to the residents nor were they thoroughly consulted by their leaders regarding the options in the relocation package. These consultations followed a rather top-down approach and appeared more like information dissemination to the residents. Moreover, since PD 772¹¹ criminalizes squatting, the offer of a relocation package was viewed by PPA/local officials as more than sufficient compliance of the UDHA law. More significantly, midstream in 1992-93, a new group (CLARA-CBO) became dominant in the community leadership, who alleged that they did not concur to the relocation conditions agreed by the previous leadership and that they were “sold” by their leaders. The assumption of President Ramos in 1992 and his keen interest in modernizing the port brought in the participation of the National Defense Secretary. into the picture, affecting greatly the outcome of relocation events. His committee cut the Gordian Knot, so to speak, in the Batangas relocation issue by implementing the demolition.

The CLARA-CBO mounted a strong opposition to the port modernization because they saw it as part of the larger developmental pattern exemplified by the Calabarzon Plan that will marginalize the workers and the peasantry. This seemed to have made them closed to the idea of relocating at all. Those allied with CLARA-CBO alleged that the PPA did not have a right to demolish their homes as there was still a court case pending regarding their status in the port. But the committee of the National Defense Secretary, after going through several negotiations and allegedly receiving intelligence reports that the community was infiltrated by left-leaning elements,

¹¹ In 1994, Republic Act No. 8368 “decriminalized” squatting.

deemed that the only possible way to resolve the issue was to move demolition squads in with police support. Thus, the whole process culminated to a demolition without agreement.

Differentiating structure owners/ renters. The National Housing Authority (NHA), the Philippine government agency responsible for relocation recognizes **only** the rights of structure owners. Thus, the policy to differentiate structure owners from sharers/renters follows the legal framework. In Sta. Clara, however, the claims of sharers and renters to a compensation package was accommodated because of representations made by local officials, church leaders, and allied NGOs. Thus, the local government of Batangas City offered the relocation site of Sico which was the only available property of the city. This site was added to accommodate the increased number of affected families.

Increase in number of relocatees and characteristics of volunteers. The different surveys revealed an increasing number of affected families (1988 survey---718; 1992 survey—971; 1993—1,465). The reasons for the increase include: 1) expansion of the port area, 2) quite a number of residents were working/out of town during the period of survey, and 3) some mistrusted or did not understand the purpose of the survey so they refused to be enlisted during the PCUP-led survey which became the basis of the master list. Although the evidence is not conclusive, the list may have expanded because the respondents included other adult/married members of the household. Apparently, in anticipation of the small lot allocation, families wanted to maximize their package by enlisting other members. Owing to so many complaints of the incompleteness of the list, the survey was revalidated in collaboration with the LGU, the leaders, and the residents. But even after the revalidation and cross checking in October 1993, several appeals for inclusion still occurred.

The initial set of volunteers (a little bit over 200) relocated during the first quarter of 1993. They were mainly those who a) were not aligned with the CLARA-CBO thus relatively not organized nor politicized; b) recognized the government's right of eminent domain, and c) realized that demolition was inevitable and they were better off if they accepted the compensation package offered by the government.

Increase and delivery of compensation. The compensation package, which started at P5,000, kept changing and increasing because of the intense pressure and resistance mounted by the CLARA-CBO group. This was also reinforced by the support provided by church leaders and their allied NGOs who appealed on behalf of the urban poor residents of Sta. Clara. Meanwhile, the national/local governments and the PPA just wanted to implement the modernization of the port as they had already invested so much resources, time, and energy into the project. Thus, in a sense, they became vulnerable to the demands of the people, as articulated by the CLARA-CBO. Moreover, the local government officials, church leaders and NGOs felt sympathetic to the poor and thus pressured the national government/PPA to respond to these demands. PPA, lacking in relocation experience, suffering from intense pressures, and badly wanting to implement the project, accommodated the demands for increase in the compensation. Most of the compensation packages were delivered to the relocatees, with the exception of some who were not able to receive their cash settlement because of delivery problems.

Box 1. Compensation Package Completion

	No. of those who have Received compensation as of 19 July 1994	No. of those who have Received compensation as of 10 May 1996
Structure Owners	638	1039
Renters/ Sharers	275	419
Total	913	1458

Adequacy of compensation and income restoration package. In comparison to other relocation experiences in Metro Manila, the compensation and income restoration package in Batangas City was quite superior. As shown in Appendix D, the relocation package in Dumaguete and Norzagaray did not provide compensation nor an income restoration package. At most it provided compensation equivalent to 5-days wage, in the case of the Pasig Rehabilitation. But perception of adequacy is relative to the expectations of the recipients, which were quite high in Sta. Clara because of the CLARA-CBO campaigns and assertions. Thus, it is quite doubtful whether satisfaction can be obtained in this situation.

The relocatees were allocated a total of P3 million to finance their income generation activities. These were used to purchase two passenger jeepneys in Sico (two jeepneys in Balete were donated by the PPA) and capitalization for their cooperative and other income-generating projects like garment sewing and crafts. But all of these business enterprises allegedly went bankrupt because of mismanagement and corruption among the cooperative officers and workers.

Although quite generous compared to other income restoration packages in other relocation sites, these initiatives did not work effectively because of the lack of socio-technical preparation and low capabilities on the part of the relocatees and their leaders to manage and operate the micro-enterprises and cooperatives.

Delays in the relocation process. The problems and delays surrounding the relocation process was also affected by the failure of the members of the Interagency Committee like the National Housing Authority to come up with the resources that they promised to contribute. The local governments did not also have the budget to provide for the relocatees' needs. In the end, the PPA with the help of the National Defense Secretary's committee and local officials had to mobilize resources from other sources. More importantly, both the PPA and the local governments were not adequately prepared nor did they have the experience to handle resettlement issues. The delays were also compounded by an immensely slow bureaucracy and the numerous requirements needed to approve the allocation of resources.

Although the major reason for the delay of relocation was the opposition of the residents, this was reinforced by the weakness of the government and its bureaucracies, strongly manifested in their vulnerability to so many contending factions within and without (e.g., elite-based interests and political ambitions of leaders, overlapping jurisdictions of agencies, NGOs with varying political ideologies, among others).

The Japanese Government/JBIC interventions. Prior to the loan agreement, the Japanese government and the JBIC made it clear that the relocation of Sta. Clara residents was the responsibility of the Philippine government. This requirement was also reinforced by the environmental compliance certificate issued by the Department of Environment and Natural Resources (DENR). Thus, it was appropriate that the JBIC waited until after the relocation to

resume the project operations in accordance with the prescribed responsibilities of the parties involved.

The Japanese government (JG) was certainly keen on arriving at a peaceful resolution to the “illegal settlers” issue in Sta. Clara and based on documentary evidence made several representations to the Ramos administration to appeal for an amicable settlement. But in the final analysis, the demolition occurred because the negotiations bogged down and the loss of trust between the Philippine government and the CLARA-CBO. Even the sympathetic NGOs and church leaders sort of withdrew from the picture because of their disappointment with the outcome of events. Thus, at this point in June 1994, the government had spent so much money on the Balete relocation site and the negotiations were not going anywhere amidst intelligence reports of infiltration of left-leaning elements in Sta. Clara. Given these conditions, it was doubtful if there was anything that the Japanese government could have done to prevent the demolition without both sides incurring irreparable political and economic costs.

Part III. The Impact of Resettlement on the Socio-Economic Conditions of Relocatees

Introduction

Balete is seven kilometers from the port area (see map in Appendix G). It was bought, developed and prepared by the PPA for occupancy by the relocatees. Meanwhile, Sico which was donated by the Batangas City government, is located 15 kilometers from the port area. When the relocatees transferred to the site, it was still largely a forest area with footpaths as access to the main road. For more detailed descriptions of the sites, please refer to Appendix F.

Living Conditions

Geographical & socio-economic aspects. Majority of both Balete respondents (63 percent) and Sico respondents (74 percent) found their relocation sites to be more satisfactory than Sta. Clara. For them, the new sites are more spacious, structurally organized and have a good physical environment while they had found Sta. Clara to be congested, dirty, noisy, and having minimal facilities. The distance to the port, however, had made their livelihood difficult. They also noted the stress of adjustment, the lack of employment, water supply, medical facilities, and garbage collection system. Sico residents complained of the pollution coming from the Fortune plant nearby. While both areas suffer from lack of livelihood, Balete has a higher unemployment rate (53 percent) than Sico (45 percent). In Balete, many adult males can be found roaming or standing by the streets during working days. Key informants also noted a higher incidence of drug use and interpersonal friction in Balete.

The high unemployment rate, however, is partly accounted by the inclusion of housewives in the sample. Thus, in Balete, of the 53 percent unemployed, 47 percent were dependent on other household members for support. In Sico, of the 45 percent who were unemployed, 41 percent could rely on other household members as well. But in urban/rural poor households, several income earners including housewives are necessary to make ends meet. All in all, only six percent in Balete and four percent in Sico are absolutely unemployed and with no one to support them.

Balete and Sico relocatees differed significantly in their perception of the state of peace and order in their areas. Balete informants seemed more dissatisfied with the interpersonal relationships in their neighborhood. Quarrels among couples and neighbors as well as teenage love

affairs were presumed to be high in Balete. Sico informants, meanwhile, found their area to be more peaceful and orderly than Sta. Clara, despite the massacre that occurred recently at the site.

Majority of the Balete respondents (84 percent) and all Sico respondents perceived that they and their fellow relocatees experience the same adjustment difficulties even five years after their relocation. Except for those who do not rely on the port for their livelihood (e.g., overseas contract workers, government or private employees), everyone is still coping with the physical and economic repercussions of displacement and relocation.

Basic services. As previously mentioned, the relocatees had different living conditions in Sta. Clara. Thus, their judgments of the adequacy or inadequacy of basic services (i.e., water, electricity, education, health and transportation) largely depended on their own individual conditions in Sta. Clara. In Balete, there are artesian wells as well as running water from the National Waterworks and Sewerage System (NAWASA). Eighty (80) percent of Balete respondents found their water service more adequate because it is metered and more predictable than in Sta. Clara. Meanwhile in Sico, 96 percent of respondents found water supply to be very inadequate because it is expensive and murky. The water tank built by the 51st Engineering Battalion was not maintained well. A huge debt (electric costs) which was settled by the provincial government was also incurred during the construction. Sico residents now have to buy their daily supply of water at a higher price from outside the community.

While in Sta. Clara, some relocatees had illegal electric connections, others had metered access to MERALCO and a few had no electricity at all. In Balete, 86 percent of the respondents found the regular and metered MERALCO service more adequate. Sico respondents get their electricity supply from the Batangas Electric Corporation (BATELEC), whose services 57 percent of the respondents found inadequate as compared to what they had in Sta. Clara because of frequent blackouts and higher charges. Their current monthly electricity bill is approximately P250; at Sta. Clara, they only paid P45 every month.

Majority of Sico respondents (91 percent) and Balete respondents (89 percent) found health services more adequate and accessible in Sta. Clara because it was near the city hospital with more complete facilities, and personnel to serve residents everyday. In Balete, the midwife visits only every Friday and a doctor is available only once a month. Residents have to go to town or the city hall to get medicines or to the city hospital for health services. Sico residents likewise experience the same inadequate health services. This is despite the donation by the Japanese Embassy of a bigger health center with more facilities.

With regard to education, 83 percent of Sico respondents found it to be accessible and adequate; 60 percent of Balete respondents, however, rated it as inadequate. But both sets of respondents shared the observation that the quality of education in Sta. Clara was better. College education was available in Sta. Clara, while in Sico, only day-care service, elementary and high school education were offered. But elementary classes are held only for half a day; thus, the children are perceived to learn less. In Sta. Clara, elementary classes were held the whole day. In Sico, respondents felt that their children are safer from street danger because the school is nearer; in Sta. Clara, children had to travel farther and exposed themselves to more risks. Meanwhile, the school in Balete only has a footpath, which gets very muddy during the rainy season.

Transportation was not a problem in Sta. Clara but relocatees find it difficult in their current place of residence. Although Balete is nearer the city (15-20 minutes ride by jeepney) than

Sico (40-50 minutes ride costing by jeepney but vehicles become scarce after 5 p.m.), 77 percent still rated transportation to be inadequate while only 35 percent of Sico respondents rated it so.

Physical characteristics (i.e., facilities, services) are better in both relocation sites because availability of better housing and basic services. Respondents, however, feel that they cannot sustain these because of lack of employment and income. Thus, only 30 percent of Sico and 34 percent of Balete respondents found living standards adequate.

All Sico respondents and 91 percent of Balete respondents said that Sta. Clara definitely had more job and income opportunities. They also asserted that mutual cooperation systems were more visible in Sta. Clara where they had stronger cooperation and more cohesive groups. They had a vendor's and driver's cooperative, a *paluwagan* (an informal savings/micro-credit scheme), and other special projects.

In the relocation site, majority reported the short-lived cooperative for two jeepneys, a regular clean-and-green project and a *paluwagan*. But they are quite unaware of other livelihood programs and they admitted that there is little cooperation among relocatees. They do not seem to trust their leaders and they have difficulty adjusting to their new neighbors. In Balete, especially, people feel that they are disorganized, uncooperative, and envious of each other. Previous attempts at cooperation failed which is why the city government took the jeepneys away from them.

Respondents in both Balete (83 percent) and Sico (70 percent) found the infrastructures to be more adequate. They feel like they are living in a subdivision with well-constructed roads, houses and facilities (i.e., toilets, drainage, rural health unit, and school). However, Balete respondents claimed that there are not enough lighting facilities and that some portions of the drainage system are clogged, thereby emitting a foul odor. The respondents also complained that the roads are narrow. Sico respondents also have problems with lighting facilities and water.

Majority of the Sico respondents (83 percent) and Balete respondents (73 percents) reported that infrastructure is maintained through regular cleaning programs. In Balete, these are initiated by barangay officials; in Sico, maintenance is done through the cooperation of families and barangay officials. Balete respondents, however, noted that lack of funds prevented the improvement of facilities. Meanwhile, Sico respondents observed that except for the water tank, all infrastructures in their site are new and well built.

Income levels. Monthly median incomes are lower in Balete (P5,000) and Sico (P7,000) than in Sta. Clara (P6,150; P9,000 respectively). Respondents attributed the decrease in their incomes to the lack of income sources in their respective new communities. Sta. Clara had higher demand for vending and services (e.g., laundry, carpentry, carrying baggage). But even relocatees who continued vending at the pier still earn less because of the rotation scheme of vending stalls arranged by the PPA. Their incomes also decreased because of death/illness in the family, change in the employment and remuneration, and inflation. For a more detailed description, please refer to Tables 17 and 18 of Appendix F.

Income generation/restoration programs. Awareness of income restoration programs (IRPs) is higher in Sico (48 percent) than in Balete (43 percent). But both Balete and Sico respondents claimed that officials did not inform them about these initiatives because the latter were the ones who benefited from these programs. They also felt that information about livelihood programs came as promises that were hardly fulfilled.

Only about one-third of the relocatees said that they had participated in IRPs. The DSWD assisted women in setting up small-scale general merchandise stores and handicraft activities. However, the relocatees were not able to return the capital that DSWD lent them. DSWD also conducted seminars in making candles, meat/food processing; dressmaking, and hairstyling. But there was little appreciation for these programs because these are not quick ways of earning money.

Expenditures. Sico respondents spent a little bit more in the relocation site (P4765) due to transportation, water, and electricity expenses, increase in prices/fees than when they were in Sta. Clara (P4720). Balete respondents, however, said they adapted their spending patterns according to the availability of money. Thus, their mean monthly expenditure in Balete was P5, 212.20 while in Sta. Clara, it reached P6, 691.34.

Perceptions of Residents in Host Community

Residents in the host communities of Balete and Sico are more financially established. They have stable jobs, have bigger lots, and are more educated. Thus, some of them are working in the formal sector (e.g., professionals). They also own farms, raise animals, sell fruits, and vegetables, and have other sources of income. Relocatees, meanwhile, have to work harder and depend on government assistance.

The relocatees' initial interaction with residents in the host communities were unfriendly and even hostile. Majority of the Sico respondents (61 percent) felt there is better cooperation between them and their host community, compared to those in Balete (49 percent). Sico relocatees felt that they integrated into the community, while those in Balete sensed hostility with their new neighbors, especially with regard to drug addiction.

Lot Titles, Housing Assistance, and Selling of Rights

Titles to home lots. Almost all of the Balete (84 percent) and Sico relocatees (96 percent) do not have titles to their home lots; this erodes their confidence in the legitimacy of their occupancy. This has reinforced the rumors spread by Villa Anita residents that the government will eventually displace relocatees again because of their lack of lot titles. Supposedly, the PPA had informed them that they must pay their taxes for 5 years before they can claim their titles. They were also told that the PPA would settle it in the near future if they pay their tax, or when all the lots have been occupied. Other reasons given were: 1) the relocation area is government land and therefore they could only be given rights to the lot; and 2) the government wants to avoid the selling of rights by residents¹².

Selling of rights. Majority of the Balete respondents (91 percent) and Sico respondents (87 percent) said that many relocatees have moved out because of economic difficulties. Some have also sold their rights for as low as P7,500 to as high as P100,000 depending on whether they were

¹² [JBIC footnote] According to the PPA, lot titles in Balete are given to the relocatees when relocatees declare their land tax, and after paying the land tax for 5 years, they can sell the lot. On the other hand, according to Batangas City, relocatees in Sico can get the lot title in the same manner, but they cannot sell the lots, since the lots are considered to be the possession of both LGU and relocatees. The reason why most of the relocatees do not have the titles seems that only a small number of relocatees have declared their land tax so far.

selling the house, lot or both. Prices were lower in Sico than in Balete because the former is farther and not as well constructed. A few (less than 10 percent) have rented out their houses for P400 to P500 monthly.

Relocation Experience

Consultation. Majority (87 percent) of both Sico and Balete respondents were consulted about the relocation site. Similarly, many respondents from Sico (74 percent) and Balete (93 percent) were consulted about the assistance package. However, about 50 percent of the respondents do not remember being consulted regarding income restoration programs. They also claimed to have been simply informed about the relocation site and assistance package. They said they were made to feel they did not have a choice but to move to the relocation sites.

The respondents also alleged that only their leaders decided and mediated the transactions between relocatees and government officials.

Demolition. The demolition in 1994 occurred despite several and intense consultations between 1993 and 1994 as Sta. Clara residents stubbornly fought their position of on-site development because their livelihood depended on their being in Sta. Clara. They also said that the PPA was bent on making them move as it had already bought the relocation site in Balete. Key informants alleged that they would have agreed to relocate if the government increased the amount of compensation to P150,000 per person. The information that they heard about the demolition was largely based on what their friends and neighbors had told them.

The respondents vividly remember the demolition as being been scary. While their houses were suddenly torn down, armed men were firing blank bullets to the sky, and residents retaliating with stones and bottles. There was panic and some were reportedly injured.

Opposition to relocation. Mostly vendors and drivers opposed the relocation because they did not want to lose their income sources in the port. Those who owned big houses and business establishments (e.g., restaurants, stores/mini-grocery, gambling joints, karaoke bars, and billiard halls) also opposed the relocation. Another opposing group was the CLARA-CBO, which is now in Villa Anita. Composed of both structure and non-structure owners, this group was quite forceful and influential in community decisions. They were willing to relocate only to a place near the pier. Those who were not included in the master list but owned lots/houses in Sta. Clara also opposed the relocation.

Changes in the beneficiary list. A few respondents said that some outsiders took advantage of the relocation package offered by the PPA. Another reason cited was that the counting was not done well; only structure owners were counted. There were also absentee homeowners. In one census, only heads of families were counted. Then in the next census, other household members were included, and so on. In short, the census process was not reliable.

Voluntary resettlers and oppositionists. Some residents in Balete and Sico were perceived to have volunteered to relocate because they wanted peace. Others fought but eventually relocated themselves. Others continued to resist because they wanted the government to raise compensation. Some felt compelled to oppose due to peer/family pressure.

Voluntary resettlers include those who did not depend on the pier for their livelihood such as government and private employees; structure owners who thought it practical to relocate and

follow the government; and renters/sharers who wanted their own house and lot. Other reasons for volunteering are: a) they did not have any voice to fight the government; b) they wanted to live peacefully with their families without the trouble of demolition; c) they were attracted to the relocation package, as well as to the promise of prioritized assistance, more money, bigger lots, and employment in the pier.

Compensation and delivery. The compensation that Balete and Sico respondents received varied. For Sico residents, compensation ranged from P5,000 to P40,000; Balete residents received from P10,000 to P50,000. Home lots that measured 50 square meters were given to Balete relocatees, and 70 square meters for those in Sico. They also received two to three sacks of rice and P400 worth of groceries

Fifty-seven percent of Sico respondents and 62 percent of Balete respondents received their compensation in checks, which they themselves or their relatives encashed. Most of them got their cash and check compensations from the PPA while food assistance was given by the DSWD. The rest received their compensation from the Land Bank, city government officials. A few respondents did not know from whom they got their compensation.

Resettlement and overall satisfaction. All in all, respondents are generally satisfied with their lives in Balete (74 percent) and Sico (65 percent). The relocation sites are now more peaceful, organized, and less polluted. They now live in their own houses. Even if they earn less and are having some financial difficulties, they have adjusted to and accepted their situation. However, they greatly desire to improve their livelihood and socio-economic situation.

Those who were not satisfied with their overall situation indicated the desire to go back to Sta. Clara. They feel shortchanged because they have no permanent sources of income, thus making it hard to maintain their usual standard of living. They said relocation is acceptable as long as they are given jobs and claimed that the livelihood the program given by the government was inadequate and not properly delegated.

While the above assessments of the respondents do have some empirical bases (their lack of jobs and decrease in household incomes), there, however, seems to be a tendency to romanticize the “lost” place/home and to remember the “best parts” of that experience. This phenomenon, known as *selective retention*, is exhibited mostly by people who are highly frustrated and disappointed with their current conditions.

Notes on Villa Anita squatters/settlers. Residents who refused the relocation package in Balete and Sico “settled” in the nearby property of Villa Anita. Based on documents, about 300 families rejected the offers of both relocation sites and during the demolition sought refuge in Villa Anita. According to the barangay captain, during the time of the evaluation about 600 families had already settled in the area. The original group who refused to relocate to Balete and Sico pooled their financial compensation together and bought two hectares from the Puyo property. The city government bought for them an additional hectare for P7.7 million, bringing the total land cost to P21 million. The Puyo property had earlier been rejected by the Committee on Site Selection because it was mostly fishponds and P10 million would be needed to reclaim it according to the feasibility study. Moreover, it has problems with the road right of way (RROW). Five years later, Puyo remains underdeveloped. Families live like squatters; the absence of basic services such as piped water, drainage and sewerage system is quite notable.

Interestingly, those who are now squatting in Villa Anita still feel they are better off compared to those who went to Balete and Sico. They argued that now they are real owners of the Puyo property compared to the relocatees who have not received their lot titles yet. They also said that the relocatees still go back to the port for their livelihood. They also claimed that some relocatees have gone back to the port and have become squatters like them in Villa Anita.

Summary of Issues: Socio-economic Impacts

Changes in living standards and relocation. The changes of living standards among relocatees can be largely attributed to their relocation site being far from their place of work, to their low levels of education and lack of skills, and to the “formalization” of the organization of port activities like vending/selling, portage and other services. In Sta. Clara, prior to their relocation, they were free round the clock to create any source of income (*“puwede kang mag-diskarte maski ano”*) ranging from vending/selling goods/services, entertainment services to creative employment like hazzling rides/services for passengers, carrying baggage, pickpocketing, and the like. After the relocation, they have to spend on transportation and their hours in the port became more limited because they have to go home early to catch the last jeepney trip at 5 p.m. Before, they could stay in the port as long they wanted because they lived nearby. Now, as the port is being modernized, entry is quite restricted to protect the passengers from hassles according to the PPA. In the same manner, vending/selling is limited to 56 stalls which several hundred members of five cooperatives/associations take turns in occupying. **Thus, the modernization of the port and the formalization of activities associated with it have severely restricted the opportunities of relocatees who are still used to operating in the informal sector.**

Income restoration programs. The income restoration programs in the relocation sites (e.g., cooperatives, income-generating activities like the two passenger jeepneys for each site, sewing garments, crafts) did not work effectively because of mismanagement and corruption among the officers and workers (e.g., driver). The cooperatives set up by the relocatees were not able to recover the capital given for micro-credit activities as the borrowers refused to pay. They alleged it is part of their benefit package and also they were so pressed for money for their survival needs. The jeepneys were not maintained properly. Two have ceased to being operational. One (in Sico) is still being held hostage by the homeowner who wanted compensation for his house after being hit/destroyed by the jeepney. While another one (in Balete) is being “monopolized”/“privatized” by one of the leaders among the initial volunteer relocatees.

It must be also noted that the PPA had constructed 56 stalls for vendors in the port. But residents complain that this is not enough for the over 500 residents who are engaged in vending/selling. In the same manner, PPA also said that they gave opportunities to the residents to manage a canteen cooperative in the port. PPA alleged that the relocatees’ groups could not come to an agreement of how to manage it. CLARA-CBO, however, alleged that the PPA were “sabotaging” their efforts by having their own cooperative.

Levels of satisfaction by socio-economic location of respondents. The experience of relocatees regarding the impacts of the relocation varied by different time periods and by their socio-economic conditions in Sta. Clara. Right after the relocation, the relocatees had several complaints regarding the inadequacy of the water, electricity, and basic services. Two years after

the relocation and now when these problems have been fixed, there is relative satisfaction among the relocatees.

The relative satisfaction experienced by relocatees vary according to their position/alignment in the negotiation (fixed on-site development or amenable to relocation), income sources (tied/not tied to port activities), and their perceived level of loss in terms of home structures and income opportunities. Those who volunteered were amenable to relocation (and also recognized the government's power of eminent domain), or those who did not own much in Sta. Clara felt that the relocation have given them a more secure place to live. Those who derive their income sources elsewhere (families with OCWs, regular employment with public/private entities outside the port, selling and vending in the city or barangay) are quite satisfied with their housing structures in the relocation sites. But those who controlled businesses (e.g., karaoke bar, restaurant, mini-grocery store, beauty parlor, barbershop, etc.), had higher incomes, and/or owned big houses in Sta. Clara feel dissatisfied with their current conditions in Balete. Those who felt that the PPA was not sympathetic to their cause as well as those who had sympathies with the CLARA-CBO and their causes expressed their disappointments with the relocation site and the government.

It must be noted that Sico residents expressed more satisfaction with their place compared to the relocatees in Balete. The former were mostly sharers/renters and migrants from the Visayas area who felt lucky to have their own home and lot because they did not own much in Sta. Clara. According to them even though it is far away from the port, it is their own. Among those who owned their own homes in Sta. Clara but chose to relocate in Sico said they wanted peace in their lives. They perceived Balete to be "*magulo*" (disorderly) because of the presence of drug users and disgruntled big structure owners and business operators in Sta. Clara. They said that this group suffered a great loss in their fortunes. This relative satisfaction expressed by Sico residents could be also due to the fact that they seem to be more integrated to the old/host community compared to the Balete relocatees.

Social integration to host community. Balete and Sico relocatees seem to experience different levels of integration to their host communities due to geographical/physical and socio-political reasons. The Balete relocatees are separated from their host community by a subdivision perimeter fence. While it gives an ambience of security in a subdivision, it also sets it apart from their host community. It seems like the barangay captain is presiding over two barangays—each with their own set of basic services (health center, chapel, social hall, etc.) and each celebrating their community social activities like the annual fiesta, *Flores de Mayo* separately. In Sico, the barangay council made special efforts to integrate the relocatees by instructing them to adapt to the norms and lifestyles of the host community. There is no perimeter fence dividing them from the old residents. Both the old residents and relocatees go to the same health center and send their children to the same day care center and elementary school. They also celebrate the same fiesta dates and other community social activities together.

Maintenance of basic services/ infrastructure. The operation and maintenance of services and infrastructures in the relocation sites have not been very well managed by the relocatees. The community have not really worked out a system of maintaining the upkeep of these services (e.g., contributions to maintain the streetlights or replace damaged pipes/parts in the water system, regular cleaning of the drainage, pay for medicines and medical services and the like). In Balete, the 15 artesian wells installed by PPA did not function well so the city government had to install a P1.2 million water tank and the drainage system is not well maintained by the residents. It

was also noted that while residents complained of the inadequacy of streetlights, PPA still pay for their electric costs. Balete residents seem to think that the government must provide support in maintaining the services rather than the community. In Sico, despite the efforts of the local government and the national government, water and electricity services are not very reliable. They frequently experience brownouts and low water supply.

About 10-15 percent of the relocatees have either sold their rights and moved out. Majority of them have gone back to areas near the port in order to be near their place of work or have relocated to other areas of Luzon and the Visayas since they could not find jobs in Batangas City.

Land titles. The PPA has prepared tax declarations for all the lot owners as this document is recognized as proof of ownership in Batangas. But according to the PPA, only a few have claimed them as the residents would have to pay the tax. The residents, however, have claimed that it has not been distributed to them. They would like that these would be given (i.e., free) to them. This has been used by the opposition group to support their claims that the government will eventually get back the lands from the relocatees.

Assessment of relocation package. Compared to other relocatees in Metro Manila (Pasig and Norzagaray) and other port relocation projects (e.g., General Santos and Dumaguete City), the Balete and Sico residents have received a superior package of benefits (see Appendix D). Yet, quite a number are still quite dissatisfied with their situation because of the decrease in income sources.

Part IV. Evaluation of Resettlement Package in Batangas Port Development Project Phase II

Relocation Process: Phase II

The formulation and implementation of the Phase II relocatees in 1998 benefited very much from the lessons of the Phase I relocation experience. (See chronology in Appendix A for a more detailed documentation of consultations and negotiations.)

Phase II involved 77 affected families and all opted to be transferred to the relocation site of Balete. A thorough consultation process was conducted for the Phase II relocation. After a series of information dissemination, a consultation workshop was held on June 5-6, 1997 in Lipa City, a venue outside of Sta. Clara and Batangas City, so as to create an atmosphere of neutrality. External consultants organized and facilitated the consultation process. It was attended by representatives of 90 percent of the affected families, 50 representatives from 20 agencies and five (5) NGOs. The benefit package was clearly explained and the opinions of each stakeholder were given equal attention. There was relative agreement regarding the components of the relocation package. Between July 1997 and December 1997, a total of nine (9) consultation/meetings to iron out the details of the relocation package and the process itself were held. The actual transfer of the relocatees took place from February 16 to 28, 1998.

The systematic planning, open/participatory consultations, and the smaller number of people involved with clear lines of authority and responsibility allowed the Phase II relocation process to proceed quite smoothly. Moreover, the LGU officials involved were known and trusted by the people in comparison to those in Phase I where high level politicians/officials, who had their own agenda, were much more dominant. The relocatees of Phase II also seem to have a more positive view because of the perceived sympathy they got from LGU and JBIC officials involved in

the relocation. In the Philippine context, the manner that authorities conduct themselves (with respect/empathy/sensitivity) before the people is much more important than any legal provision.

Therefore, in comparison to Phase I, the Phase II resettlement process was quite smooth and peaceful since dialogues/consultations were relatively open/participatory and the negotiating parties relatively trusted each other.

Recommendations for the Vocational Program

In response to the appeal of affected residents, JBIC provided a vocational training programs (costing P38 million) for relocatees, as part of Phase II loan package. This involves the training/retraining of at least 1,000 affected residents so that they can find employment in the port or in industries outside the port. PPA has entered a memorandum of agreement with the government agency, the Technical and Educational Skills Development Authority (TESDA) to implement the program. The following section offers some recommendations to make the program more effective.

For a vocational training program to be fairly successful (i.e., high rate of absorption into the labor market among trainees), the structure/design of the training has to be matched closely with the capability/skills and potentials of the trainees and the human resource needs or labor market in the surrounding areas. More importantly, some efforts have to be made in linking the graduates of the training programs to the manpower demands and recruitment initiatives of companies/industries or other potential employers in the area. Thus, there is a need to exercise a strong positive affirmative action for residents relocated from the port premises. More importantly, the relocatees should be placed in training programs appropriate for their background and potentials. For example, relocatees who have low education and had mostly experienced jobs in the informal sector are not likely to perform well in technical training programs like machine shop operations and the like. They should also be trained in the ways formal employment structures operate and how to survive in this environment. This should also be matched with outreach initiatives to affected residents for effective targeting and placement. Mechanisms should be established to link the job training programs and the trainees to potential employers/industries. Currently, both barangay officials and relocatees from Balete, Sico, and Villa Anita complain that the PPA has not tried their best to accommodate them even in jobs requiring low skills such as arrastre services and construction. They claim that one still needs influential connections in addition to skills in order to find a position in the port. As of February 18, 1997, however, the records of PPA and that of a construction company contracted by the PPA, showed that 188 had been employed from affected families out of their total 652 employees; as there are not so many low-skilled jobs available in the port. JBIC, however, has exerted pressure on PPA to hire relocatees. From time to time JBIC has asked PPA to report the number of relocatees that they have hired.

The above complaints of local officials and relocatees seem to assume that the port facilities have high levels of labor absorption capacity. Considering that currently only 188 out of the several hundreds of relocatees have found jobs or positions in the port, it is unlikely that further training will greatly increase this figure. It may be worthwhile to link the training programs and graduates (especially the relocatees) to the labor needs outside the port and surrounding urban areas through job placement and community outreach initiatives.

Part V. Overall Assessment of the Resettlement Package of the Batangas Port Development Project Phase I

Appropriateness of the relocation process. The resettlement process in the Batangas port followed the **basic** requirements of the law, particularly UDHA as well as those principles governing resettlement articulated by the World Bank, the Asian Development Bank, and the JBIC documents. Thus, if we assess the resettlement process according to these frameworks, then it was able to fulfill the fundamental requirements. More significantly, the resettlement package was quite generous, if considered within the context of resettlement experience of both national and local governments in the Philippines.

But what made the Batangas port resettlement complicated is some “vagueness” of the law. The UDHA clearly rules that squatters in “danger areas” and in lands needed for infrastructure can be evicted as long as a notice to vacate has been issued and a relocation site has also been prepared for them. This can be done without a court order, only a notice to vacate is needed. But the Sta. Clara residents were under the impression (reinforced with assurance from their leaders) that the PPA would secure a court order because in other demolition cases, a court order had been served. So they waited for a court order and were surprised that the demolition team came on June 27, 1994. Moreover, the leaders believed that as long they had a court case in progress, their houses could not be demolished. But this is only in cases where the residents file a writ of preliminary injunction and a judge had issued a technical restraining order (TRO)¹³. From the available records, this was not apparently done. However, this is usually done in private lands, not in government lands needed for major infrastructural development.

But following or not following the legal requirements as shown above is not the main reason why the resettlement process remained unsatisfactory to the Sta. Clara residents, especially among those who opposed it as represented by the CLARA-CBO. The main reason for the contentious process was that both the PPA and the residents felt that there was no room for negotiation at all. Both sides were bent on sticking to their respective positions. The oppositionists were willing to “shed blood” in order to defend their position (“As is, where is” or on-site development or just nearby the port) while the Philippine government had already committed itself to modernizing the port through a loan package from the Japanese government. Thus, the government (mainly the executive branch and the PPA) felt they had to implement the project by all possible means. Thus, from 1992 until the demolition in 1994, the whole process of consultations and all the activities of both sides had only one goal: that their position will prevail on the other. **The possibility, therefore, of a demolition with agreement from the residents was quite remote.**

Also, the PPA and other government officials were convinced (based on the opinions of other residents) that the CLARA-CBO did not really represent the interests of the whole community but only of some segments of Sta. Clara. More significantly, they had military intelligence reports that Sta. Clara was infiltrated with left-leaning elements which is the main reason why their demands kept on changing. Supposedly, after agreeing on some points during the negotiations, the CLARA-CBO will consult their leaders in Manila and then change their minds about it. And according to the local officials, this kept going on for years that they became

¹³ Based on the interpretation of an attorney of the Alternative Legal Center or SALIGAN, specialist on UDHA, squatting and evictions.

frustrated and exasperated with the whole process. CLARA-CBO leaders, on the other hand, disputed this and maintained that they had only one demand: on-site or nearby development. Available records regarding changing compensation demands, however, seem to support the allegations of the PPA/local officials.

Based on the data obtained from the records, key informant interviews, and surveys, the relocation process followed by the Philippine government was appropriate. But assessing whether the actions of the different stakeholders were appropriate was not the central issue. For both sides, the main goal was how to achieve their asserted position: the government wanted development for everyone through modernization of the port while the CLARA-CBO maintained this will just marginalize them and therefore they will “shed blood” to defend their homes. Thus, the issues became muddled and complicated as frameworks of reference kept on changing as negotiations progressed with no resolution in sight.

How do we evaluate resettlement projects like Batangas? Evaluating relocation projects where demolition occurred without the agreement of affected residents is quite challenging and potentially contentious. But this can be evaluated based on the laws and policies governing it. In the Philippines, the UDHA requirements serve as the fundamental basis for evaluating such a relocation project. This shall be verified with data from secondary sources (documents/records) and primary sources (stakeholders and other key informants, affected residents, field observations).

Impacts on the relocatees. The relocation package was quite superior compared to other relocation packages in other parts of the Philippines (see Appendix D). This is also attested by the following positive impacts enumerated by relocatees: their ownership of house and lot located in spacious and peaceful environments with basic access to water, electricity, sewerage/drainage, health, and education facilities. It should be noted that post-relocation surveys in other areas have rarely shown this kind of positive evaluation of their houses and basic services.¹⁴ The negative impact is summarized by comments often repeated by relocatees, “What good is the possession of a home, when we do not have a stable job or source of income?” But this is the most common problem for off-city relocation. To my knowledge, no off-city relocation in the Philippines has successfully satisfied the economic/job requirements of relocatees. For elaboration of the impacts on relocatees, please refer to the summary in part III.

This evaluation has noted that the Batangas relocation experience was exceptional because of two key reasons: 1) the participation of high level officials, opposition politicians and the members of the PNP, and 2) the presence of opposition groups who maintained their position of on-site development throughout several negotiations as well as increased their demands for compensation as the negotiations progressed, making the stakeholders like the PPA, LGU and the national government representatives exasperated and some of the affected residents bewildered and confused. In addition, these seemingly intractable positions were reinforced by: 1) the excessive coverage both by the Philippine and Japanese media highlighting the sensational aspects of the relocation, 2) the support provided by the Catholic Church and allied NGOs (who later withdrew from the negotiation process), 3) left-leaning NGOs/CBOs in the Philippines, and 4) NGO support from Japan.

More importantly, the Batangas relocation process became contentious because of the characters and personalities, with clearly defined political/economic interests, in the negotiating

¹⁴ Based on the author’s review of literature on post-relocation surveys for the past decade.

process. While the PPA perceived the residents as quite unyielding in their position and demanding, the latter perceived the former as “righteous and arrogant” in their ways/behavior at the negotiating table. Whether these perceptions have concrete basis is not important. What is significant is that each side was guided and shaped by its perceptions. As W.I. Thomas said: **If the perceptions are real, then the consequences are real!**

The Batangas relocation experience was also a result of policies (LGC and UDHA) in transition to being institutionalized. Thus, the implementing agencies (PPA and the LGU) had no experience at all in dealing with relocation under a decentralized context. As a matter of fact, the Batangas port became a test case for the UDHA implementation¹⁵.

Part VI. Comparative Assessment of the Resettlement Package of the Batangas Port

Development Phase I

Compared to other resettlement packages in Manila and other parts of the Philippines, the resettlement package of the Batangas Port is relatively superior. This can be seen in the assistance package provided to relocatees in selected projects in Metro Manila such as the Pasig Rehabilitation and the relocation project in Norzagaray, Bulacan (see Appendix D). According to an NGO leader involved in the Batangas negotiations in 1993, some of the urban poor leaders in Metro Manila have said in private that if the BPDP relocation package was offered to them, they would grab it! Most relocation packages do not provide free housing/lot nor income restoration package as was given in Sico and Balete. This is illustrated in the case of the Pasig Resettlement Program and the Dumaguete Port Relocation Program shown in Appendix D. In Pasig, the relocatees had to pay for their housing. In Dumaguete, based on my interviews with officials from the NHA, local government and the NGOs, the process was smooth because both sides trusted that the other will try their best to get the best for the relocatees. But this kind of trust was absent in the relocation of Batangas Phase I but it seems to have been operative in Phase II. More importantly, Phase I involved so many government officials from all levels and NGOs with different political persuasions, each wanting to help as well as increase their political score. On the other hand, Phase II involved mainly the LGU of Batangas City and the people were quite cooperative.

Part VII. Summary and Lessons Learned

See “Executive Summary”.

¹⁵ Based on interview with an NGO leader specializing in urban poor issues, who facilitated the dialogue/consultations between government officials and residents. Accordingly, NGOs withdrew from the negotiations when CLARA-CBO’s demands kept on changing and becoming hard to fulfill (e.g., P100,000-P150,000 compensation for each family).

APPENDICES

Appendix A

Chronology of Events and Processes

Barangay Sta. Clara, Batangas is located along the northeastern section of Batangas Bay. It is believed that this portion of foreshore land was first settled on even before the **1900s** and has been passed down for generations. Initially composed of fisherfolk, the community found other sources of livelihood as vendors, stevedores and the like when the port was constructed in the **mid-1930s**. **Many of them have tried to secure formal ownership of the land since 1969 but have failed.**

In **December 1975** President Ferdinand Marcos issued *Presidential Decree No. 857* which broadened the scope and functions of the Philippine Ports Authority (PPA) to facilitate the implementation of an integrated program for the planning, development, financing, operation and maintenance of ports or port districts for the entire country. This charter was amended in **1978** by *Executive Order No. 513* which granted the PPA police authority, created the National Ports Authority Council and empowered the PPA to exact reasonable administrative fines for specific violations of its rules and regulations.

The Batangas Port Expansion Program was formulated by the Philippine Government and the Japanese International Cooperation Agency (JICA) in **1984**.

In **December 1985**, a JICA feasibility study was conducted. This document became the basis for the Batangas Port Expansion Project and in it the residents of Sta. Clara were identified as “squatters”. The JICA also completed its Final Report on the Study on the Development Project in the Port of Batangas City wherein it identified the areas to be affected by the short and long term plans for the development of the port.

The final report of JICA made the Sta. Clara settlers apprehensive. A Special Committee for Sta. Clara was created by then City Mayor-OIC through *Executive Order No. 10* on **10 June 1986** at the request of the Ad-Hoc Coordinating Committee for Sta. Clara. The Committee was composed of a representative from the City Government, the Parish Priest of the Parish of the Immaculate Concepcion, the Chairman of the Ad Hoc Committee for Sta. Clara (CLARA¹), the manager of the Batangas City Port representing the Philippine Ports Authority and the Office of the Ministry of Social Services and Development for Batangas City. This action signified the beginning of the Sta. Clara Relocation Program.

The officers were elected for the Special Committee for Sta. Clara on **2 July 1986**.

¹ Kalipunan ng Nagkakaisang Samahan ng Sta. Clara (= Society of United Residents of Sta. Clara), a civil society group of Barangay Sta. Clara.

In **December 1986**, the City Government of Batangas completed a socio-economic survey of the area to be affected by the Short-Term Development Plan. Seven hundred and eighteen (718) families were identified as living in six hundred and six (606)² structures.

Executive Order No. 159 was issued in **1987**. This order vested the PPA with the function of undertaking all port construction projects under its port system and granted the PPA financial autonomy.

The results of the survey conducted by the City Government of Batangas were presented to the Special Committee for Sta. Clara on **19 February 1987** and to the community on **5 March 1987**.

The JBIC E/S mission took place from **May – June 1987**.

After several meetings, the Committee decided to make plans concerning the relocation of the affected families. Four plans were deliberated on:

Plan A: which involved reclaiming the needed area was ruled out by the PPA representative in a meeting on **June 1987**.

Plan B: to acquire Villa Anita and the adjoining properties, was not possible because some of the owners were unwilling to sell.

Plan C: the acquisition of the Seremonya properties was difficult because the properties had several owners and were occupied by squatters.

Plan D: proposed by the City Government, was to acquire the Caedo property. The owner was willing to sell it and it was the most available and suitable site according to the NHA inspection report of 3 proposed relocation sites which was completed on **23 March 1988**.

The Inter-Agency Task Force was formed on **24 March 1988**.

The composition of the Special Committee for Sta. Clara was amended on **15 April 1988** in order to expand membership for the purpose of providing wider government participation and interchange of ideas.

An Inter-Agency Top Level meeting was held on **16 December 1988** to further consider the Caedo property. It was attended by representatives from the PPA, NHA, DPWH, DSWD, DAR, Office of Congressman, Batangas City Government and the Special Committee for Sta. Clara. The formulation and signing of the Memorandum of Agreement between all the agencies involved was accomplished at the meeting. The agencies and their assignments were as follows:

- a. National Housing Authority (NHA) – to undertake the acquisition of land and the construction of housing units with joint venture with the private sector.
- b. The Department of Public Works and Highways (DPWH) – to undertake the construction of bridge, river control and access road.
- c. Department of Agrarian Reform (DAR) – to attend to the land conversion requirements.

² Other accounts place the number of structures at six hundred and sixty (660).

- d. Philippine Ports Authority (PPA) – to construct a dike along the seashore to prevent soil erosion.

However, the MOA did not materialize at once because Caedo site was rejected on two counts: because the development cost was too high and the people were not amenable to it because it easily flooded during rainy season. It was eventually bought by a private individual.

The Municipal Council (Sangguniang Panglunsod) passed a resolution approving the draft of the Executive Order that declared and delineated the Batangas Port Zone with an area of 348 hectares under the jurisdiction of the Philippine Ports Authority on **26 June 1989**.

Executive Order No. 385, issued by President Corazon Aquino on **19 December 1989**, delineated the territorial jurisdiction of the Port of Batangas.

A Liaison Monitoring Committee was formed on **8 March 1990**, through a joint meeting of the Provincial and City Development Council, to scout for alternative relocation sites. After several meetings, the Committee came up with three alternative sites in **May 1990**. Unfortunately, all the properties (Caedo Property; Velasques, Custodio, Ocampo and Abrenica Properties; and, Macatangay and Cantos Properties) were not for sale.

The JBIC conducted its initial appraisal mission from **July – August 1990**.

A meeting was held on **17 July 1990** at the National Housing Authority in Manila, during which another committee was formed to look for alternative relocation sites.

On **17 September 1990** The City Mayor, the Sta. Clara barangay captain and the KLARA chairman met to reconsider the Serrano and Villa Anita properties as possible relocation sites. The City Mayor endorsed this option to the PPA but it was disregarded in **October 1990** because of the high cost of the properties (approximately P1,500 – P2,000/sq.m.).

President Aquino issued Executive Order No. 431 on **19 October 1990** in order to carry out the initial implementation phase of the Port Development Plan. This order expanded the jurisdiction of the PPA as provided for under *Executive Order No. 385* and delineated the port area to include the area occupied by the residents of Sta. Clara.

During a meeting with PPA, Provincial and City Government representatives, the officials of Sta. Clara, including Barangay Captain, at the Port Managers Office in Batangas on **27 October 1990** the Sta. Clara officials affirmed that they represented the affected families. They were then tasked with communicating with the affected families to find out about their attitudes towards and willingness to resettle in another barangay.

In early **January 1991** an evaluation, based on NHA criteria of the following sites was completed following site inspections by the Assistant General Manager Engineering, PDO-Luzon District Manager, City Mayor of Batangas, an NHA representative and officials of Barangay Sta. Clara:

- | | | |
|-----------------------|--------------------------|--------------------------|
| 1. Gulod Property | 6. San Pascual Property | 11. San Isidro Property |
| 2. Balete I Property | 7. Libjo Property | 12. Ibaan Property |
| 3. Balagtas Property | 8. Balete II Property | 13. Banaba West Property |
| 4. Sta. Rita Property | 9. Tingga Labak Property | 14. Pallocan Property |
| 5. Caedo Property | 10. Paharang Property | 15. Castillo Property |

The three highest ranking sites were considered and again inspected. The results were:

1. Gulod – a resolution from the Barangay Council of Gulod protesting the use of Gulod as a relocation site was sent to the PPA on **18 January 1991**.
2. Balagtas – this was initially the final choice agreed upon by the District Congressman, Governor, the Mayor, and the Sta. Clara barangay captain . However, problems about the road right of way emerged and it was found that half the property was already sold.
3. Balete – a letter of endorsement dated **9 May 1991** from the District Congressman, the Batangas governor , the Batangas city mayor and the Sta. Clara barangay captain was given to the PPA General Manager.

Meetings for the relocation project during the selection process were held at the Batangas City Hall on **23 February 1991** and on **2 March 1991** with some officers and the Barangay Captain of Sta. Clara present. Each time the Committee on Site Selection visited the proposed site, Barangay officials and members accompanied the group.

The Balete property, having an area of approximately 65,952 square meters was purchased by the PPA at P85.00/sq.m. on **24 May 1991**. During a meeting in **June 1991**, the PPA informed the Provincial Development Council that it had already purchased the relocation site in Barangay Balete.

Headed by their chairman, the residents of Barangay Balete filed a petition to the Municipal Council opposing the proposed relocation project in Balete on **8 July 1991**.

On **16 July 1991** a loan agreement with JBIC was forged in the amount of Y5.788 billion. The Port of Batangas was expected to help strengthen the industrial base of the outskirts of Manila through its role as a major shipping base. This project covered the construction of port facilities such as wharves as well as breakwaters.

On **25 July 1991**, the CALABARZON called for a Provincial Consultative Workshop in Batangas Capitol where representatives from Sta. Clara were present. Afterwards, a public hearing was advertised in a local newspaper.

During the Provincial Development Council meeting held on **26 July 1991**, the opposition of the Barangay Balete families to the relocation project was taken up. The City Government was also requested to conduct another survey of the affected families. The City Government representative was unable to make any commitments at this meeting due to the absence of the City Mayor.

The PPA Project Manager was invited to a meeting on **3 February 1992**. It was at this meeting that the Barangay Balete Captain once more aired the opposition of the Balete residents to the transfer of the affected families to their area.

The public hearing was held on **8 September 1992**, chaired by the Environmental Management Officer and attended by 4 PPA officials, 2 consultants, City Administrator, 7 people from the DENR and the Barangay Captain of Sta. Clara. The hearing was threatened with postponement due to the absence of the complainants. The arrival of the barangay captain as representative of his constituency allowed the meeting to resume. During the hearing, it was found that there was no answer to the question as to whether the residents

of Sta. Clara were properly invited or informed. Neither was there an answer to the question of whether there was any opposition to the project of the PPA. When asked by the Environmental Management Officer if there were any in favor of the project, the barangay captain replied that he was in favor of it. Moreover, he explained that he had convened the residents of Sta. Clara a few times and asked them to attend the hearing but they had refused and demanded that the hearing be conducted in their place. They also asserted their position that they would not leave and that the PPA should bear the burden of having to find another relocation site. Due to the continuous refusal of the public to attend the hearing they were declared in default and since no opposition to the PPA proposed project was raised, the meeting was adjourned. Afterwards a short meeting was held wherein the Mayor, PPA representatives, consultants and the barangay captain agreed to establish a Memorandum of Agreement to keep the communication lines open between the community and the project management. The endorsement letter as well as the minutes of the public hearing indicated that the people of Barangay Sta. Clara were amenable to Balete as a relocation area. Furthermore the possibility of acquiring another relocations site other than the newly developed/ constructed Balete relocation site was made difficult and impractical as P27.125M had already been spent on site development, P9M on financial assistance, and other options had already been exhausted. Consequently, the relocation program was planned and the schedules for relocation were as follows:

1. Original – 15 November 1992 to 31 January 1993
2. 1st revision – 15 January 1993 to 31 March 1993
3. 2nd revision – 15 March 1993 to 31 May 1993.

A **1992** survey of the area done by the PCUP showed that 80 percent of the Sta. Clara population were illegal settlers, 971 affected families were identified. The President was informed of this through a PCUP memorandum dated **17 November 1992**. There was also a voluntary relocation planned in this same period but it was hindered by the barricade set up by the opposing groups. The site development of Balete was completed by the PPA on **30 November 1992** and the initial relocation took place from **March 1993**.

On **5 January 1993**, the PPA was granted a Environmental Compliance Certificate by the Department of Environment and Natural Resources. Stipulated in the certificate are the following conditions:

- (1) that should damage to life and property occur during the project development, the proponent shall pay just and reasonable compensation to aggrieved parties (condition no. 10);
- (2) that relocation of affected residents shall be given priority for employment in the projects (condition no. 11); and
- (3) that the displaced residents shall be given priority for employment in the project (condition no. 12).

After the site development of Balete was completed, a Notice to Vacate was issued on **20 January 1993** but no mobilization took place.

The PPA filed a case for ejectment (*Civil Case No. 3601*) against the affected families occupying the expanded portion of the delineated Batangas Port Zone located at Barangay Sta.

Clara on **9 February 1993**. In the filed complaint, the PPA asserted their territorial and administrative jurisdiction over the Batangas Port Zone as granted by *Presidential Decree 857*³ and delineated by *Executive Order No. 431*⁴. They also identified the repeated refusal of the affected families to vacate the premises as an obstacle to the implementation of the expansion and development project of the Batangas City Port.

The Presidential Management Staff called a meeting on **15 February 1993** to discuss the facilitation of mobilization activities. As a result, an Operation Center was based at the PPA in Batangas to provide assistance for the volunteer families. The President also called for the creation of an Ad-Hoc Inter-Agency Committee composed of the PPA, DND, NHA, PCUP, PWP, Batangas Provincial and City Governments, DSWD, the Office of Congressman, the National Manpower and Youth Council, and the Presidential Management Staff. The National Defense Secretary was requested to head this Committee.

On **9 March 1993** members of 13 social development NGOs (along with 300 other signatories) in the Philippines wrote a letter to JICA outlining their position regarding the Batangas Port Expansion Program's resulting displacement of (then) 1,200 families in Sta. Clara. They published the same as an open letter to President Ramos. They stated that:

- (1) the residents of Sta. Clara have lived and made a living in their area since the 1900's thus they have a moral and legitimate right to participate and be heard;
- (2) the compensation package being offered to the residents is inadequate and unjust;
- (3) the whole process of planning and project implementation has been conducted in a highly questionable manner;
- (4) the compensation package and choice of relocation site could have been more just and acceptable if the government and technical planners had seriously consulted the people and took into consideration their moral right and welfare;
- (5) the people could have presented the PPA and the government with viable on-site development plans; and
- (6) the group questions the manner by which the Philippine government and the PPA is handling the problem with particular alarm at the prominent role certain members of the military have taken.

On the same day, "concerned citizens and members of social development NGOs" sent a letter to the National Defense Secretary expressing concern over the negotiations and the "prominent role of certain members of the military in the Inter-Agency Committee making the preparations for the relocation...". It was suggested that genuine consultations with the people be held and adjustments in the relocation site and assistance package be made.

The deadline for voluntary relocation was set for **15 March 1993** but was postponed due to a dialogue between the Inter-Agency Committee (headed by Secretary de Villa) and Sta. Clara leaders at Camp Miguel Malvar, Batangas on **12 March 1993**. During this meeting, the residents were assured that no demolition would take place.

³ See December 1975 for details.

⁴ See 19 October 1990 for details.

The Inter-Agency Committee met with an NGO staff on **21 May 1993** during which the NGO presented suggested procedures for consultation and referendum.

The Presidential Commission on Urban Poor (PCUP) and the National Housing Authority (NHA) conducted a Census Revalidation Survey for the Ad-Hoc Inter-Agency Committee from **6 – 12 June 1993**. A total of 1,467 families were identified as affected by the project. Of the total number, 1,028 were structure owners, 151 were renters, and 381 were sharers.

Consultation meetings with the affected families were held by the Committee on **31 July 1993, 15 October 1993** and **4 November 1993**. During these consultation meetings government assistance packages were offered but these were rejected by the people. The community leaders proposed their own assistance package which would have increased the cost of relocation by 400 percent⁵.

The Committee conducted a census validated as the final list by the City Mayor on **26 October 1993**. The census reflected that the total number of affected families was 1,465.

A Notice to Vacate was served by the PPA on **20 January 1994** and then again on **3 February 1994**. The first Notice of Actual Demolition served by the PPA on **20 April 1994** was to inform all the families to be affected by Phase I of the Batangas Port Development Project that the dismantling of structures would begin on **25 April 1994**. The qualified beneficiaries were those identified in the listing accomplished in **26 October 1993** and would be relocated to the designated relocation areas. In relation to this, the beneficiaries were reminded to dismantle their own structures before April 25. Disregarding this notice, gave the PPA the authority to dismantle the remaining structures and relocate those residing in them. By this manner, the PPA would not be held liable for any loss or damage to items or other types of personal property.

The CLARA-CBO wrote to JBIC-Manila on **22 March 1994** reiterating their position that JBIC cancel its funding of the BPDP. This demand was based on five grounds: the residents of Sta. Clara are not squatters, the project would cause the families massive physical and socio-cultural dislocation, the project would serve the interest of the poor and marginalized people of Sta. Clara, the BPDP is not necessary because of the existence of other ports whose services could be optimized, and the Philippine Government did not conduct genuine and participatory consultation with the affected families.

On **27 April 1994** the Government of the Japan requested the Philippine Government to find a peaceful solution. President Ramos decided to postpone the demolition on **28 April 1994**.

The representative of the CLARA-CBO was elected to the position of Barangay Captain during the Barangay Elections held in **May 1994**.

In **June 1994** The ex-governor submitted a proposal offering one hectare of land that the relocatees could use for commercial purposes. A meeting was held on **16 June 1994** in order for him to explain his proposal but it was rejected by the community leaders. The PPA attempted to hold further dialogues with the affected families but their efforts were rejected by the opposition. President Ramos then approved the demolition. Another Notice of Actual Demolition was served on **24 June 1994**.

⁵ Details can be found in Appendix C.

The actual demolition took place from **27 June – 3 July 1994**.

The leaders of an NGO wrote to President Ramos on **28 June 1994** denouncing the demolition.

The Archdiocese of Lipa circulated a pastoral letter of the archbishop regarding the Church's stand on the Sta. Clara and port issues on **28 June 1994**. The Clergy, Religious, School Heads and the Faithful were informed on the conditions of the Sta. Clara residents and were entreated to help them.

On **29 June 1994** the CLARA-CBO circulated a statement asserting their condemnation of the demolition and the objectives of the BPDP. Several NGOs issued separate press statements condemning the violence that took place during the demolition.

The Government of Japan gave notice to the Philippine Government to extend the approval of contract for construction in **July 1994**.

An NGO of the Philippines wrote to a senator on **6 July 1994**. They informed him of the reported violence that occurred during the demolition. It was mentioned in the letter that the 530 member demolition crew backed up by almost 2 battalions of fully armed members of the PNP used excessive force during the demolition. The NGO documented various human rights violation as well as the illegal nature of the demolition as the demolition team showed no court order during the demolition. Attached to the letter were sworn statements of victims, clippings and photos taken during the demolition. In response to this, a senator wrote to Secretary de Villa on **12 July 1994** requesting an investigation of the Batangas incident and an update-report on the situation.

On **20 July 1994**, a team comprised of 5 members from the Presidential Broadcast Service was mobilized to Batangas from 7:30 A.M. to 7:00 P.M. to document events concerning the demolition and relocation.

Based on an ocular inspection done on **4 August 1994**, it was observed that all the shanties had been demolished and that the area was fenced off, to a substantial degree. To prevent possible intrusion of other squatters, a contingent group of military personnel made an encampment inside the affected area to guard the premises.

The Prime Minister of Japan discussed the Batangas issues with President Ramos in Manila when he visited the Philippines in **August 1994**. President Ramos visited the Batangas port on **19 August 1994**, after which he issued a directive instructing the National Defense Secretary, the Governor, the Mayor and PPA General Manager to create a Tripartite Committee on the Batangas Port Expansion. This Committee was to be composed of one representative each from the PPA, the Batangas Provincial Government, the Batangas City Government, the Sta. Clara Barangay Council and the local people's organizations. Along with the Inter-Agency Committee, the Tripartite Committee was instructed to deliberate on the demands of the Sta. Clara barangay officials which were :

- (1) priority in job/ livelihood opportunities at the port for qualified applicants,
- (2) coordination with Sta. Clara Barangay Officials,
- (3) removal/ disbanding of the PNP detachment in the demolished area, and
- (4) removal/ replacement of the PPA Project Director and the PNP Colonel.

The Tripartite Committee held meetings at the PPA-Batangas on **21 August 1994**, **26 August 1994**, and **13 September 1994** to discuss issues related to the relocation sites and the needs of the affected families.

Meanwhile, in **September 1994** the PPA put up a notice to inform the people that an additional P5,000.00 would be given to the people in place of the P10,000.00 that would have been loaned to them for payment of the core houses.

The CLARA-CBO wrote to JBIC and the Japanese Embassy on **27 September 1994** urging them to stop funding the BPDP for various reasons such as the government's negotiations done in bad faith. The Japanese Embassy was sent another letter with similar contents on **19 October 1994** by CLARA-CBO. On that same date, another NGO sent the Japanese Embassy a letter also urging a withdrawal of funding for the port project.

In **November 1994**, only 6 individuals from the affected families were employed by the BPDP.

On **10 November 1994**, an Ad-Hoc Inter-Agency Committee meeting, presided by Secretary de Villa, was held to discuss updates on the status of relocation acceptance and livelihood assistance at Sico.

A Fact Finding Mission (FFM) was launched on **30 November 1994** by an NGO to investigate the issues concerning the BPDP.

The actual construction of the port development began in **December 1994** after the Government of Japan and the Philippine Government had exchanged records of discussion concerning the resettlement.

On **19 December 1994** an NGO sent a copy of the FFM results to the Japanese Embassy. The FFM validated the inability of the Philippine government to prepare a "just and efficient amelioration package" to the affected families. The recommendations of the SPP fully supported the plans laid out by the CLARA-CBO. On **22 December 1994** the SPP released a press statement condemning the release of the BPDP Fund.

In **February 1995** an NGO celebrated the 50th anniversary of Liberation Day by circulating an article describing Japan's support for Project CALABARZON as the second Japanese Occupation of the Philippines.

By **28 February 1995**, out of 1,467 affected families, 1,311 had already availed of the government assistance packages. This number constituted approximately 90 percent of the affected families.

The 1st Consultative Committee Meeting for the BPDP Phase I was held on **16 March 1995**. The PPA discussed the present situation and future plan for the construction work of BPDP and the relocation of the affected families. It was reported that as of **13 March 1995**, 94.47 percent (1,428 families) of the total 1467 families had availed of the assistance package. The present situation and future plan for the assistance to the affected families were discussed by the PPA and the Embassy of Japan.

The number of workers employed in the various construction-related jobs of the BPDP increased to 65 in **June 1995**.

The 2nd Consultative Committee Meeting for the BPDP Phase I was held on **22 August 1995**. The PPA presented a situation report on the Batangas Port Development Project as well as

the situation and prospects for affected families concerning relocation and assistance. The Embassy of Japan/ JBIC presented the situation and plan of assistance to affected families through JBIC loans and grass-roots grant-aid.

The 3rd Consultative Committee Meeting for the BPDP Phase I was held on **1 December 1995**. The relocation process and the relocatees in Sico and Balete were the topics for discussion.

On **15 August 1995**, The Barangay Captain (also the representative of CLARA-CBO) went to Japan to meet with the Prime Minister of Japan and request that the construction be stopped. She also attended the symposium on Retrospection of the Japanese Invasion on the 50th Anniversary of the End of World War II. It was at this function that she called the Japanese involvement with the Batangas Port Project “the second Japanese invasion”. She also characterized the port project as using Japanese taxes to hurt the poor in the Philippines rather than help them and as beneficial only to the Japanese investors. By this time 1,458 out of the 1,467 of the affected families had received financial assistance.

The Japanese Embassy received letters from CLARA-CBO and other NGOs on **19 October 1995**. Both letters opposed the JBIC funded CALABARZON projects (Batangas Port and South Luzon Expressway) and implored the Embassy to take action by withdrawing JBIC funding.

The CLARA-CBO leader went to Japan to solicit funds from Japanese NGOs and the Japanese people on **31 October 1995**. Upon her request a fund from the Japanese people was founded. This assistance fund partly financed the purchase of the Puyo property.

On **11 November 1995** organized members of the construction crew wrote a letter to the construction company threatening legal action if their demands for:

- (1) morning and afternoon break-times,
- (2) protective gear,
- (3) retention of the previous overtime system,
- (4) updating of social security remittances,
- (5) regularization of employment for the duration of the construction,
- (6) termination of the timekeeper and the re-hiring of the previous one,
- (7) salary increase and
- (8) salary payment on an updated basis.

The company agreed to the first two demands, the third to fifth demands were set aside for further discussion, while the remaining demands were refused.

The Port Zone Consolidation Committee (including representatives from the City and Provincial Governments and the PPA) held a meeting on **16 February 1996** at which Barangay Captains from Sta. Clara and Sta. Rita were present along with CLARA-CBO representatives. During this meeting the Barangay Captain of Sta. Rita aired his apprehension that his Barangay would be occupied by the proposed port zone and certain port practices that were adversely affecting his Barangay. CLARA-CBO leader of Sta. Clara complained of the development that had damaged the Barangay and warned that this could also happen to Sta. Rita. No concrete actions were done.

As of **26 April 1996**, 139 workers from the affected families (from Sta. Clara, Balete and Sico) were working for the BPDP contractor and various subcontractors handling the port

construction. They were employed in low-level positions such as carpenters, masons, laborers, drivers, and other construction-related occupations.

On **29 October 1996** the Court of Appeals in Manila promulgated that in Civil Case No. 3601⁶ (406 counter-claimants including the CLARA-CBO leader vs. the PPA) the PPA was to pay the P65,053,913.00 demanded by the counter-claimants (the CLARA-CBO leader, et al.) less 25% discount, less partial amount already paid plus interest of 6% interest per annum computed from 27 June 1994 until fully paid. So ordered, in Batangas City **19 April 1996**. The Court deemed the people (counter-claimants) to be possessors in good faith. Since time immemorial inhabitants had started settlements on the seashore, as in the case of Batangas City. Of marked significance in this case is that the counter-claimants were not originally included in the Port zone and only became so on 19 October 1990 when Pres. Aquino issued E.O. 431⁷. The Court stated that the demolition was simply done in a harsh manner, not sanctioned by law, under deceptive methods, and without adequate provisions for its after effects. While the Court did not sanction the manner in which the demolition and ejection was effected, it sanctioned the taking of the property for public use. The PPA has contested this ruling and is appealing the decision.

A survey of the Batangas Port Development Phase I and Phase II was conducted on **14-28 February 1997** consultants hired by the PPA. They reported that 188 workers from affected families living in Sta. Clara, Balete and Sico were working for the port's contractor and sub-contractors for the construction of the Batangas Port.

The Phase II (E/S) loan agreement took place in **March 1997**.

June 1997 was the month for information dissemination and dialogue with affected families. A Consultation Workshop for Resettlement was held on **5-6 June 1997** at the MTDC Auditorium of De La Salle University Lipa. It was attended by 90 percent of the target representatives from the affected families and 50 representatives from 20 different government agencies and 5 NGOs.

In **July 1997** a confirmatory notice to the affected families on the workshop itself was conveyed as notice compliance with legal requirements. During a consultative meeting on **29 July 1997**, a proposed human resources development plan was presented. This included discussions on job training.

A consultation was held on **4 August 1997** with affected families to discuss issues and concerns regarding the impending relocation. The first meeting of the LANDCOM (Land Acquisition Committee)/ Ad-Hoc Committee on Batangas Port Development - Phase II was also held on this day.

The verification of claimants took place throughout the month of **August 1997**. The final survey and tagging took place on **11 – 13 August 1997**. The survey identified 94 affected families coming from three barangays - Barangay Sta. Clara Ilaya, Barangay Calicanto and Barangay Bolbok.

⁶ See 9 February 1993 for a description of Civil Case No. 3601.

⁷ See 19 October 1990 for details.

A consultative meeting was held on **22 August 1997** to present the government's initial offer to the affected families.

Another consultation was held with the affected families on **18 September 1997**. The Inter-Agency Committee, created under Administrative Order Number 48 of the City of Batangas, convened for the first time on this day as well.

A joint meeting conducted by the LANDCOM and the Ad-Hoc Committee took place on **19 September 1997**. Both committees undertook an ocular inspection and simultaneously conducted an "ambush" survey of the Phase II lots on **23 –24 September 1997**.

A meeting was held on **14 October 1997** to discuss the relocation status of the structure owners in Phase II. The affected families were given **15 October 1997** as their deadline to vacate the premises and demolish their structures in the area covered by the BPDP Phase II.

The people were called to attend a consultative meeting on **2 December 1997** to further discuss issues regarding the relocation of the affected families. The status processing of applicants began on **9 December 1997**.

The actual transfer of the affected families and related relocation activities took place on **16 – 28 February 1998**.

A post-relocation consultation workshop was held on **21 July 1998** for the affected families and service providers. The evaluation of the status of the Phase II relocatees was also discussed in the course of the workshop.

For the families affected by the construction of the Vendor's Facility, the final official survey and tagging took place on **27 – 28 July 1998**. The survey identified 41 affected families. The relocation activities for these families took place on **8 – 10 August 1998**.

The Phase II loan agreement for Y14.55 billion took place in **September 1998**. This loan was for the enlargement of the port for it to become an international port and for vocational training for relocatees of Phase I and Phase II.

In **March 1999** the construction of Phase I was completed.

Appendix B

Background on Illegal Settlement and Resettlement Laws and Institutions in the Philippines

During the post-war and pre-Marcos era, housing agencies were already involved in the development of housing projects and carrying out slum clearance and resettlement activities in the Greater Manila Area. The People's Homesite and Housing Corporation was responsible for producing low-cost housing projects. The Presidential Assistance on Housing and Resettlement (PAHRA), the Central Institute for Training and Relocation of Urban Squatters (CITRUS) and the Presidential Committee for Housing and Urban Resettlement (PRECHUR) were the different governmental bodies involved in relocation.

During the early martial law period of the Marcos era, new agencies such as the National Housing Corporation (NHC) and the Tondo Foreshore Development Authority (TFDA) were created while others, like the Home Financing Corporation (HFC) were reactivated. Because these housing agencies lacked coordination and a well-defined policy, the National Housing Authority (NHA) was created in 1975 to absorb the functions of all the previous agencies involved in housing. In 1978, a Ministry of Settlements (MHS) was created and given a much broader mandate of developing a shelter delivery system utilizing the framework of human settlements popularized in Habitat I. The NHA, NHC, HFC and the Human Settlements Regulatory Commission (HSRC) were placed under the MHS. Two new offices, the Human Settlements Development Corporation (HSDC) and the National Home Mortgage and Finance Corporation (NHMFC) were created. Later, the Home Development Mutual Fund (HDMF) was also organized and placed under the MHS. The MHS responsibilities included directing and supervising the housing responsibilities and land use planning

In 1986, the beginning of the Aquino administration, the government was reorganized. The MHS was abolished and replaced with a downgraded coordinating body called the Housing and Urban Development Coordinating Council (HUDCC). The four principal housing agencies under the HUDCC were: the NHA and the NHMFC which were retained, the HSRC which was transformed into the Housing and Land Use Regulatory Board (HLURB), and the HFC which was supplanted by the Home Insurance Guarantee Corporation (HIGC). Basic elements of the policy framework remained the same and despite a slight shift in emphasis, there was overall continuity in the programs implemented. Slum upgrading was discontinued while the Community Mortgage Program was given more emphasis. The stress was more on financing programs than production but the policy frame work still relied on relocation as the main solution. A defining characteristic of this administrations policy framework is RA 7279 or the Urban Development and Housing Act (UDHA) signed into law in 1992. It hoped to address the housing shortage in the country by providing a comprehensive and continuing urban development and housing program.

The housing policy of the Ramos administration still flows along the lines of the framework in which the Aquino administration operated. The HUDCC remains the coordinating body and other agencies have been retained albeit with additional functions. The HLURB as the sole housing and land development regulatory board charged with housing standards, the NHA is the government agency engaged in direct shelter production for low and marginalized income groups, the NHMFC is the institution charged to provide a housing sector mortgage market with the use of long-term funds and the HIGC is the institution charged with the provision of guaranty and

credit insurance for private sector housing funds. Two pension fund agencies, the Social Security System (SSS) and the Government Service Insurance System (GSIS) remit a percentage of their portfolio as housing loans to the NHMFC. The HDMF has continued to be the sole provident fund for housing for wage workers both in the public and private sector.

A defining characteristic of the Ramos administration's housing policy is the devolution of the responsibility to local government. This was made possible by the 1991 Local Government Code and the UDHA. A notable legislative pronouncement concerning socialized housing is RA 7835 or the Comprehensive and Integrated Shelter Financing Act (CISFA) which was signed in 1994. This provides increased annual public sector appropriations to the shelter sector in order to strengthen the financial capability of government housing agencies and the greater provision of public funds.

Currently, there are four major policies which provide the framework on housing development in the Philippines. The National Housing Strategy recognizes the need for ways to mobilize additional funds for housing, to increase the availability of land, to formulate appropriate building codes and regulations, and to disseminate information on appropriate building materials and production mechanisms for these materials. This strategy has the following objectives:

1. To increase accessibility of home ownership to lower income families;
2. To have a stable, sustainable and viable long and medium term home financing;
3. To ensure security of land tenure for Urban Land Reform areas and Areas for Priority Development;
4. To prevent unauthorized and unplanned squatting;
5. To move towards greater private sector participation, both formal and informal; and
6. To ensure equitable distribution of benefits to the geographic features of the region.

The Urban Development and Housing Act (UDHA, RA 7279) features the provision of access to land and housing by the underprivileged and homeless citizens through a number of strategies and a system of incentives to encourage private sector participation. The program covers all land in the urban and urbanizable areas. Funds for the urban development and housing programs from several sources such as a portion of the income of the Public Estates Authority, proceeds from social housing tax and from the sale or disposition of alienable public lands in urban areas, flotation of bonds, and loans, bequests, grants and donations from foreign or local sources, to name a few. In terms of land access, the UDHA requires developers to provide 20% of the project cost or area for socialized housing. The LGU tasks as mandated by the UDHA are as follows:

1. Prepare a comprehensive land use plan aimed at achieving the objectives of UDHA (Sec 6 and 39);
2. Conduct an inventory of all lands and improvements thereon with the respective localities in coordination with the HLURB and with the assistance of the appropriate government agencies (Sec 7);
3. Identify, in coordination with the NHA, the HLURB, the National Mapping and Resources Information Authority (NAMRIA) and the Land Management Bureau of the Department of Environment and Natural Resources (DENR), lands for

socialized housing and resettlement areas for immediate and future needs of the underprivileged and homeless in urban areas (Sec 8);

4. Certify as to the blighted status of lands, which shall be considered as one of the factors in the evaluation of the market value of land for socialized housing and resettlement areas (Sec 13);
5. Identify and register all qualified socialized housing beneficiaries within their respective localities (Sec 17);
6. In pursuit of Balanced Housing Development, enter into joint venture projects with private developers (Sec 18);
7. Provide basic services and facilities in socialized housing or resettlement areas in cooperation with the private sector and concerned agencies (Sec 21);
8. Provide the program beneficiaries or their duly designated representatives, in coordination with the Presidential Commission for the Urban Poor (PCUP) and concerned government agencies, the opportunity to be heard and to participate in the decision making process over matters involving the protection and promotion of their legitimate collective interests (Sec 23);
9. Adopt measures to identify and effectively curtail the illegal squatting [in coordination with PCUP-accredited organizations and the Philippine National Police];
10. Implement the relocation and resettlement of people living in danger areas such as esteros, railroad tracks, garbage dumps, river banks, shorelines, waterways and in other public places such as sidewalks, roads, parks and playgrounds (Sec 29); and provide relocation or resettlement sites with basic services and facilities, and access to employment and livelihood opportunities sufficient to meet the basic needs of affected families (Sec 30). This is in coordination with the NHA;
11. Prevent the construction of any illegal dwelling units or structures within their respective localities (Sec 30);
12. Assist the NHMFC in initiating the organization of CMP beneficiaries (Sec 23);
13. Promote, in coordination with the HUDCC, NHA, TLRs, DOST, and other concerned agencies on the production of indigenous, alternative and low-cost construction materials and technologies for socialized housing ;
14. Submit a detailed annual report, with respect to the implementation of the Act, to the President and House of Representative (Sec 41);
15. May impose an additional one-half percent tax on the assessed value of lands in urban areas in excess of Fifty Thousand Pesos (Sec 43).

Appendix C

Table 1. Examples of the Different Assistance Packages Proposed.

Assistance Package Proposals*	Early in the Negotiation Process (around 1993)	Demands from the Community Leaders	Demands from the Community Leaders (after dialogue deadlock)	Final Offer
Area and location	For structure owners: free 50 sqm. lot in Balete. For renters/ sharers: free lot in Sico.	Free 100 sqm. lot in a relocation area near the port.	Free 50 sqm. lot in Barangay Balete.	For structure owners : free 50 sqm. lot in Barangay Balete. For sharers/ renters: free 70 sqm. lot in Barangay Sico.
Housing Arrangement	For structure owners: Free core house and cash loan payable in 10 years with 6% interest per annum. For renters/ sharers: Earning P4,000 and below - free core house.	A housing loan from P100,000 to P150,000 per family which will be paid on 25 years with 2 to 5 years moratorium.	A housing loan worth P40,000 to be amortized in 25 years.	For structure owners: free core housing or P20,000 cash.
Livelihood	P3 million Livelihood Fund to start a cooperative. Job Priority Assurance Certificate for those qualified to work during the construction and operation of the port.	All application for business inside the port shall have prior approval of the community leaders.	Assurance of business opportunities during construction. P3 million Livelihood Fund from the President. Multi-Purpose Co-op will be awarded the right to operate at least 30% of the stevedoring services at the port.	The President 's Social Fund allocated P1.5 million for the Transportation Cooperative in both relocation areas. Priority hiring for port construction projects.
Disturbance Pay	P10,000 per family	P30,000 – P50,000 per family.	P50,000 per family	P15,000 per family.
Damage Compensation	Not Applicable	Structure owners shall be compensated for their demolished houses in accordance with their assessed value but not lower than P10,000.	Not applicable	Not applicable.
Conditions/ Additions	Food assistance in the form of one sack of rice per family for the first three months after relocation.	No relocation shall take place unless all housing units are completed in the relocation area.	Subsistence assistance for a transition period of 3 months Manpower training.	Food assistance of one sack of rice per family for the first 3 months after relocation as well as some dry goods.

* The actual dates could not be ascertained from the documentation.

Appendix D

Table 1. Comparative Table of Relocation Packages for Metro Manila Relocates and Batangas Port Relocates of Balete/Sico.

(Reference for Pasig and Norzagaray projects: Urban Research Consortium.)

Components of the Relocation Package	Metro Manila Relocates to Norzagaray, Bulacan ¹ (R - 10 Project)	Pasig River Rehabilitation ²	Balete, Batangas	Sico, Batangas
Potential Beneficiary Families	8, 000 families	10, 000 families	Structure owners from Brgy. Sta. Clara, 1, 041 families.	Structure owners/sharers/renters from Brgy. Sta. Clara, 426 families.
Size of lots/units	5, 600 lots of 40 or 50 square meters each	No data	849 lots of 50 square meters each.	450 lots of 70 square meters each.
Disturbance Pay / Financial Assistance	No data	Minimum wage compensation for 5 working days	P10, 000 per family	P10, 000 per family
Housing Package	1. P14, 000 cash grant or a 20 square meter core housing unit with pit privy	Amortization (if the beneficiary is a PAG-IBIG Fund member) or rent (if not a member) are paid in the following amounts: P400 for the 1 st year P600 for the 2 nd year P800 for the 3 rd year P1000 for the 4 th year P1200 5 th - 10 th years P1300 for the 11 th year.	1. Core houses jointly funded by DSWD and PPA costing P25, 000 per unit. 2. P20, 000 cash grant for those who opt to build their own houses.	1. P20, 000 cash grant for structure owners those who opted to be relocated.
Livelihood Program	None	Relocates can work at the site in Montalban (as labor for unit construction & improvement)	P1.5 Million Livelihood Fund committed from President's Social Fund	P1.5 Million Livelihood Fund committed from President's Social Fund
Additional Cash Grant	None	None	P5, 000 per family	P5, 000 per family
Facilities Present in the Relocation Site	1.50-room school building (functioning) 2.Temporary septic tank 3.2 basketball courts 4.3 police/brgy. Outposts 5.3-6 brgy. Roads	1.Schools are planned to be constructed 2.Proposed fully equipped hospitals and clinics	1.Concrete paved 8-meter roads 2. Concrete open canal 3.CHB-cyclone wire perimeter fence with 3 gates for both vehicles and pedestrian 4.12 units of street lighting 5.15 artesian wells and a deep well with an elevated water tank 6.MERALCO power 7.5, 000 square meter lot with an 8-classroom elementary school and an additional school building 8.health center with personnel	1. Concrete paved 8-meter roads 2. Open canal 3.Deep well with elevated water tank 4.MERALCO services were initially available after which services were obtained from BATELEC 5.Street lights installed in every corner 6.day care and elementary schools 7.health center with personnel 8.road to Sico
Transportation Assistance	None	None	Two units of passenger jeepneys	Two units of passenger jeepneys
Sanitation	None	Garbage collection system – at the discretion of contractor	8 public toilets garbage collection twice a week	2 open pits within the area.
Food Assistance	DSWD food assistance only for families who have not yet relocated.	3 kilos of rice	DSWD food assistance for relocated families: 1 sack of rice /mo. and groceries for 3 months.	DSWD food assistance for relocated families: 1 sack of rice /mo. and groceries for 3 months.

¹ Accomplished between October 1997 and July 1998.

² Phase 2 of this project was accomplished in 1999.

Comparison of Cost Allocations per Agency Between the Dumaguete and Batangas Projects.

Table 2. Dumaguete Resettlement Project

	TOTAL (in millions of pesos)	ALLOCATION BY AGENCY (in millions)			
		NHA	PPA	LGU	NGO*
1. Land Acquisition	6.4567	6.4567			
2. Land Development	5.3340	5.3340			
3. Core Houses	32.4040		20.000		12.404
4. Relocation					
5. Water Supply & Distribution System and Tapping	0.3973		0.3973		
6. Electrical Power & Distribution System and Tapping	0.3212		0.3212		
7. Livelihood Program					
8. Financial Assistance					
9. Lot Acquisition and Construction of School					
Total	44.9132	11.7907	20.7185		12.404

*NGOs: Consuelo Alger Foundation – P 2.450 million

Mother Rita Foundation – P 9.954 million

Total P 12.404 million

Table 3. Batangas Relocation Project

	TOTAL (in millions of pesos)	ALLOCATION BY AGENCY ¹ (in millions)				
		PPA	DSWD	PSOP (PSF)	City Gov't.	Prov. Gov't.
1. Land Acquisition	5.61	5.61				
2. Land Development	17.38	12.30		2.00	2.00	1.07
3. Core Houses	3.34	1.39	1.95			
4. Relocation	8.96	8.96				
5. Water Supply & Distribution System and Tapping	1.28	0.08			1.20	
6. Electrical Power & Distribution System and Tapping	1.16	1.16				1.07
7. Livelihood Program	3.00			3.00		
8. Financial Assistance	42.21	42.21				
9. Construction of Sico Road	52.27	52.27				
10. Acquisition of Lot	0.63	0.63				
11. Vendor's Facilities	45.50	45.50				
Total	188.31	170.09	1.95	3.00	3.20	1.07

¹ The NHA, NPC-BCELS, BCWD, DPWH, PCUP, and DAR originally committed funding but their budgets were not approved.

Appendix E

Issues & Discrepancies Regarding the Compensation Package for Affected Families of the Batangas Port Project

Table 1. Issues in Barangay Balete

Description	Official Records	Relocates' Perceptions/Accounts
1. Location	Barangay. Balete, Batangas City	
2. Distance from Port	7.0 kms.	
3. Area	6.5 hectares provided by PPA	
4. Acquisition Cost	P5.60 Million from PPA fund	
5. Development Cost	P17.0 Million from PPA fund	
6. Facilities Available		
a. Road	Concrete paved road with a width of 8.0 meters constructed by PPA	Small road space; concrete
b. Drainage	Concrete open canal constructed by PPA	Open drainage smells putrid
c. Fence	CHB-cyclone wire perimeter fence with 3 gates for both vehicle and 2 gates for pedestrian only, constructed by PPA	There is a perimeter fence but strangers – drug addicts perceived as outsiders - are still able to go in.
d. Water Supply	Artesian wells (15) located within the relocation site provided by the PPA Deep well with elevated water tank provided by the city government – operational	NAWASA, deep well and metered; Scheduled water delivery (4-7 pm.) (P55-57/month)
e. Power Facilities	MERALCO power available within site	Electric meter (P150 / P200 / P800 per month)
f. Street Lighting	Units (12) installed and still being paid by PPA, operational	Inadequate lighting facilities
7. School Facilities	PPA donated 5,000 sq.m. lot for the elementary school (located 100 m. at the back of the relocation site), a high school (located about one km. along the main barangay road). Both schools were constructed by DND. Additional school rooms were constructed through the assistance of JICA.	Accessible, new classrooms; A bit farther and small; only foot path to school; no road right of way
8. Access Road to Relocation	Two-kilometer concrete road from national highway	
9. Transportation	Public jeepney transport available, including tricycle	Some say it is adequate while others say there are few vehicles.
10. Transport Assistance	PPA donated two units of passenger jeepneys to the Sta. Clara Assn. To service both Balete and Sico Relocation Site residents. The association operates the jeepneys	There was no cooperation among relocatees and funds to maintain the jeepneys.

Description	Official Records	Relocatees' Perceptions/Accounts
11. Sanitation	Eight public toilets provided by PPA near the temporary bunkhouses. Private toilets provided by residents in their respective lots. Garbage collected by City twice a week.	Barangay captain asserts that there is a program for cleanliness (clean & green). But the mayor complained about lack of sanitation and efforts to improve the situation. The community also complained of irregular garbage collection.
12. Health Services	One medical team from City Health Office conducts free consultation and provides starter medicine 3 times a week. City gov't. constructed a day Care Center and community hall.	Medical consultations are available every Friday when the midwife is available; they have to go to the City Hall for medicine; medical services are available only once a month; not enough apparatus
13. Market Accessibility	Flea market within the site. Public market located in city downtown area 5 kms. Away. Spaces in flea market (<i>alipapa</i>) open to individual relocatees.	Respondents note the lack of livelihood or opportunities to work (that includes vending).
14. Food Assistance	DSWD provided 3 sacks of rice per family for 3 mos., soup kitchen and canned food from the provincial government and private sector were made available during relocation.	Respondents invariably received 2 to 3 sacks of rice and some groceries (sardines & noodles) from the DSWD.
15. Lots Available	Lots (849) of 50 sq.m. each; lots to be titled to awardees, provided by PPA	Lots have not been titled to the awardees. Only 11% of respondents claim titles. The rest were only given tax declaration and/or lot certificate. Others don't even know about it.
16. Disturbance Pay	P10, 000 per family from PPA funds; P 5, 000 was added later.	Respondents do not know the breakdown of cash compensation. Only a few note that disturbance pay amounts to P10, 000.
17. Housing Assistance	Core houses jointly funded by DSWD and PPA costing P25, 000 per unit. P20, 000 cash grant for those who opt to build their own houses.	Most respondents do not know the breakdown of cash compensation. They note the following amounts: P35, 000 P20, 000 P 15, 000
18. Livelihood Program	P1.5 Million Livelihood Fund committed by the President for all affected families. P500, 000 was released already to the Balete Residents Association.	They are not sure where it went. Some claim that it still has not been given. Some claim that it was embezzled by the officials while others did not pay back.
19. Vendor's Facility	Construction of Vendor's Facility in the amount of P45.5 M, was incorporated in the project. Beneficiaries are affected families both from Sta. Clara, Balete & Sico relocation sites.	Respondents note the lack of livelihood or opportunities to work This includes vending, despite the 56 stalls initiated by the PPA.
20. Canteen	A canteen was constructed inside the port for the relocatees of Balete, Sico and Sta. Clara groups. However, this did not prosper due to the squabbles among themselves.	No explicit statements regarding this. But respondents note the strict rules of PPA with regard to vending. Vendors sell in rotation, thereby their incomes have decreased from when they were living in Sta. Clara.

Table 2. Issues in Barangay Sico

Description	Official Records	Relocatees' Perceptions/Accounts
1. Location	Barangay San Jose, Batangas City	
2. Distance from Port	15.0 kms.	
3. Area	4.5 hectares provided by city government	
4. Acquisition Cost	Donated by city government	
5. Development Cost	Estimated to be P 1.072 from the National Government and P 2 M each from the City and Provincial Governments. Development (roads, electricity, posts/cables, water) was undertaken by Adhoc Interagency Committee of Dept. of National Defense Secretary.	
6. Facilities Available		
a. Road	Concrete paved road with a width of 8.0 meters constructed by the City Engineer's Office	Cemented
b. Drainage	Open canal maintained by the City Engineer's Office	Individual households maintain their drains and environment.
c. Fence	None	
d. Water Supply	Deep well with elevated water tank provided by the city government - operational	The 51 st Engineer Battalion left the water tank non-functional and with a huge debt of electricity to MERALCO paid by LGU. Water is expensive and in short supply. They line up and buy water everyday.
e. Power Facilities	MERALCO power available within site	MERALCO withdrew its services and was replaced by BATELEC, which is more expensive; blackouts are frequent.
f. Street Lighting	Streetlights installed in every corner, provided by the City Government.	Streetlights did not function.
7. School Facilities	Elementary school located within the relocation site and a high school about one km. along national road	The children stay in school for only half the day. Less expensive but seems to be of lower quality.
8. Access Road to Relocation	Paved road from the national highway to Sico relocation site constructed by PPA under JBIC loan (Phase I) worth P 52.267 M	
9. Transportation	Public jeepney transport available	Vehicles are available but after 5 p.m. become less accessible; unreliable in emergency cases
10. Transport Assistance	Two units of passenger jeepneys donated to the residents' association from the President's Livelihood Fund approved already.	There was no cooperation among relocatees in managing the jeepneys.
11. Sanitation	Private toilets provided by residents in their respective lots. Garbage disposed in 2 open pits within the area.	Without garbage collection
12. Health Services	One medical team from City Health Office conducts free consultation and provides starter medicine 3 times a week	Health service is available only once a week or even once a month.
13. Market Accessibility	Public market located in city downtown area 13 kms away .	Sico is very far from the market.
14. Food Assistance	DSWD provided 3 sacks of rice per affected family, soup kitchen and canned goods during relocation.	Respondents invariably received 2 to 3 sacks of rice and some groceries (sardines & noodles).

Description	Official Records	Relocates' Perceptions/Accounts
15. Lots Available	450 lots of 70 sq.m. each	70 sq.m.
16. Disturbance Pay	P 10, 000 per family from PPA funds	Respondents are generally not sure of the breakdown of cash compensation. It was usually stated as P15, 000.
17. Housing Assistance	P20, 000 cash grant (only for structure owners who opted to be relocated in this site), from PPA funds. 75 units of core houses already constructed jointly by PPA/DSWD	Respondents are generally not sure of the breakdown of cash compensation. P20, 000 was the usual answer. The core house cost DSWD P10, 000.
18. Livelihood Program	P700,000 were used for purchasing two geepneys.	The respondents have heard of the P800,000 PSF but have not seen it materialized.
19. Add'l. Cash Grant	P5, 000 per family – PPA funds	
20. Vendor's Facility	Construction of Vendor's Facility in the amount of P45.5 million, was incorporated in the project. Beneficiaries are affected families from Sta. Clara in both Balete & Sico relocation sites.	Respondents note the lack of livelihood or opportunities to work (that includes vending).
21. Canteen	A canteen was constructed inside the port for the relocatees of Balete, Sico and Sta. Clara groups. However, this did not prosper due to the squabbles among themselves.	

Table 3. Other Issues in Barangay Balete and Barangay Sico

The Relocation Process	Official Records	Perceptions/Accounts
<p>Census</p>		<ol style="list-style-type: none"> 1. The residents were not counted well. Only structure owners were counted, not the sharers and renters (which they should have). 2. There were absentee homeowners not included in the census. 3. Those who conducted the census were not consistent in their measurements each time they counted (e.g., heads of families, all members of the family). 4. Sta. Clara relocatees joined displaced residents from Calicanto (Calabarzon site) & Sta. Rita (First Gas site). 5. Some did not want to include themselves in the census. Some even changed their names believing that if the census failed, the government will postpone or cancel the demolition.
<p>Consultation</p>	<ol style="list-style-type: none"> 1. <u>23 Feb. 1991</u>: Sta. Clara officials were asked to select among the 3 sites recommended (Balagtas, Gulod & Balete). 2. <u>2 Mar. 1991</u>: An agreement was reached among the Congressman, the Governor, the Mayor & the Brgy. Captain that finalized Balagtas Property as the choice for relocation site. 3. <u>April to May 1991</u>: But there were problems with road right of way. The owner of the lot also pulled out from the negotiations. 4. <u>24 May 1991</u>: Finally, Balete was selected. The area, approximately 65, 952 sq.m., was purchased by PPA at P85.00/sq.m. <u>29 May 1991</u>: Balete was transferred to PPA after payment of necessary fee. 5. <u>8 July 1991</u>: However, after the conversion of the land from agricultural into residential, the Brgy. Captain filed a petition opposing the proposed relocation project in Balete. 6. Then there was a hearing regarding this petition. A task force was created to disseminate information of projects to constituents of Brgy. Balete. 	<ol style="list-style-type: none"> 1. The project was implemented without clear and participatory consultation with those affected. 2. They were not consulted. They were only given information. 3. Consultation was in December 1993 and demolition was in June 1994. 4. The information reached others only 2 weeks prior to demolition. 5. The CLARA-CBO leader was a chief mediator for the people.
<p>Demolition</p>	<ol style="list-style-type: none"> 1. Demolition of shanties was contracted to a private firm. The firm mobilized a team of about 550 personnel supported by about 300 policemen as deterrence against occurrence 	<ol style="list-style-type: none"> 1. Demolition was done in the evening, when people were asleep (NB: relocatees seem to have been mistaken the preparations for resistance the night before demolition as the beginning of the demolition itself.) 2. There was panic. It was like a war with armed

	<p>of any possible violence. Demolition started 27 June 1994.</p> <ol style="list-style-type: none"> 2. Demolition of remaining units of shanties for Phase I was completed on 3 July 1994. 3. According to a status report (4 August 94), majority of affected families volunteered to demolish their own shanties. 4. According to a status report (4 August 1994), "it appears that relocation was undertaken peacefully". 	<p>men firing blank bullets and people retaliating with stones & bottles.</p> <ol style="list-style-type: none"> 3. Demolition and relocation took half a month. It was disorganized/chaotic. 4. The people did not know whom to trust and/or take instructions from. 5. Demolition at 27 June 94 at 8 a.m., PPA sent some 530 demolition crew backed by almost 2 battalions of fully-armed PNP and violently attacked the beleaguered residents. The police forces were aiming and firing their guns if the residents opposed to the demolition of their houses.
Casualties/Incidents	<ol style="list-style-type: none"> 1. Civilian contractual demolition crew men <ol style="list-style-type: none"> a. A was shot by a dart on the leg. b. B was stoned at the leg. c. C got a head injury. d. D was injured by a falling roof. 2. 2 PNP officers had slight head injuries. 3. One female child was <u>hit by tear gas canister</u>, was brought to the hospital and shortly released. 4. E was hit by a bullet on the right leg and was confined in the Batangas Regional Hospital. 5. F was arrested (27 June 94) for possession of sling darts and fan knife. 6. A woman fainted and recovered. 	<ol style="list-style-type: none"> 1. A 3-year old boy almost died of suffocation from a teargas thrown by the policeman. 2. One resident sustained a gunshot wound in the leg. 3. Several others were hurt as a result of violent attack.
Relocation	<p>Around the first week of July, 529 structure owners had availed of lots in Balete. Construction of 300 houses completed, 131 on-going, 98 about to start.</p>	<p>Relocation (and food assistance) was disorganized.</p>
Tripartite Committee	<p>Created in 19 August 1994 by FVR; it is composed of representatives from the government, the opposing group of affected families & NGO-Church panel.</p>	<p>The government itself through the PPA, the Provincial & City Government of Batangas manipulated this. It did not take responsibility for negotiating & deciding alternative site(s) proposed by the residents (i.e., Puyo).</p>

Appendix F¹

Results of Socio-Economic Survey of Relocates²

F.1 Profile of Respondents

Table 1 : Sample Sizes³

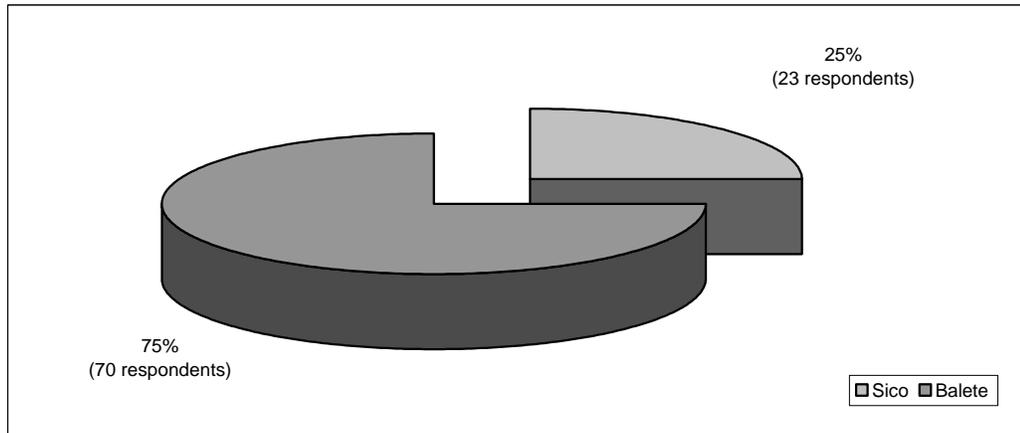
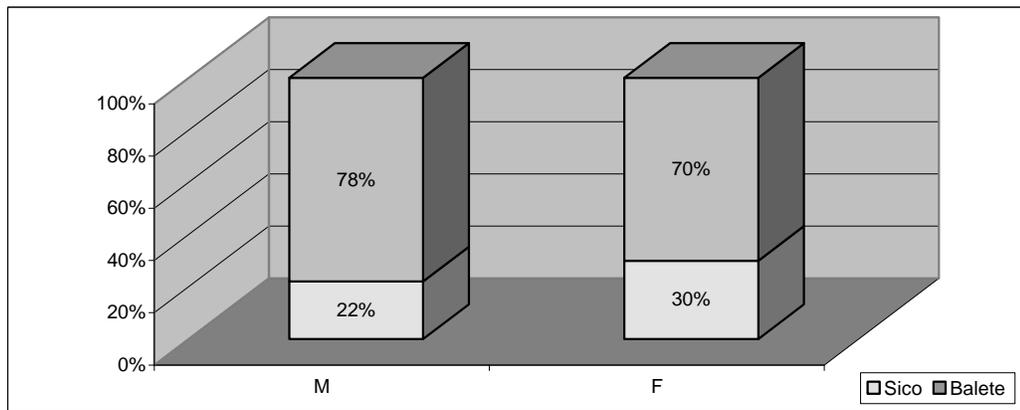


Table 2 : Distribution of Respondents by Gender



¹Please refer to Part III of the report for an elaboration of appended tables and graphs.

²The survey conducted on July 1-3, 1999, basically drew the perceptions of the relocatees regarding the relocation process. Its findings supplement the "factual" data from the official documents. The relocatees perceptions are crucial in explaining their attitudes and actions toward the whole relocation process and their experiences in the relocation sites.

³The survey employed a sytematic sample with a random start, selecting a 15% sample of the populations in Balete and Sico.

Table 3 : Distribution of Respondents by Age

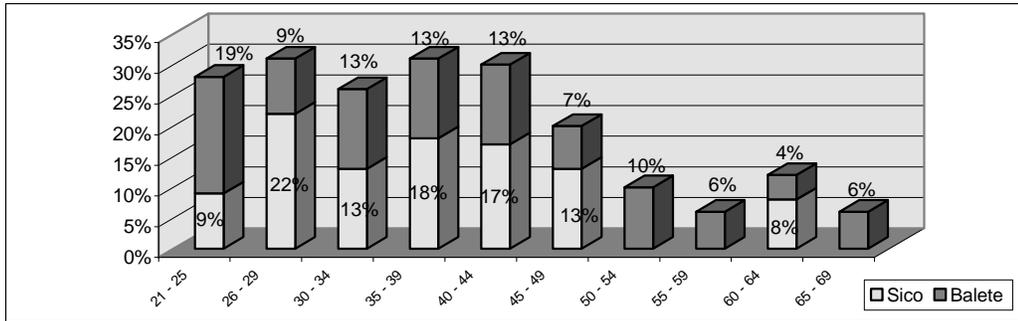


Table 4 : Distribution of Respondents by Educational Attainment

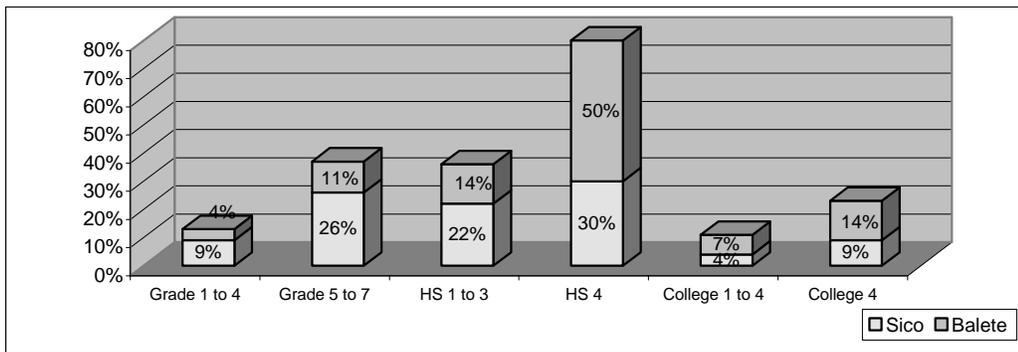
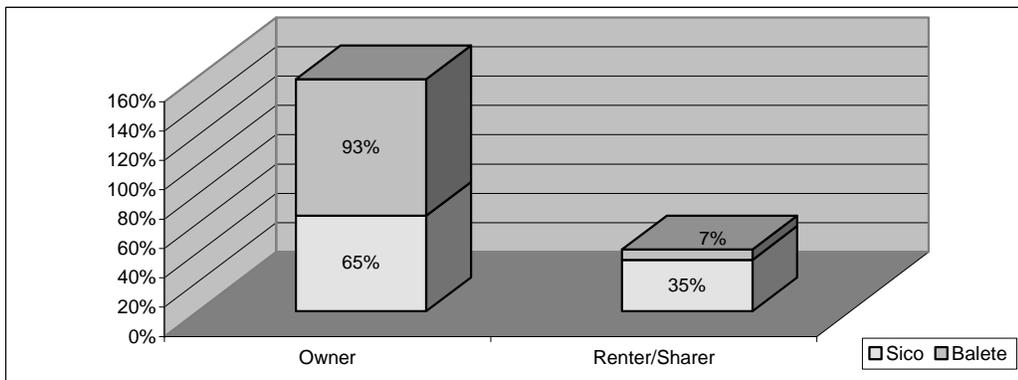


Table 5 : Distribution of Respondents by Previous Residential Status



CR = Current Residence
 PR = Previous Residence

Table 6 : Distribution of Respondents by Occupation

Occupation	Sico (%)	Balete (%)
TOTAL EMPLOYED	55%	47%
Vendor	17%	19%
Driver	4%	4%
Manicurist	4%	3%
Port / Dock worker	0%	1%
Construction worker / laborer	0%	4%
Painter / Welder / Carpenter	4%	4%
Business / Salesperson	4%	7%
Laundress / Seamster / Helper	4%	4%
Employee (Government / Private)	9%	0%
Others	9%	1%
TOTAL UNEMPLOYED	45%	53%
Relies on HH members for support ⁴	41%	47%
Does not rely on HH members for support	4%	6%
TOTAL WORKFORCE	100%	100%

⁴The sampling scheme called for household heads (husband / spouse). Thus, majority of those who relied on others for financial support were housewives.

Table 6.1 Occupational Distribution of Income Earners in Balete and Sico

Occupation ⁵	Balete		Sico	
	CR	PR	CR	PR
Port/Dock worker	2.90%	5.10%	3.30%	3%
Stevedore	2.90%	3.80%	6.70%	10%
Ship worker (captain, maestro, etc.)	0%	0%	3.30%	3%
Vehicle (bus, jeep, tricycle) Operator/Conductor/Dispatcher/Caller	4.30%	3.80%	0%	0%
Forklift operator	1.40%	1.30%	0%	0%
Construction Worker/ Laborer/Mason	4.30%	3.80%	3.30%	0%
Welder	1.40%	0%	3.30%	3%
Business/Sales	8.90%	7.60%	3.30%	3%
Vendor	14.50%	24.10%	16.70%	37%
Fisherman	4.30%	5.10%	0%	0%
"Tourist guide"	1.40%	1.30%	0%	0%
Carpenter	1.40%	3.80%	0%	3%
Driver (jeepney and tricycle)	18.80%	11.40%	13.50%	14%
Employee (govt./private)	9%	10%	6.70%	3%
Fish Dealer	0%	0%	3.30%	0%
Helper/Waitress	2.90%	0%	3.30%	0%
Laundress	2.90%	2.50%	6.70%	3%
Manicurist/Barber	2.90%	2.50%	3.30%	3%
Painter	5.80%	6.30%	0%	0%
Seaman/OCW	5.80%	2.50%	10%	3%
Seamster	1.40%	1.30%	3.30%	3%
Singer	0%	0%	0%	3%
Surveyor	0%	0%	0%	3%
Technician/Radio Operator	0%	0%	6.70%	3%
Trucking	1.40%	1.30%	0%	0%
Other informal occupations	1.40%	2.50%	3.30%	0%
TOTAL	100%	100%	100%	100%
	N=69	N=79	N=30	N=30

⁵Occupations are arranged according to their relation to port activities.

CR = Current Residence
PR = Previous Residence

F.2 Living Conditions

Table 7 : Responses Comparing the Physical Characteristics of Current and Previous Residence

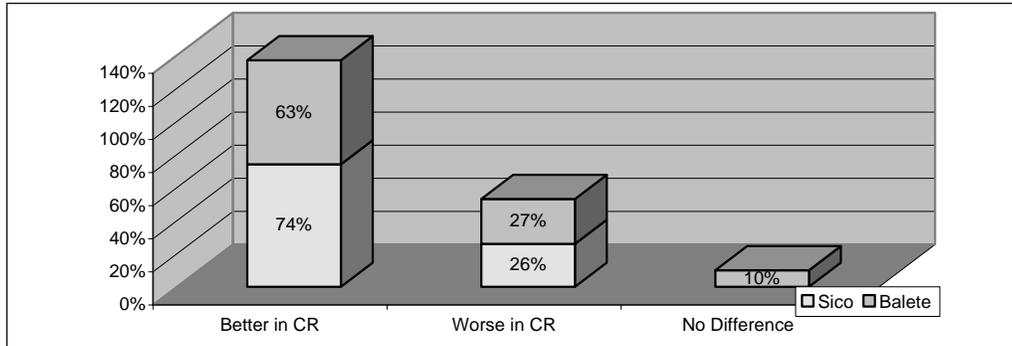


Table 8 : Responses Comparing the Economic Characteristics of Current and Previous Residence

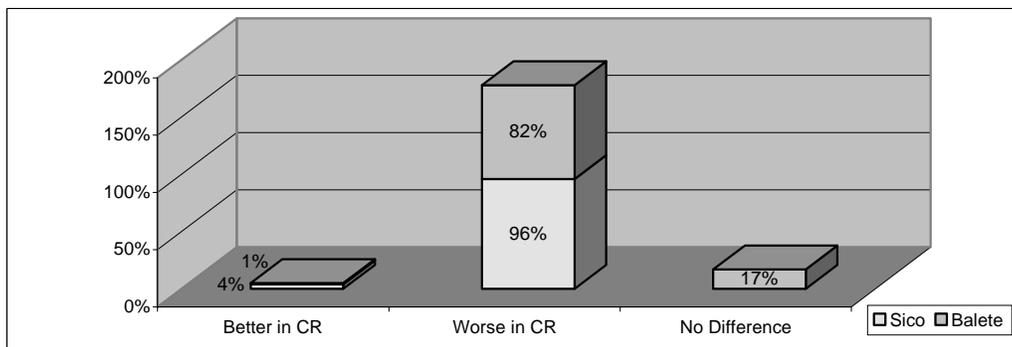
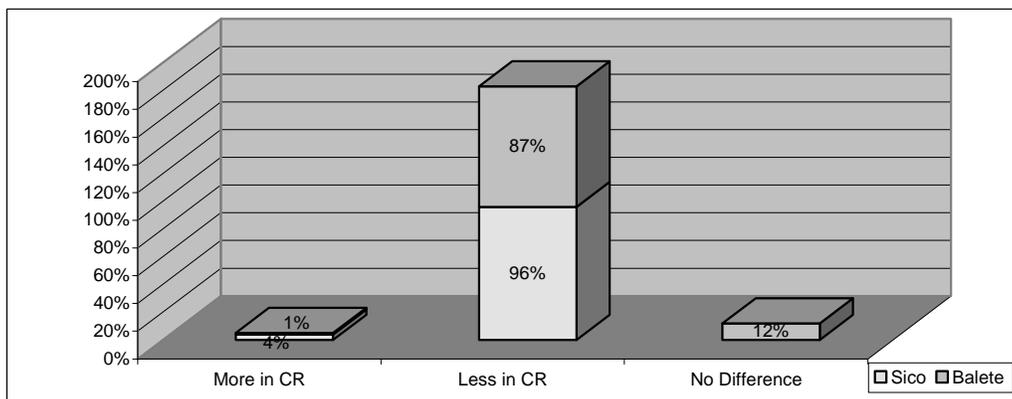


Table 9 : Responses Comparing Employment in Current and Previous Residence



CR = Current Residence
PR = Previous Residence

Table 10: Responses Comparing Unemployment in Current and Previous Residence

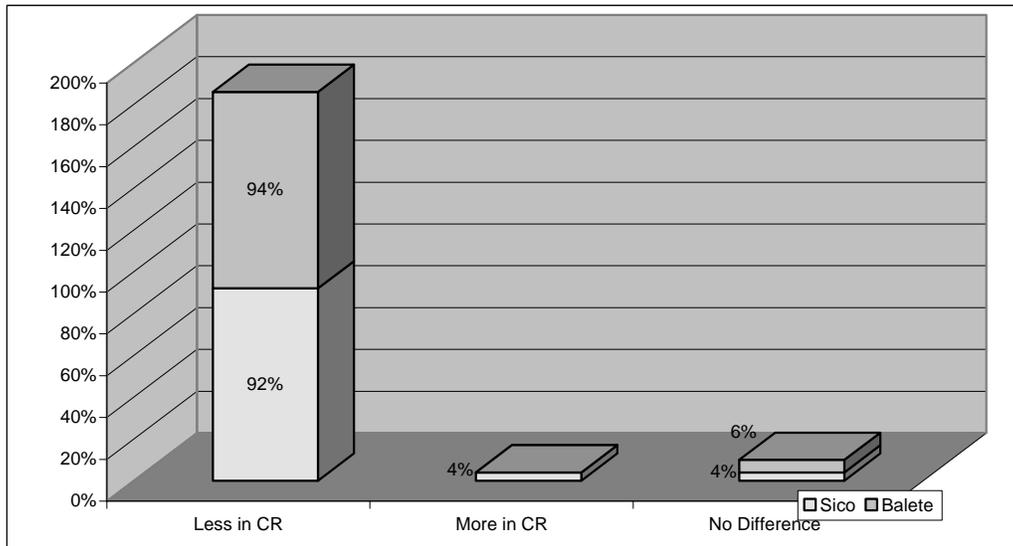
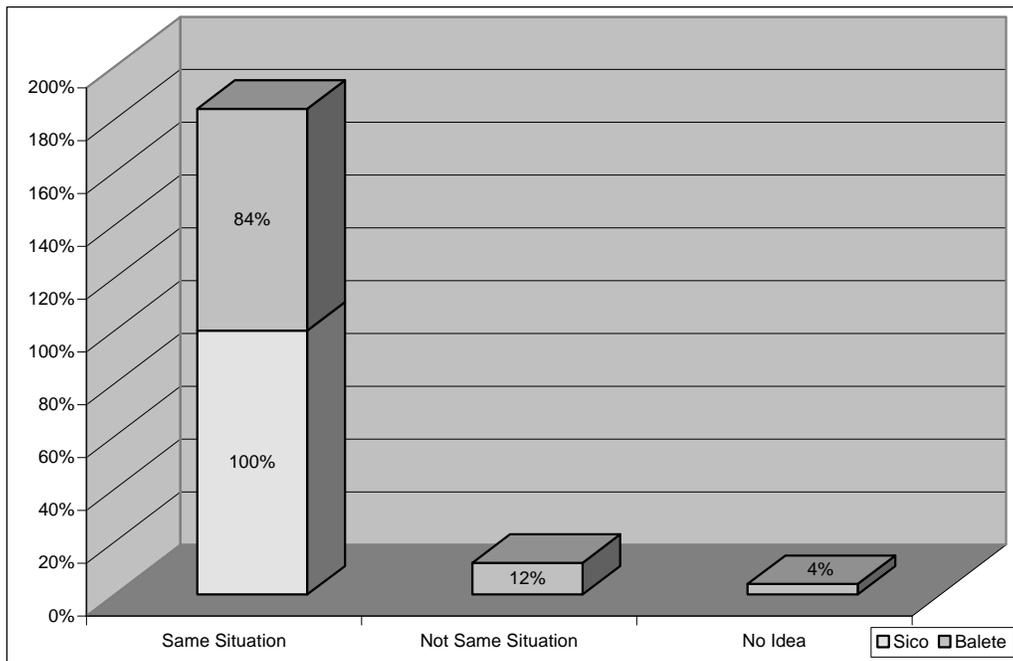
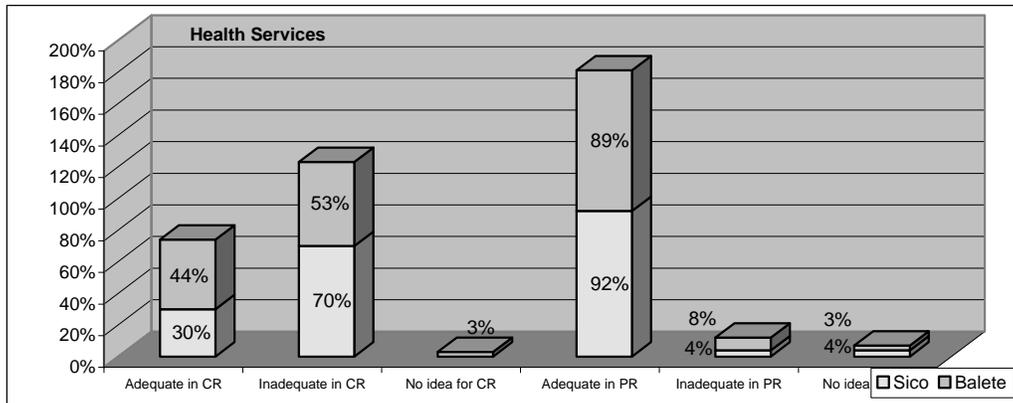
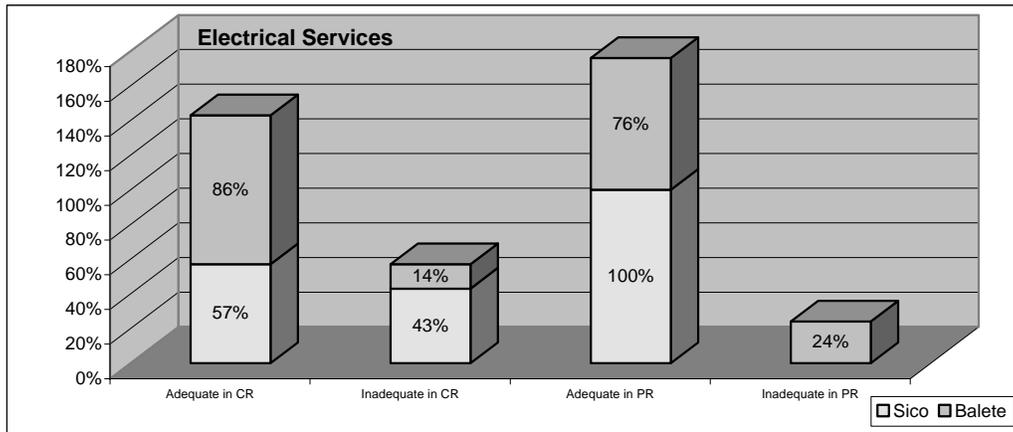
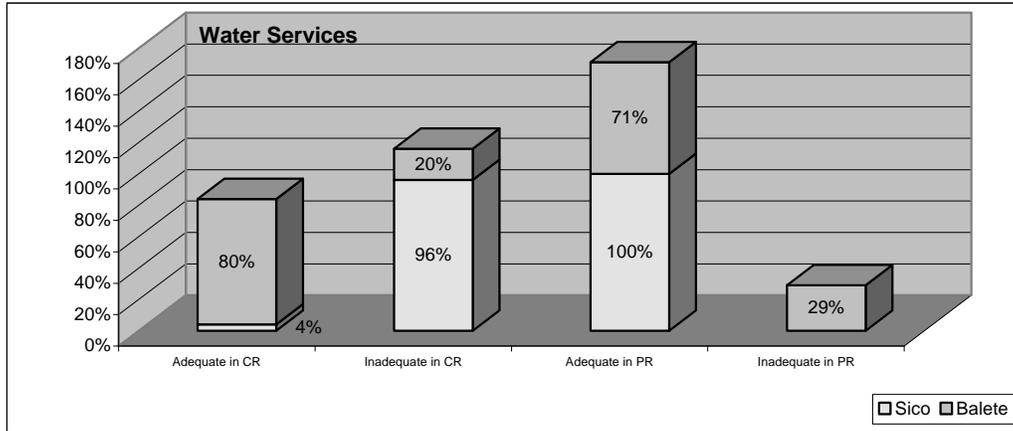


Table 11 : Perceptions of Respondents Regarding the Employment Situation of Their Fellow Relocates

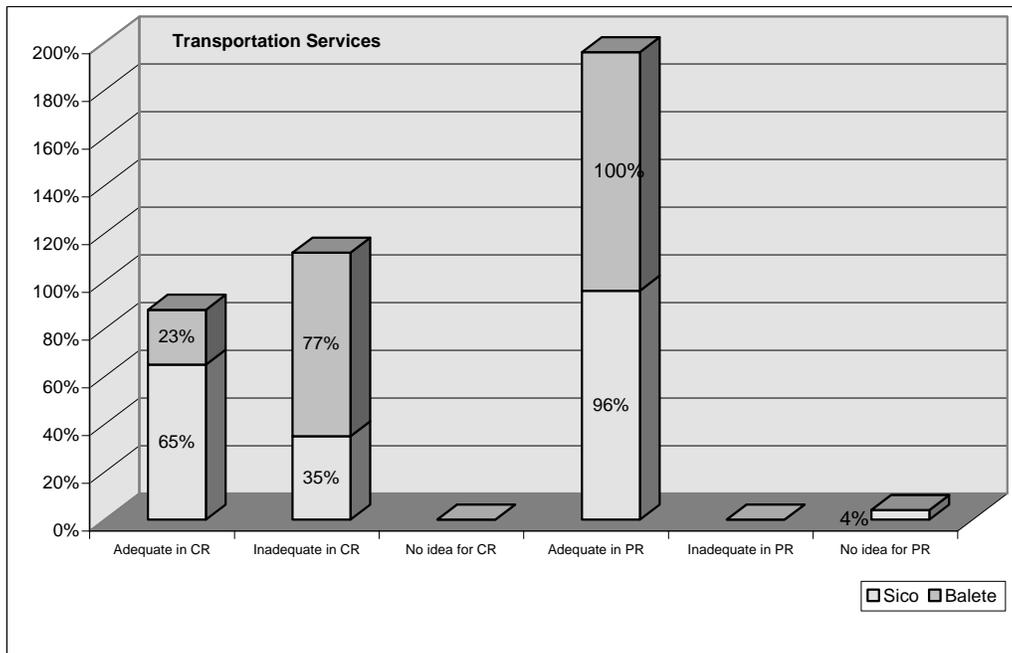
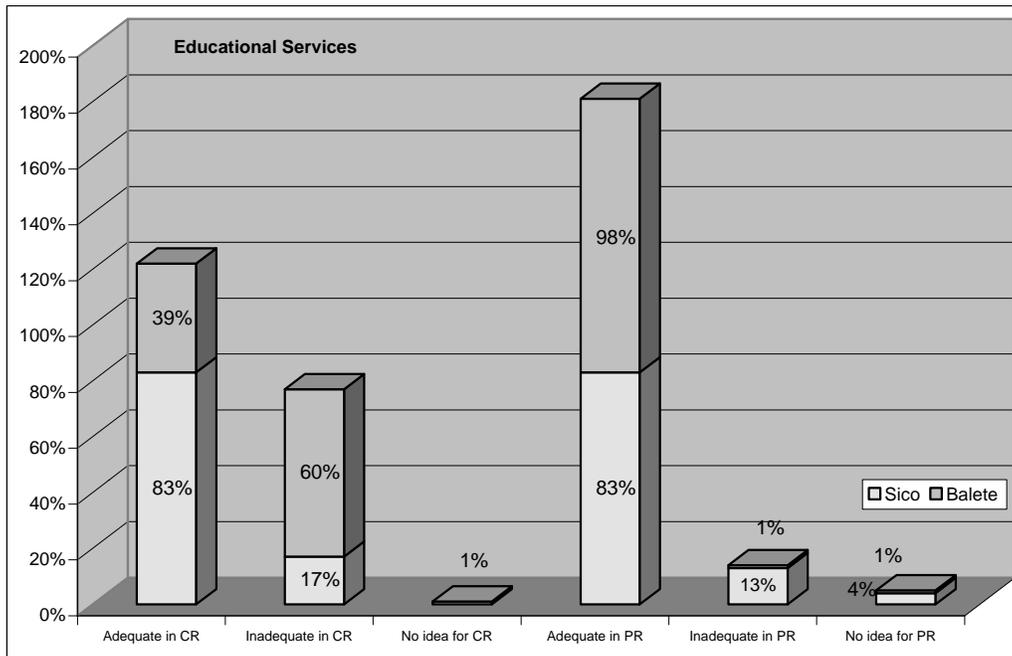


CR = Current Residence
 PR = Previous Residence

Table 12 : Responses Comparing Basic Services in Current and Previous Residence



CR = Current Residence
PR = Previous Residence



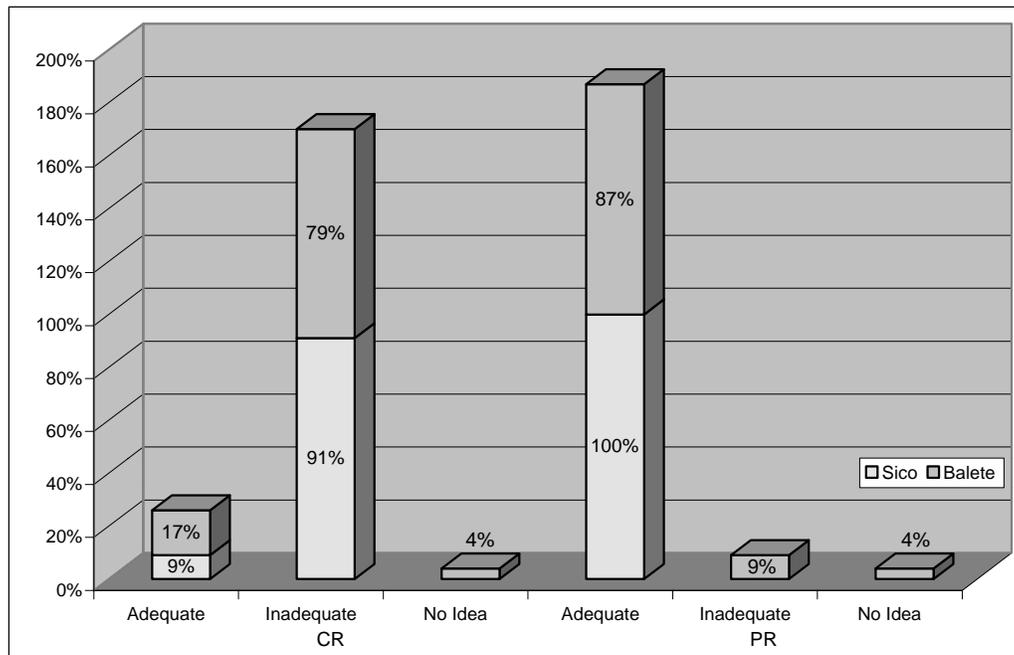
CR = Current Residence
 PR = Previous Residence

Table 13 : Responses Comparing Living Standards in Current and Previous Residence

Place of Residence	Response	Respondents by Residence	
		Sico (%)	Balete (%)
CR	Adequate	30%	34%
	Inadequate	70%	66%
PR	Adequate	96%	93%
	Inadequate	4%	7%

Table 14 : Responses Comparing Job Opportunities in Current and Previous Residence

Place of Residence	Response	Respondents by Residence	
		Sico (%)	Balete (%)
CR	Adequate	9%	17%
	Inadequate	91%	79%
	No Idea	0%	4%
PR	Adequate	100%	87%
	Inadequate	0%	9%
	No Idea	0%	4%



CR = Current Residence
PR = Previous Residence

Table 15 : Responses Comparing Mutual Cooperation Systems in Current and Previous Residence

Place of Residence	Response	Respondents by Residence	
		Sico (%)	Balete (%)
CR	Exists	70%	50%
	Does not Exist	30%	44%
	No Idea	0%	6%
PR	Existed	74%	74%
	Did not Exist	17%	19%
	No Idea	9%	7%

Table 16 : Responses Comparing Infrastructure in Current and Previous Residence

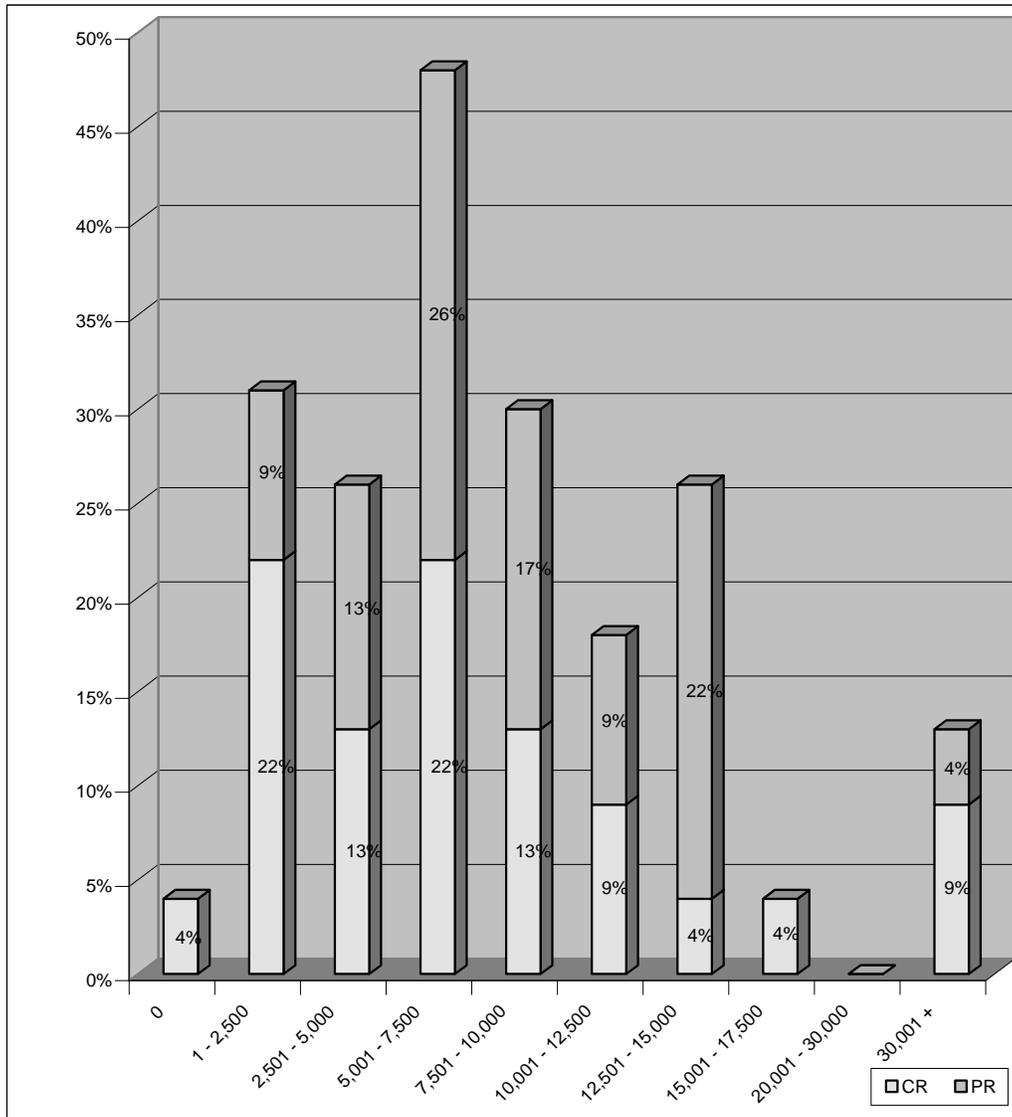
Place of Residence	Response	Respondents by Residence	
		Sico (%)	Balete (%)
CR	Adequate	70%	83%
	Inadequate	26%	16%
	No Idea	4%	1%
PR	Adequate	78%	57%
	Inadequate	22%	1%
	No Idea	0%	42%

Table 17 : Responses Regarding Maintenance of Infrastructure

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Maintained	83%	73%
Not Maintained	17%	26%
No Answer	0%	1%
TOTAL	100%	100%

CR = Current Residence
PR = Previous Residence

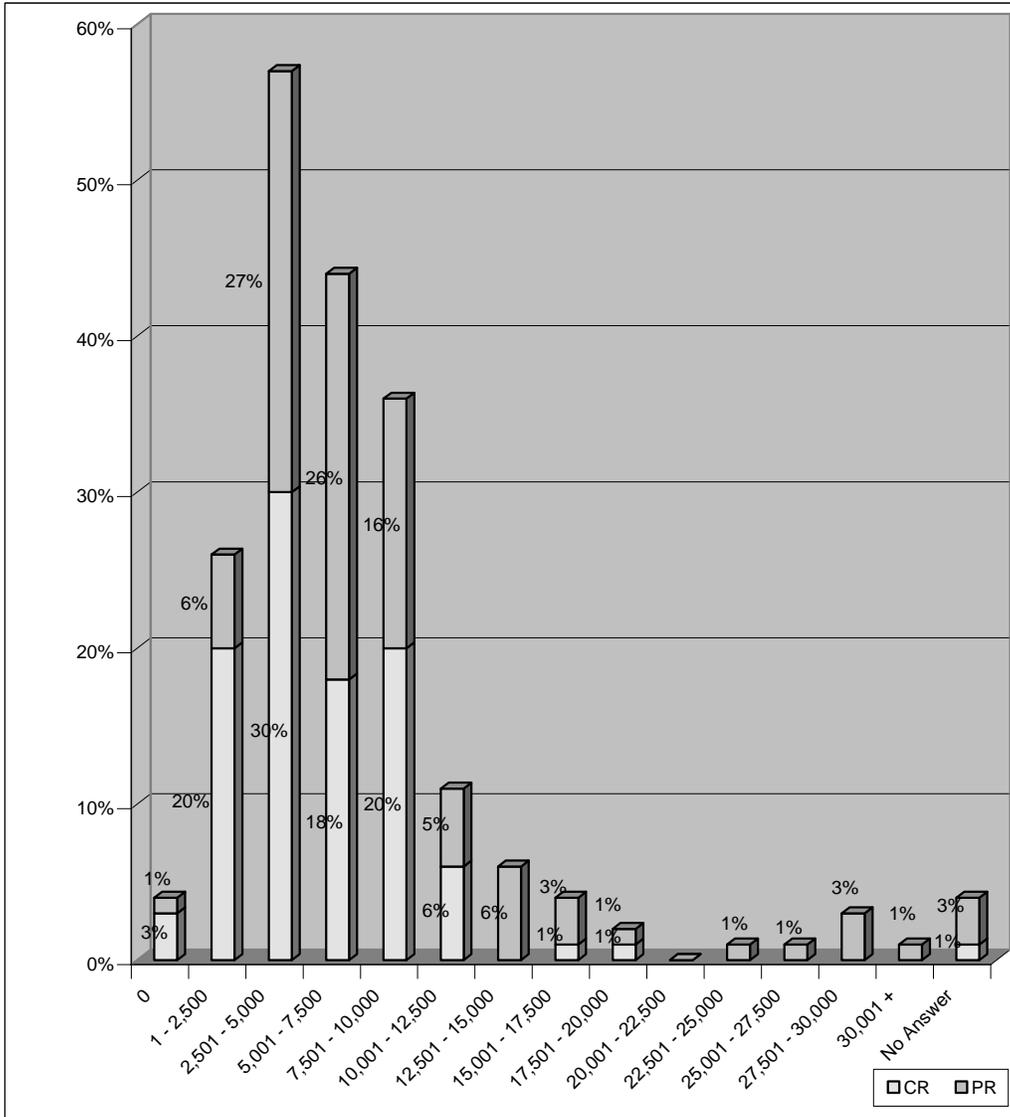
Table 18 : Distribution of Respondents by Regular Monthly Income (RMI) Levels for Sico



Median for Owners	PHP 7,500	PHP 10,000
Median for Renters	PHP 4,500	PHP 6,000
Median Overall	PHP 7,000	PHP 9,000

CR = Current Residence
PR = Previous Residence

Table 19 : Distribution of Respondents by Regular Monthly Income (RMI) Levels for Baleté



Median for Owners	PHP 5,000	PHP 6,000
Median for Renters	PHP 6,000	PHP 8,000
Median Overall	PHP 5,000	PHP 6,150

CR = Current Residence
PR = Previous Residence

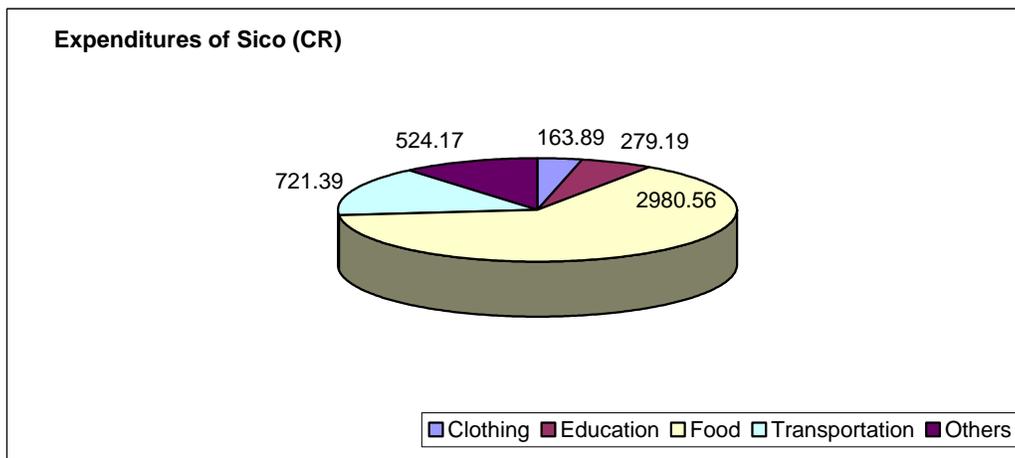
Table 20 : Distribution of Respondents by Number of Breadwinners in their HH

Place of Residence	Number of Breadwinners	Respondents by Residence	
		Sico (%)	Balete (%)
CR	0	4%	3%
	1	48%	67%
	2	43%	24%
	3	4%	4%
	4	0%	1%
PR	0	0%	1%
	1	43%	59%
	2	52%	30%
	3	4%	7%
	4	0%	0%
	No Answer	0%	3%

Table 21 : Responses Regarding Awareness of and Participation in Income Restoration Programs (IRPs)

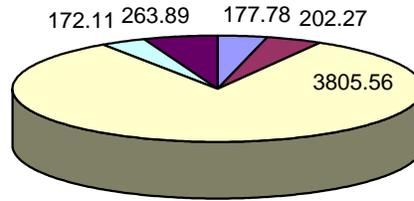
	Response	Place of Residence	
		Sico (%)	Balete (%)
Awareness	Aware of IRP	48%	43%
	Unaware of IRP	52%	57%
Participation	Participated	35%	17%
	Not Participate	65%	79%
	No Answer	0%	4%

Table 22 : Mean Expenditure Levels for Sico and Balete



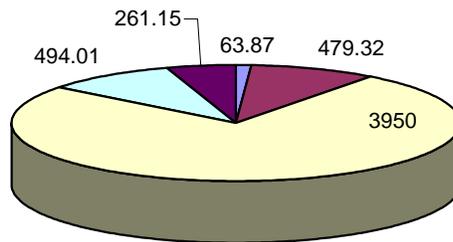
CR = Current Residence
PR = Previous Residence

Expenditures of Sico (PR)



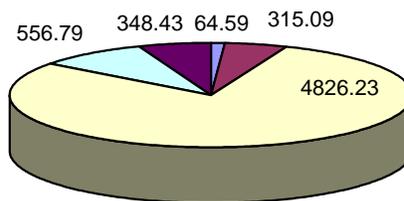
■ Clothing ■ Education □ Food □ Transportation ■ Others

Expenditures of Balete (CR)



■ Clothing ■ Education □ Food □ Transportation ■ Others

Expenditures of Balete (PR)



■ Clothing ■ Education □ Food □ Transportation ■ Others

CR = Current Residence
PR = Previous Residence

F.3 Perceptions Regarding Residents of Host Communities

Table 23 : Responses Regarding Cooperation Between Old and New Residents

Response	Respondents by Residence	
	Sico (%)	Balete (%)
With Cooperation	61%	49%
Without Cooperation	39%	51%
TOTAL	100%	100%

F.4 Lots, Housing Assistance & Rights

Table 24 : Percentage of Respondents Who Hold Lot Titles

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Holds Lot Title	4%	13%
No Lot Title	96%	84%
No Answer / No Idea	0%	3%
TOTAL	100%	100%

Table 25 : Percentage of Respondents Who Perceived that Relocates Had Moved Out

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Had Moved Out	87%	91%
Had Not Moved Out	9%	9%
No Idea	4%	0%
TOTAL	100%	100%

Table 26 : Percentage of Respondents Who Perceived that Relocates Had Sold their Rights

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Sold Rights	78%	91%
Did Not Sell Rights	9%	6%
No Idea / No Answer	13%	3%
TOTAL	100%	100%

Table 27 : Selling Price Range for Lot / House Rights

Respondents by Residence	Range of Amounts
Sico	7,500.00 to 85,000.00
Balete	7,500.00 to 100,00.00

F.5 Relocation Experience

Table 28 : Percentage of Respondents Who Claim to Have Been Consulted Regarding Relocation Process

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Was Consulted	65%	46%
Was Not Consulted	5%	26%
No Answer / No Idea	30%	29%
TOTAL	100%	101%

Table 29 : Percentage of Respondents Who Claim to Have Been Consulted Regarding Relocation Site

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Was Consulted	87%	87%
Was Not Consulted	13%	9%
No Answer / No Idea	0%	4%
TOTAL	100%	100%

Table 30 : Percentage of Respondents Who Claim to Have Been Consulted Regarding Assistance Package

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Was Consulted	74%	93%
Was Not Consulted	22%	1%
No Answer / No Idea	4%	6%
TOTAL	100%	100%

Table 31 : Percentage of Respondents Who Claim to Have Been Consulted Regarding Income Restoration Programs

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Was Consulted	52%	33%
Was Not Consulted	48%	54%
No Answer / No Idea	0%	13%
TOTAL	100%	100%

Table 32 : Range of Amounts for Cash Compensation Received

Respondents by Residence	Range of Amounts
Sico	5,000.00 to 40,000.00
Balete	10,000.00 to 50,000.00

Table 33 : Percentage of Respondents Who Availed of the Core House Package

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Availed	57%	13%
Did not Avail	30%	77%
No Answer / No Idea	13%	10%
TOTAL	100%	100%

Table 34 : Mode of Payment for Cash Compensation

Response	Respondents by Residence	
	Sico	Balete
Cash	39%	36%
Check	57%	62%
Both	4%	1%
Neither	0%	1%
TOTAL	100%	100%

Table 35 : Percentage of Respondents Who Availed of the Home Lot Package

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Availed	65%	63%
Did not Avail	22%	27%
No Answer / No Idea	13%	10%
TOTAL	100%	100%

Table 36 : Percentage of Respondents who are Satisfied with the Relocation Sites

Response	Respondents by Residence	
	Sico (%)	Balete (%)
Satisfied	65%	74%
Not Satisfied	30%	23%
No Answer / No Idea	5%	3%
TOTAL	100%	100%

CR = Current Residence
PR = Previous Residence

Appendix G

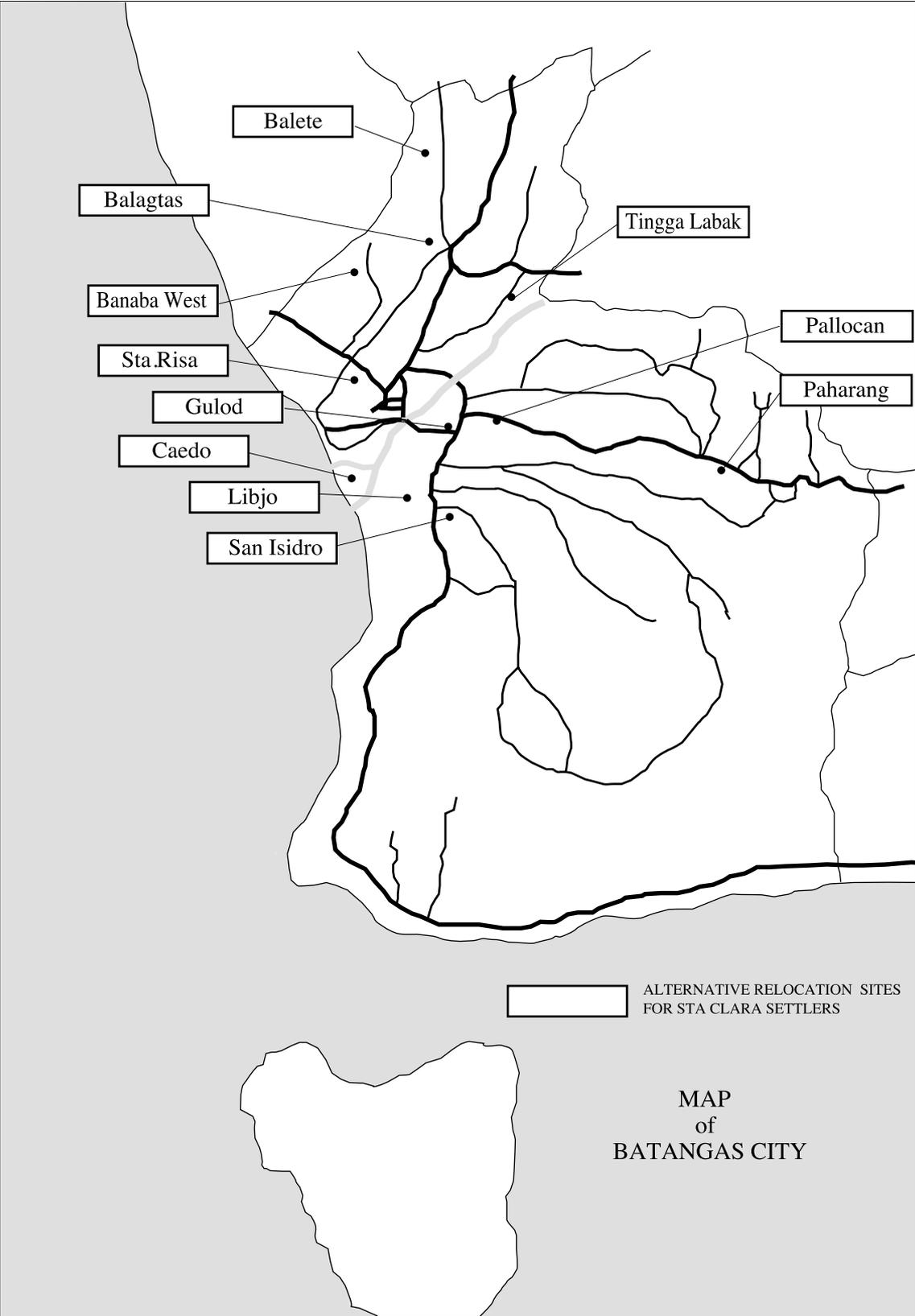
Map1 . A Map Showing the Presence of Illegal Settlements in Batangas City



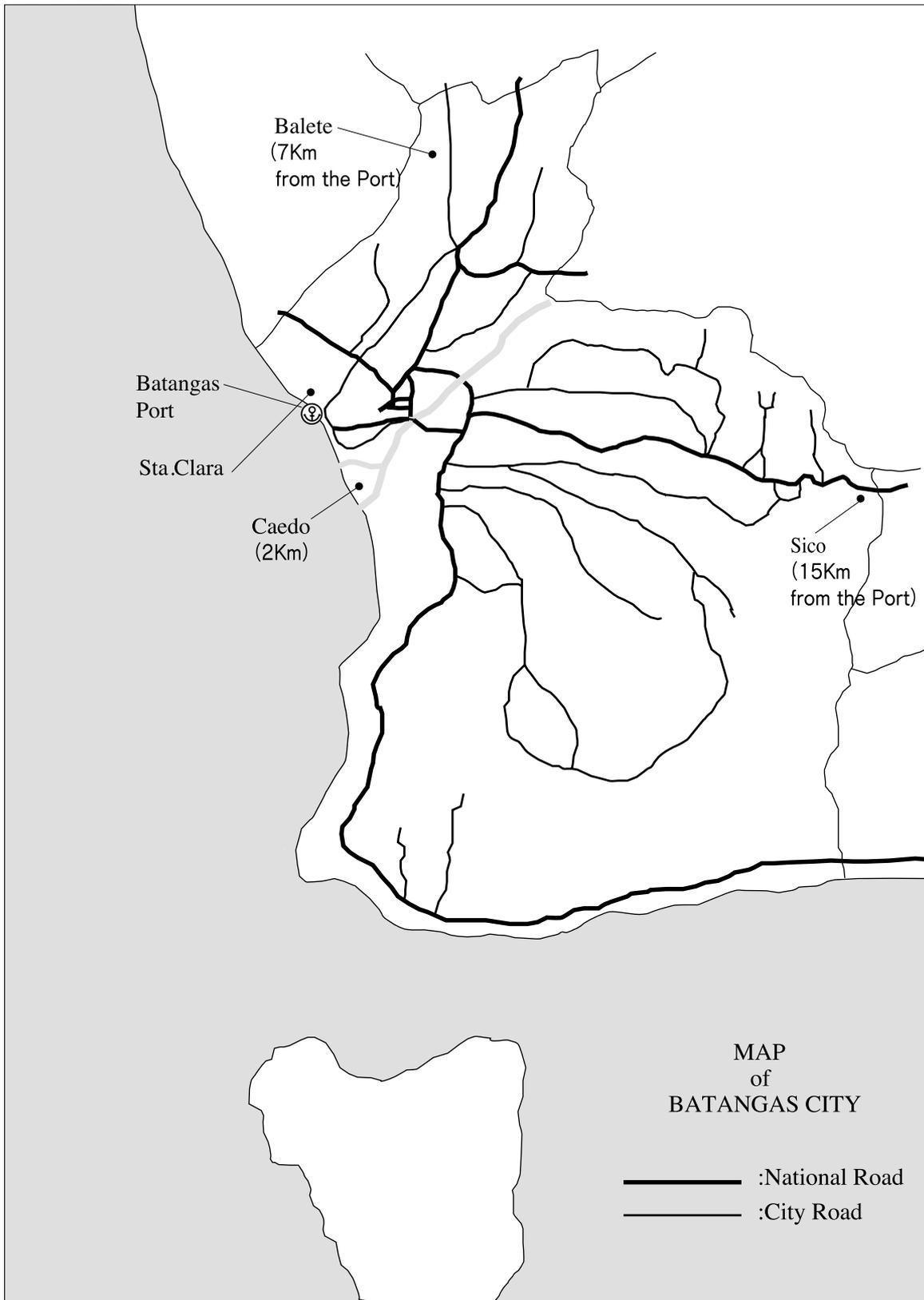
 - Illegal Settlements

source: Office of the Mayor, Batangas City-Philippines

Map 2. A Map Showing the Sites Considered for the Relocation Site



Map3 . A Map Showing the New Relocation Site(Balete and Sico) with Respect to the Old Site(Sta.Clara)



Appendix H

Questionnaire Used For Balete and Sico

Socio-Economic Survey of Relocateses
Urban and Community Studies Program
Ateneo de Manila University

Introduction. We are conducting interviews in Balete and Sico to find out the socio-economic conditions of the people who were relocated from Sta. Clara. Thank you very much for the time that you are giving us and your patience with us!

Date of Interview _____ Name of Interviewer _____

Respondent's Name _____ Sex _____ Age _____

Education _____ Occupation _____

Current Address _____

Former Address _____

Date moved into the community _____

Please identify: _____ Structure Owner _____ Sharer/Renter

Physical/Socio-economic Characteristics of Place/People

How would you describe the geographical and socio-economic characteristics of this place compared to your previous residence? (Try to establish the timing of changes: before relocation, right after the relocation, two years after (1996) and now.)

	Current Residence	Previous Residence
Physical		
Economic		
Employment		
Unemployment		

Your description of your employment situation, can this also be said of other residents who moved from Sta. Clara?

_____ Yes _____ No

Why? _____

How about the oldtime residents here, how would you compare them to those who were relocated here?

How about the socio-eco. characteristics of oldtimers?

Basic Services (Water, Electricity, Health, Education): If you were to compare the basic services here and in Sta. Clara, how would you rate them? Adequate? Inadequate? Why? To what extent, is this due to the relocation?

	Current Residence	Previous Residence
Water If different, why?		
Electricity If different, why?		
Health Services If different, why?		
Education Services If different, why?		
Transportation If different, why?		
Livelihood If different, why?		
Jobs If different, why?		

Are you aware of income restoration programs here? ___ Yes ___ No

If yes, what were these? _____

If no, why not? _____

	Current Residence	Previous Residence
Living Standards If different, why?		
Infrastructure If different, why?		
Mutual Cooperation System If different, why?		
Income Level		

Income source (monthly)	How much?	Sources	How much?

If different income levels, why? _____

	Current Residence	Previous Residence
Income sources		
Any difference?		
Why?		
Expenditure (monthly)		

Major Expenditure Items	Expenditure	
	Current Residence	Previous Residence
Food		
Transportation		
Education (school fees)		
Clothing		
Others		
Total		

If different expenditures, why? _____

Are the services and infrastructure properly maintained? Why? Why not?

Please describe the relations of the relocatees with the old residents of the community? _____

Is there cooperation between them? Or are there problems between them? Why/? Why not?

On the whole, given the benefits (lot/housing) and services that the relocatees have obtained, some have still registered some complaints? Why? What are the reasons? _____

Do you have a title to your home lot? ____ Yes ____ No

Why? _____

Have some of the relocatees moved out? ____ Yes ____ No

Why? _____

Did they sell out their rights? _____ Yes _____ No

How much did they sell their rights? _____

May we recall some of the events in Sta. Clara prior to your relocation here?

Were you consulted regarding the relocation process? ___Yes ___No Regarding:

Relocation site _____ Yes _____ No

Assistance package _____ Yes ___ No

Income restoration program ___Yes___No

How? Please describe the process. _____

Why do you think despite the consultation, the demolition still occurred?

Who were the people strongly opposed to the relocation? Why?

Why did the number of people who were supposed to be relocated change considerably (e.g., 700 in one survey then to 1,200 in the next survey)?

There were about 200 HHs/families who voluntarily relocated (did not wait for their structures to be demolished). Who were they?

Why did they voluntarily relocate? _____

How different were they form those who resisted the relocation? _____

Let us talk about the cash compensation that relocatees received. How much cash did you receive?

Disturbance fee _____

Housing assistance _____

Core house _____

Food assistance _____

Home lot _____

How was it delivered to you? _____

From whom did you receive it? _____

Was it in cash? Yes ____ No ____

If in check, who encashed it? _____

Overall, are you satisfactorily established in this place? Why? _____



Batangas Port (Parking in the Port is now possible after its expansion)



Relocation Site , Balate



Relocation Site , Seo