



Kaagapay ng Komunidad sa Maginhawang Pamumuhay



RATIONALE OF THE CY 2023 PERFORMANCE SCORECARD TARGETS

The Social Housing Finance Corporation (SHFC) was created in January 2004 by virtue of Executive Order No. 272 and is an attached agency of the Department of Human Settlements and Urban Development. SHFC is mandated to develop and implement social housing programs that will cater to low-income families in both the formal and informal sectors of the Philippine society, with the end-goal of providing security of tenure and creating resilient and sustainable communities.

Through SHFC's programs, informal settler families (ISFs) achieve security of tenure through title ownership, enabling them towards a strongly rooted, comfortable, and secure life, and therefore becoming productive citizens in national development efforts. SHFC's programs likewise ensure a sustainable settlement by making the communities involve themselves in the planning, implementation, and maintenance of their shelter facilities. Hence, SHFC is committed to annually increase its corporate targets on the number of ISFs it has assisted through its community-driven shelter financing programs.

BACKGROUND

SHFC's Performance Scorecard for CY 2023 was a result of a series of discussions held from January to February 2022 among the Management Committee and the Advisory Council. Careful consideration and assessment of the opportunities and constraints amidst several factors were undertaken, to which the management resolved to continue providing decent and affordable shelter solutions to its mandated beneficiaries, especially since the socio-economic impacts of the pandemic continue to be felt by the low-income sector.

For 2023, the following were key considerations in establishing SHFC's primary targets (takeout and collection):

- Projects classified as new, ongoing, or under Turnkey Community Mortgage Program (CMP) that have been taken out in 2022 and that would still need funding for 2023;
- Projects affected by the modification of funds from High Density Housing (HDH) to CMP;
- Finalization of the 2022 Corporate Operating Budget (COB), in light of SHFC's limited General Appropriations Act (GAA) funding for the same year which resulted in SHFC revising its target from 60,000 down to 17,639 ISFs; and
- Estimated cash flow of the corporation.

In further consideration that the government will continue to prioritize the health sector of the country, the management likewise decided that the corporation should strengthen its generation of internal funds to ensure the sustainability of its operations and programs. Hence, on 01 June 2022, the Board of Directors approved the 2023 Corporate Workplan as follows:

SOCIAL IMPACT	
Strategic Measure	2023 Target
1. Provision of Shelter Security and Improved Housing Quality	55,554 Informal Settler Families provided with housing loans and grants

STAKEHOLDERS	
Strategic Measure	2023 Target
2. Percentage of Satisfied Customers (Pre-Takeout)	90% of respondents of the Client Satisfaction Survey (based on GCG methodology) gave a Satisfactory rating for SHFC's Pre-takeout Services

3. Percentage of Satisfied Customers (Post-Takeout)	90% of respondents of the Client Satisfaction Survey (based on GCG methodology) gave a Satisfactory rating for SHFC's Post-takeout Services
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FINANCE	
Strategic Measure	2023 Target
4. Improve Collection Efficiency Rating of SHFC Program Loans	91% CER
5. Improve the Status of Problematic Accounts	5% Reduction of Problematic Accounts
6. Improve Financial Bottomline	Net Operating Income PhP 18.296 Million
7. Improve Budget Utilization Rate	Not Less Than 90% of GAA Allocation for SHFC Projects

INTERNAL PROCESS	
Strategic Measure	2023 Target
8. Turnaround Time of Processes as Prescribed in the Ease of Doing Business Act	100% of Loan Applications Processed within the Prescribed Period
9. Enhance Support Systems for Effective and Efficient Processes	100% Implementation of ISSP Phase II Programs

LEARNING & GROWTH	
Strategic Measure	2023 Target
10. Attain Quality Management Certification	Pass ISO Surveillance Audit for the Head Office
11. Improve Competency Baseline of the Organization	Increase in competency baseline

PROGRAM PERFORMANCE: SHFC CONTINUOUSLY COMMITS TO UPLIFT LIVING CONDITIONS THROUGH NEW STRATEGIC DIRECTIONS

STRATEGIC MEASURE 1: Provision of Shelter Security and Improved Housing Quality

Target: 55,554 INFORMAL SETTLER FAMILIES PROVIDED WITH HOUSING LOANS AND GRANTS

During the previous years, SHFC continuously commits to empower and uplift the living conditions of its mandated beneficiaries by Building Adequate, Livable, Affordable, and Inclusive (BALAI) Filipino Communities. It is also for this reason that the corporation resolved to maintain its target number of providing 55,554 ISFs. In fact, these targets are not numbers to be achieved but are based on actual projects in the pipeline that are already in various stages of SHFC's project evaluation.

With eased mobility restrictions and a gradual transition to the new normal, SHFC has managed to remain flexible in its operational processes in adherence to minimum public health standards. For 2023, SHFC will continue to maximize its use of digital platforms in its coordination with stakeholders to achieve its takeout target. Aside from project evaluation efforts, SHFC has also been sustaining its partnership with Local Government Units (LGUs) and was able to forge partnerships with them as key partners in the implementation of SHFC community-driven programs, despite the ongoing pandemic.

It should be noted, however, that similar with the previous year, the takeout target for 2023 is hinged on the availability of funding from the National Government. This target number of ISFs would require an estimated amount of PhP 18.006 Billion for SHFC's community-driven programs.

SHFC'S STRONG PROGRAM SUPPORT AND SATISFIED CLIENTS

STRATEGIC MEASURES 2a and 2b: Percentage of Satisfied Customers

SM 2a Target: 90% OF RESPONDENTS OF THE CLIENT SATISFACTION SURVEY (BASED ON GCG METHODOLOGY) GAVE A SATISFACTORY RATING FOR SHFC'S PRE-TAKEOUT SERVICES

SM 2b Target: 90% OF RESPONDENTS OF THE CLIENT SATISFACTION SURVEY (BASED ON GCG METHODOLOGY) GAVE A SATISFACTORY RATING FOR SHFC'S POST-TAKEOUT SERVICES

On top of the program performance for the past years, SHFC has consistently achieved satisfactory ratings for its pre-take out and post-take out activities on a commissioned Client Satisfaction Survey (CSS) conducted by a third-party service provider. This suggests that SHFC has not only been able to assist ISFs in gaining land tenure security, but it had also done so in a manner that is effective, transparent, and accountable. Given this, SHFC shall continuously aim to unfailingly provide satisfactory services in 2023, wherein 90% of its respondents shall give SHFC at least a Satisfactory Rating for its pre-takeout and post-takeout services.

FINANCIAL SOUNDNESS: HIGH COLLECTION EFFICIENCY RATE AND WELL-PLANNED CORPORATE FINANCES

SHFC recognizes the repercussions that the pandemic brings to the economy and the socio-economic status of the entire country. With both the financial impact of the previous years to the corporation, and the limited fiscal space that the government has, the corporation is committed to ensure its financial soundness by achieving well-planned finances.

STRATEGIC MEASURE 3: Improve Collection Efficiency Rating (CER) of SHFC Program Loans

Target: 91% CER

In terms of collection efforts on loan amortization, SHFC has maintained a high rate of efficiency for current and past due accounts of its CMP and HDH programs at 90.11%, with collections amounting to PhP 1.01 Billion by end of December 2021.

For FY 2023, SHFC aims to further improve its cumulative CER for current and past due accounts at 91% because of the need to improve internally generated funds to financially support its targets and corporate endeavors. Various strategies and activities such as enhanced capacity building, and settlements management will both lead to financial responsibility among the members; as well as collection strategies such as the implementation of additional online payment channels (GCash, PayMaya, ECPay outlets, and BPI online banking) nationwide. This strategy has helped ensure the safety of SHFC's member beneficiaries amidst the COVID-19 pandemic.

STRATEGIC MEASURE 4: Improve Status of Problematic Accounts

Target: 5% REDUCTION OF PROBLEMATIC ACCOUNTS

In addition to further improving its internally generated fund to finance its operations and programs, the corporation aims to reduce the number of its problematic accounts by 5%. As with the previous year, SHFC will continue to implement remedial interventions to address highly delinquent accounts with arrearages from sixty (60) months and up.

STRATEGIC MEASURE 5: Improve Financial Bottomline

Target: NET OPERATING INCOME PHP 18.296 MILLION

On the other hand, SHFC shall aim for a Net Operating Income of PhP 18.296 Million by the end of 2023. This target Net Operating Income is based on the COB for 2023 which took into consideration among others, the number of ISFs to be assisted, the proposed national funding request, and the collection efficiency target.

STRATEGIC MEASURE 6: Improve Budget Utilization Rate

Target: NOT LESS THAN 90% OF GAA ALLOCATION FOR SHFC PROJECTS

To ensure the prudent management of government and corporate funds, SHFC commits to continue utilizing at least 90% of the allocation from the GAA for SHFC projects. This is likewise in adherence to the GCG's requirement of utilizing 90% of SHFC's budget allocation.

VALUE-ADDED DELIVERY OF SOCIAL SERVICES

STRATEGIC MEASURE 7: Turnaround Time of Processes as Prescribed in the Ease of Doing Business Act

Target: 100% OF LOAN APPLICATIONS PROCESSED WITHIN THE PRESCRIBED PERIOD

In light of the National Government's efforts to improve government response with the provision of services, SHFC will contribute to this undertaking by ensuring that it will adhere to the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 or Republic Act No. 11302 by accomplishing 100% of its loan applications processed within the prescribed period.

STRATEGIC MEASURE 8: Enhance Support System for Effective and Efficient Processes

Target: 100% IMPLEMENTATION OF ISSP PHASE II PROGRAMS

In its thrust to further improve the corporation's delivery of social services and establish a more responsive organization, the SHFC Management shall continuously move for the automation of system processes to cover information for operational and management activities, which can be enjoyed by all SHFC stakeholders and further promote ease of doing business.

SHFC continues the implementation of its Phase 1 systems under the updated ISSP for 2022-2024, which had been approved by the SHFC Board of Directors on 24 November 24 2021 and duly-endorsed to the Department of Information and Communication Technology (DICT).

Consistent with the Board-approved ISSP, for 2023, three (3) systems under Phase 2 implementation will be developed and further enhanced:

1. Project Management System;
2. Bank Reconciliation System (*for development*); and
3. Website Upgrade (*for enhancement*).

ORGANIZATIONAL ACCOMPLISHMENTS

STRATEGIC MEASURE 9: Attain Quality Management Certification

Target: PASS ISO SURVEILLANCE AUDIT FOR THE HEAD OFFICE

In its pursuit of improved delivery of services and efficient processes, SHFC will ensure that in 2023, the ISO 9001:2015 certification is maintained during the surveillance/re-certification audit for its Head Office. This commitment ensures that SHFC's processes are continuously aligned with international standards.

STRATEGIC MEASURE 10: Improve Competency Baseline of the Corporation

Target: INCREASE IN COMPETENCY BASELINE

Lastly, and consistent with its efforts to improve its processes, SHFC has to ensure that it professionalizes its human resource management by continuously implementing the Competency-Based System. The improvement in the proficiency and capacity of its human resource shall be evidenced by the increase in corporate competency level for FY 2023.

SHFC's ENABLING STRATEGIES

With the above targets of SHFC, the following are the corporate strategies and undertakings currently being implemented by the corporation that would be strengthened to achieve the 2023 tasks:

- (a) Inclusivity. SHFC's implementation of its different CMP resettlement modalities will ensure a more responsive and appropriate program that caters to most, if not all, sectors in the society;
- (b) Stronger collaboration. The delivery of shelter services calls for a programmatic and convergence approach through the involvement of major stakeholders such as the local government units and the national government. In strengthening the collaboration, shelter programs are to be implemented with pooled resources to achieve economies of scale;
- (c) Enhanced Capacity Building. Based on the program partners' level of expertise, providing enhanced capacity building such as financial literacy and settlements management, to name a few, ensures the sustainability of the projects;
- (d) Decentralization. In its effort to eliminate the bureaucratic processes of the corporation, SHFC adopted the decentralization of its processes, which is also in adherence with the Anti-Red Tape Act;
- (e) Improved Systems and Processes through Digitalization. In light of external risks, SHFC commits to automating its processes to ensure ease of doing business;
- (f) Grassroots Approach. One of the reasons why projects, despite its potential, are not completed and endorsed for funding is because of the limited knowledge of the ISFs in terms of project application and development. With the assistance of the grassroots team, SHFC is able to reach out and, at the same time, understand the needs of the most basic level – its partner-communities. This, alongside the decentralization, is an attempt to promote a more citizen-centered governance;
- (g) Strict Monitoring and Enforcement. SHFC has taken huge steps to ensure that the organization's compliance and ethics policies are followed to provide its stakeholders reasonable assurance that our programs and processes are effectively managed;
- (h) Alternative Funding Sources. It is one of SHFC's social responsibilities to ensure that no one is left behind. Hence, by securing alternative funding sources, the corporation is able to reach and assist a large number of families that are in need of shelter solutions.

SHFC also commits to improving its collections through the full implementation of reactivating and restructuring its accounts;

- (i) Gender Responsive Program and Work Environment. The corporation aims at increasing general sensitivity, understanding, and knowledge about gender (in)equality. One of the main initiatives of the corporation is to adopt genderized livelihood programs to allow its partners to be allies in helping advance gender equality;
- (j) Corporate-wide Collection Undertaking. In furtherance of its mandate, SHFC is also bound to provide a strong and sustainable finance program that supports its housing objectives. Hence, corporate-wide collection activities shall be undertaken to ensure that its partner beneficiaries are reminded of their financial commitments to SHFC and will allow them to avoid unnecessary penalties in the future;
- (k) Effective and Efficient Use of Resources. SHFC is committed to continuously improve the delivery of its shelter programs and carry out its mandate by ensuring that its resources are prudently managed; and
- (l) Core Values Reintegrated in Corporate Culture. SHFC endeavors to build a strong foundation from which its employees are able to uphold the organization's core values and cultivate an environment that is primarily rooted in public service.

Aside from these strategies, SHFC will also continue pursuing a competency-based streamlining plan that would ensure that the corporation's human resources and organizational structure are prepared to meet challenges posed by the shelter needs of its mandated clientele – the homeless and underprivileged sector of the Philippine society.