



# THAILAND

## USING ACCA TO START A NATIONAL CITY FUND MOVEMENT

Thailand is a rare case in Asia where the government has allocated considerable budget for land and housing for the urban poor, and then used that budget to mobilize a national housing upgrading process that is driven by poor communities and their networks. This budget goes through the Community Organizations Development Institute (CODI), which is Thailand's main support system for the poor. CODI passes that budget on to communities, to help them set up savings groups, survey all the slums in their cities, form networks, negotiate for land and develop citywide plans for solving all the urban poor housing problems in a comprehensive way. CODI's Baan Mankong Program provides soft housing and land loans, infrastructure subsidies and technical support grants to communities and city-based networks to turn these plans into real projects. Today this citywide upgrading process has been developed in 277 cities and towns around Thailand, and upgrading projects in 1,546 communities (with 91,000 households) are now either finished or underway. All these projects are being planned, implemented and financially managed entirely by poor communities and their networks in these cities.

**So why the need for ACCA in Thailand?** The presence of CODI has allowed a large-scale, citywide slum upgrading process to spread across the country, but it has also hindered the establishment of strong, independent local finance mechanisms that the poor in each city control, to support their own development initiatives and strengthen their local collaborations. As progressive as CODI may be, it's still a government institution and still as vulnerable to changing political winds as any public-sector agency, as budget shortfalls and board changes in recent years have shown. Plus there many communities whose uncertain land-tenure status prevents them from accessing CODI loans, and many very poor families who can't afford to repay housing loans at all, even on CODI's soft terms, and these gaps in CODI's reach have prevented the housing process from becoming truly citywide. So the ACCA support in Thailand has been used more strategically to support the setting up of Thailand's first city-based community development funds, with the hope that they will become the main financial resource at city level to manage the housing activities of all the communities in the city, and which are owned and managed by poor community networks, in collaboration with their local governments and other stakeholders.



Since the community networks in Thailand already have access to a variety of loans and support from CODI, the national urban community network decided collectively to propose fewer cities to ACCA, and to propose only \$20,000 for big projects and \$2,000 for city process support, as a way of sharing scarce ACCA resources with countries which don't have access to such lavish housing finance. The ACCA funds were passed directly to the community networks, to seed their new city-based funds, which link together all the savings groups in the city, and from which communities can take loans to address a variety of needs, to finance a variety of projects and to reach everyone in the city - even those who can't access CODI loans, for various reasons. These new city funds are not only providing housing and land loans, but also financing livelihood, welfare and disaster projects

and to support stateless persons. The city funds are also helping to strengthen the relationships and the collaboration between the people and the local authorities, leading to a more citywide, locally-driven, partnership-based and longer term process of solving problems of urban poverty in these cities. As one of the community leaders put it, "These funds make us more independent, more strong. The government can't reject our proposals, because they are being financed by our own funds!"

Thailand's first two pioneering city-based funds were established in 2009, in Bangkok's Bang Khen District and in Chum Phae. Five more ACCA-supported city funds followed in 2010, in Rangsit, Ubon Ratchathani, Hua Hin, Nakhon Sawan and Koh Khwang. From there, the city fund concept has been enthusiastically taken up by community networks in other cities and has spread across the country, with more than 300 city funds in some stage of operation now.

## ACCA in THAILAND :

### PROJECT CITIES (total 9)

- Chum Phae
- Bang Khen District, Bangkok
- Prachuab Kirikan
- Ubon Ratchatani
- Rangsit
- Hua Hin
- Nakhon Sawan
- Koh Khwang, Chantaburi
- Khon Kaen

### SMALL PROJECTS

Small projects approved : 46  
In number of cities : 11  
Total budget approved : \$82,500

### BIG PROJECTS

Big projects approved : 11  
In number of cities : 11  
Total budget approved : \$240,000

### SPECIAL PROJECTS

- National small project community network fund, budget \$52,000.
- First Homeless Network housing project, budget \$25,500.
- Upgrading historic Pom Mahakan community, budget \$23,500.

### SAVINGS (only in 9+2 ACCA cities)

Savings groups : 108  
Savings members : 17,074  
Total savings : \$2.09 million

### CITY DEVELOPMENT FUNDS

CDFs active in : 7 cities  
Total capital in 7 CDFs: \$1,904,479

- from ACCA \$163,000 (9%)
- from comms. \$761,754 (40%)
- from gov. \$976,754 (51%)
- from others \$3,000 (0%)

### IMPLEMENTING GROUPS

The ACCA projects are all being implemented by the community networks in each city, with support from the National Urban Poor Community Network (NULICO), the Four Regions Slum Network, and the Bangkok Homeless People's Network.

### A financial system to change lives:

"We are not building these city funds just to get access to some money. When we build our city development fund, we are building a financial system for the future, for our families, our children, and for every poor person in the city. We are building a financial system to change our lives." (Thongsuk Phumsangan, a community leader from Chum Phae)

## A small seed from ACCA helps launch a national city fund movement in THAILAND

	CAPITAL IN CITY-BASED COMMUNITY FUNDS						
	City	Date set up	Funds from ACCA	Funds from communities	Funds from government	Funds from other sources	Total capital in city funds
WITH ACCA SUPPORT	<b>1. BANG KHEN DIST.</b>	2009	30,000	394,367	109,457	0	533,824
	<b>2. CHUM PHAE</b>	2009	30,000	303,238	47,602	0	380,840
	<b>3. RANGSIT</b>	2009	20,000	16,667	16,667	0	53,334
	<b>4. UBON RATCHATANI</b>	2010	20,000	6,104	77,167	0	103,271
	<b>5. HUA HIN</b>	2010	20,000	2,782	0	0	22,782
	<b>6. NAKHON SAWAN</b>	2010	20,000	10,339	119,166	0	149,505
	<b>7. KOH KHWANG</b>	2010	20,000	28,257	6,687	0	54,944
	<b>TOTAL</b>	7 funds	\$160,000	\$761,754	\$376,746	0	\$1,298,500
AFTER ACCA	<ul style="list-style-type: none"> <li>● <b>100 city funds</b> fully set up and functioning, with formal registration status and receiving support from CODI.</li> <li>● <b>100 city funds</b> set up by community networks and functioning, but not yet registered or receiving CODI funds.</li> <li>● <b>100 city funds</b> in the process of being set up by community networks in those cities, with community funds.</li> </ul>						

# How PEOPLE-MANAGED city funds work :



# 1

**BANG KHEN DISTRICT:** This network added \$394,000 of their own savings and a \$110,000 contribution from the district authority to their fund, which gives loans mostly for house building and repair, especially in the district's canal-side communities. The fund also gives small grants for environmental improvements and can be used as bridge financing for communities waiting for CODI loans. They charge 4% interest on the loans, of which 1% goes into their district welfare fund, 1% is used to cover management costs and 2% goes back into the city fund's capital.



# 2

**CHUM PHAE:** There is a lot of innovation in this little provincial town: children's savings, a communal rice farm, and almost 100% community membership in savings. The network's city fund gives loans mostly for land buying and house construction and repair, but reserve 22% of the capital for loans for occupation, education and repaying informal debts. The first loan went to a squatter community of 293 hh to buy new land. The fund also gives grants to subsidize the housing of extremely poor families, to enable them to join upgrading projects in their communities.



# 3

**RANGSIT** is on the outskirts of Bangkok and has many factories, whose workers live in informal settlements with precarious tenure. The network's fund gives loans mostly for housing construction and repair (at 2% per year, repayable in 5 years) to the poorest families who live on unclear land or cannot qualify for CODI loans for various reasons. The fund also gives grants to subsidize the poorest families to be able to take part in their Baan Mankong-financed community upgrading projects, and gave a loan to one community to buy a block-making machine.



# 4

**UBON RATCHATANI:** The fund in this northeastern city, near the Lao border, has set a goal of bringing all 8,071 poor households in the city into the savings and CDF process within five years, so they will see improvements in their lives and housing conditions. Many of these poor families are "stateless" migrants from Lao who have no rights and cannot access government support from CODI. The fund mostly gives loans for housing construction and repair, but also gives housing support grants for very poor families identified by community committees.



# 5

**HUA HIN:** According to the community network's survey, there are 37,012 poor families living in 35 informal settlements in this popular seaside resort, where many work in tourism-related jobs. More than half of these slums are on State Railway land, where their tenure is extremely precarious. The network's city fund combines four functions: housing loans, livelihood loans, welfare benefits and insurance fund. But the focus so far has been on giving bridging housing loans to poor households in communities waiting for CODI loans (at 3%, repayable in 2 years).



# 6

**NAKHON SAWAN:** There are 68 poor communities in this northern provincial capital city, and some have already solved their housing problems, with CODI support, through upgrading on-site, reconstruction, or relocation, while others are in the process of applying for upgrading support. The city fund, which is managed by the community network, has focused on giving housing loans to very poor families who cannot access CODI loans, for various reasons, and house repair loans and grants to poor families affected by fires, floods and other disasters.



# 7

**KOH KHUANG:** The network in this small eastern city links 1,525 households in 13 communities, who face problems of low income, poor housing and insecure tenure. Six of these communities are doing Baan Mankong projects and another five are in progress. The city fund has mostly provided bridging housing and building materials loans (at 4%, repayable in 2 years) to communities waiting for CODI loans, enabling them to start building right away. The fund also loaned \$3,300 to one community to buy a block-making machine, to supply their housing project.



## National small project fund :

### another fund experiment helps earthquake-hit families in Chiang Rai . . .

At the end of the first phase of ACCA, a budget of \$52,000 was approved to allow the national Thai urban community network to launch a special national fund to support special strategic community projects to improve common community infrastructure and amenities. So far, the fund has supported three projects: a network learning center in Bang Bua (\$3,000), a community center for the elderly in Ram Indra (\$3,000), and a project to rehabilitate victims of the May 2014 earthquake in the northern city of Chiang Rai.

To help the poorest earthquake victims repair their damaged houses, a \$6,600 grant from the fund was matched by \$220,000 from CODI to set up a special network-managed earthquake fund, of which 70% would go as interest-free housing repair loans and 30% as grants to the most vulnerable and single elderly victims. As of August 2014, 254 houses had been repaired, by the "Chang Chumchon" network of community-based builders (of which 72 were financed 100% by grants, 94 by partial grants and 88 by loans).



## THAILAND:

Using ACCA to fill in gaps in a context with an already robust citywide upgrading process . . .

Thailand's national network of urban poor communities, NULICO (National Union of Low Income Communities), makes a good demonstration of how a community-driven process can ensure that communities that are truly vulnerable can be prioritized when it comes to proposing projects. NULICO is active at many levels: city, provincial, and national, and there is a process of nomination and selection of CODI and Baan Mankong projects, ACCA projects and projects from other supporters which ensures those who are in greatest need will receive help first.

The selection criteria and rules for distributing funds and projects have been set by the network members themselves. At the city level, each community presents its proposals to the city-level network, which vets the proposals and passes them on to the provincial network, and then finally to the national network. Since the network is composed entirely of urban poor community members, they are well placed to assess which projects need funding support. NULICO members who are themselves veterans of complex community upgrading projects, provide assistance to communities when drawing up project plans and proposals.

At the start of the ACCA Program, the NULICO network discussed this new opportunity and decided to propose smaller amounts for ACCA support, as a way of sharing scarce ACCA funds with countries that don't have access to such large and flexible community upgrading funds as the Thai communities do. And in the second phase of ACCA, after the first round of ACCA support had successfully launched the national city-fund movement, they put their heads together again to see how to use the ACCA support in more strategic ways, to fill in gaps in the country's already very large and already very robust citywide upgrading process. That's where the three special projects on these two pages came from - all of which deal with vulnerable communities in situations which have slipped beneath the citywide upgrading radar in different ways.



"This will be the first group of homeless people to graduate from the center, move out and make their own housing and stay on their own. But we have to be careful, it is a big step. It means a big change of life, having to repay a housing loan, have to manage many complicated things which the don't have to do when they are homeless. They will have to increase their monthly savings to make their house loan repayments to the network. This is a very important test case. If it works, they have the power to inspire others and will show the way to other groups of homeless." (Tui, from the Human Settlements Foundation)

## 1 The issue of HOMELESS PEOPLE in the city

For decades, homeless people in Bangkok (including not only single people, but many couples and families with children, who for various reasons are either not able or not ready to settle in formal or informal housing) have been harassed by policemen, chased away from the parks and storefronts and parking lots where they sleep at night, and occasionally rounded up and dumped in prison-like shelters run by the Municipality, where families are forcibly divided, with the women locked in one room, the men in another, and the children sometimes taken away by social service agencies. In about 2000, with support from the Human Settlements Foundation NGO, the homeless in Bangkok and other cities began coming together and discussing how to deal with these problems together, as a unified group, rather than individually, with no power.

**Thailand's first homeless shelter run by the homeless themselves:** One of the biggest issues the homeless people faced was the problem of the government-run shelters, which everyone hated and avoided, because they lost their freedom there and because these centers forced them to be separated from their families and loved ones. Finally, after years of organizing and negotiating, the country's first self-managed shelter for homeless people was inaugurated in Bangkok. The two story building was designed and constructed by the homeless themselves, with support from community architects, financed by a grant from CODI, and built on land that was provided by the State Railways of Thailand, in Taling Chan District (just across the river from Bangkok). Similar self-managed homeless shelters followed in Chiang Mai and Khon Kaen.

**Big ACCA housing project:** A group of ten homeless families have negotiated to rent a small piece of land (600m<sup>2</sup>) from the State Railways Authority (on a 30-year nominal lease) not far from the homeless center in Taling Chan, where the community architects have helped them develop a simple layout of 10 house plots and space for a community center and small open square. The families have already formed a cooperative society (which is a legal requirement to lease the land collectively and take loans), cleared and prepared the site and begun laying basic services (using partly a \$3,500 small project grant from ACCA and partly some infrastructure subsidies from CODI). The \$20,000 big project support from ACCA has been used to seed a special housing loan fund that will be managed by the Homeless Network, and will give housing loans of \$1,666 (at 1% annual interest) to the five homeless families who are determined to own their own houses and are ready to take on a debt. The other five single homeless people don't feel ready yet to take on any debts and will rent their houses (at a very low rate), which will be financed and owned by the Homeless Network.

Since the loans are not enough to complete the two-story semi-detached houses the group has designed, and since the families' savings are quite small, the Homeless Network and their partners in the Four Regions Slum Network have launched a garbage recycling project to raise funds to buy and contribute building materials to this important project. The houses are all being built collectively, with all the labor being provided free by the homeless families, with many friends from other homeless groups and supporters from far and wide coming to see the progress and chip in some free labor. The first two fully-completed houses were inaugurated during the World Habitat Day celebrations in October 2014. As the housing loans are repaid, the money will be used to give more housing loans to homeless network members in Bangkok, Chaing Mai and Khon Kaen who also want to develop their own secure and permanent housing.



## 2 The issue of informal communities on STATE RAILWAY LAND



As in so many other countries around Asia, the open land along the railway tracks in Thailand has long proven to be irresistible homesteading territory for poor urban migrants looking for a place to live, and there are hundreds of squatter settlements on railway land in cities up and down the country. But the State Railway Authority has been a difficult, fickle and sometimes brutal landlord, and while many other public land-owning agencies in Thailand have been leasing their land for housing the poor, the railway slums keep coming up against a blank wall in their negotiations for secure tenure.

The city of Khon Kaen, in northeastern Thailand, is a case in point. While high-rise towers and giant shopping malls are popping up in the center of the city, and signs of prosperity and growth are everywhere, the city continues to attract poor migrants from rural areas. Many of these migrants find shelter in slums around the city, many of which have been upgraded now, with support from CODI's Baan Mankong upgrading program. But not a single upgrading project yet in any of the city's large railway slums, where some of the city's poorest families live in squalor and insecurity on land along the tracks. In the past 15 years, the very active network of railway slums in Khon Kaen has implemented many projects to improve the lives and livelihoods of railway slum dwellers, including recycling cooperatives which buy recycled waste products from informal trash collectors at fair prices, community centers and small infrastructure improvements (paved lanes, drainage, community toilets, community centers). But because they squat on State Railway land and do not have secure land tenure, these settlements have not been able to apply to CODI for Baan Mankong upgrading support.

**BIG ACCA project in Khon Kaen:** More recently, they have successfully negotiated a deal with the State Railway Authority to remove all the houses that fall within 20 meters of the tracks, on both sides, to enable the railways to expand the tracks. The network surveyed and mapped all the settlements along the tracks and found that a total of 400 households were within 20 meters of the tracks and would have to move. Working with the railway authorities, the network was able to negotiate a deal where these 400 families would be given two options: one option is to relocate to secure land being provided nearby by the railways (in 2 sites), and the other option is to move onto small pieces of vacant land in the same communities where they now stay, in a kind of reblocking and readjustment planning process, and build new houses there. After much discussion, 74 households decided to stay, and were able to negotiate with their communities to occupy small pieces of vacant land within the same settlements, with a little readjusting. The \$20,000 from ACCA will go into the Khon Kaen city fund (which is managed by the community network) and will be used to give small house reconstruction loans to these 74 families, to rebuild their houses in the new spots. A \$3,500 ACCA small project grant will be used by the railway network to help in this housing reblocking process, to fix roads, drains, water supply and basic infrastructure after the land readjustment of making room for the 74 families in the same settlements.

**Another glitch from the railways:** The latest bad news is that the State Railways has changed its mind again, and have a new master plan which calls for taking back land beyond the 20-meter easement also, to develop a new dual-track system, and this has stalled the project and added hundreds more families to the list of insecure railway slum dwellers.

## 3 The issue of low-income communities in HISTORIC CITY CENTERS

Another issue that prevents some low-income urban communities from securing their land is simply being so old that their occupation pre-dates modern land ownership and city planning systems. A case in point is the Pom Mahakan community in Bangkok's historic center, Ratanakosin Island. This community of 66 households is tucked neatly on a bit of land between the old city wall and a canal, where they have lived for 231 years. This is one of the oldest extant communities in Bangkok, and the people are very proud that they still live the traditional Thai way, in a peaceful and tightly-knit community, in old teakwood houses, without air conditioning, and practice many of their traditional livelihoods, preparing Thai sweets and making delicate bamboo bird-cages. The people all have house registration, municipal electricity and water connections and voter IDs. But what they don't have is legal rights to the public land they have occupied for so long.

**Long eviction struggle:** The Bangkok Municipal Administration, though, has been trying to evict this community for 25 years, and the people have been locked into an ongoing struggle with each successive municipal government. Six Bangkok governors have made demolishing this community a prominent point on their agenda. The current city government is no different, and wants to demolish the community and turn this area into a public park. But the people here have managed to stop every attempt to evict them: demonstrations, fighting for human rights, rallies, barricades, letter and fax campaigns, public relations blitzes. But none of these resistance techniques have gotten them secure land tenure.

That's when the community finally shifted to a more positive approach, cultivating allies and developing their community to stop the eviction. Historians, architects, universities and housing rights groups in Bangkok (as well as the monks in nearby temples) have taken the community's side in this long struggle. But their most important ally has been the Nulico Urban Community Network, which has come to support them whenever they face eviction threats. The strongest message from the community network has been this: don't just wait around in your dilapidated old community for the next eviction to come, but start saving and improving your houses and environment, and use those improvements and the community's strong points to consolidate your right to stay. The network helped the Pom Mahakan residents survey and map the community (including mapping all the old trees and old wooden houses), and begin making some improvements to common areas, like the beautiful central square, which is paved with laterite blocks and surrounded by old wooden houses and huge trees. The people did all the work themselves, with design support from community architects.

**Big ACCA housing Project:** Because the land here is still in dispute, they can't apply to CODI for Baan Mankong housing loans, but they have been able to negotiate to get some support from CODI in the form "temporary" house" grants, which they have added to their savings to make a revolving loan fund for housing improvements. The \$20,000 big project funds from ACCA are being used to give housing improvement loans (at 1% annual interest) to 15 families, to strengthen their negotiations for secure tenure by further improving their community. The ACCA funds are being managed by the Community Network, and will revolve through the network's national fund, to give loans to other vulnerable communities that CODI assistance cannot reach. A \$3,500 ACCA small project grant is being used to improve walkways and drains.

