

# THAILAND

## ACCA in THAILAND :

### PROJECT CITIES (total 8)

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

### SMALL PROJECTS

Small projects approved : 19  
 In number of cities : 7  
 Total budget approved : \$50,000

### BIG PROJECTS

Big projects approved : 8  
 In number of cities : 8  
 Total budget approved : \$180,000

### SAVINGS (only in 8 ACCA cities)

Savings groups : 86  
 Savings members : 14,773  
 Total savings : \$1.68 million

### CITY DEVELOPMENT FUNDS

CDFs active in : 8 cities  
 Total capital in 8 CDFs : \$968,676

- from ACCA \$116,000 (12%)
- from coms. \$838,843 (87%)
- from gov. \$13,833 (1%)
- from others \$0 (0%)

### IMPLEMENTING GROUPS

The ACCA projects are all being implemented by the city-wide community networks in those 8 cities / districts.



### A FINANCIAL SYSTEM TO CHANGE LIVES :

"We are not building these city funds just so that we can 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 Phumsanguan, a community leader from the city of Chum Phae)

## Using ACCA to seed a new city-based development fund movement in Thailand :

The ACCA projects in Thailand are using ACCA funds a little differently, to support the setting up and strengthening of some of Thailand's first city-based development funds. These city funds are managed and owned by poor community networks, in collaboration with their local governments and other development stakeholders. The growth of these city-based funds is an important development for the urban poor movement in Thailand. The presence of a large national government fund for the urban poor (CODI) has allowed many good things to happen in Thailand, 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 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 recent budget shortfalls and board changes have shown.

Since the community networks in Thailand already have access to a variety of loans and support from CODI, the national urban community network has decided collectively to propose only ten cities to ACCA, and that each of those cities will propose only \$20,000 for big projects and \$2,000 for city process support, as a way of sharing these scarce ACCA resources with other countries which don't have such housing finance available. Then ACCA passes these funds directly to city-based community networks - in 8 cities so far - to seed their own city funds, from which communities can then take loans to address a variety of needs, to finance a variety of projects and to reach everyone in the city - even those who the CODI loans can't reach, for various reasons. These new city funds are not only providing housing loans, but are also being used to support livelihood, welfare and disaster projects and to support stateless persons. The city funds are also helping to strengthen the relationship and collaboration between the people and the local authorities, leading to a more city-wide, 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!"

(Paa Chan, community leader from Bangkok adds) If we use our little money to come together and join forces in our cities, it is making our links among community people very strong. This strength that we have when we come together is a kind of freedom, it opens our minds together. Today in Thailand, it's not only one place or the other cities, it's 250 cities and all 71 provinces, that we have these links with each other, and we have these funds as a tool to make these links visible and to work together. This is such a huge link across the country, no government can stop us! We can make the government go in whatever possible way, as benefits the poor. So I urge all my brothers and sisters in other countries to look into this aspect: how to find a way that the poor are linking together. And the small finance is a very good tool to link us together, to think together, to work together, and build our power together. In this way, the government will come and work with us. It's not like we are a small part of the government.

## The two pioneering CITY FUNDS :

Bang Khen District and Chum Phae are the first two cities in which the community networks have built their own new city funds, with the municipality and with ACCA support. Both funds link all the savings groups together, and have been financing housing, land-purchases, infrastructure and other projects in their constituencies. The city fund experiments in these two cities have opened up a new chapter of city funds in Thailand, where almost 90 city funds are now in operation.

**1 CHUM PHAE :** In Chum Phae, the network added \$52,709 of their own savings to the \$30,000 from ACCA to start their fund, which gives loans primarily for land and house construction and repair, and can be used as bridge financing by communities waiting for CODI loans. They charge 4% interest on the loans, of which 1% goes into their network welfare fund, 1% is used to cover management costs, and 2% goes back into the city fund capital. The first loan of \$52,000 went to a squatter community of 293 households to buy new land. The fund also gives grants to subsidize the housing of extremely poor families, to enable them to join Baan Mankong upgrading projects in their communities.



**2 BANG KHEN DISTRICT :** In Bangkok's Bang Khen District, this very active community network added \$81,667 of their own savings to the \$30,000 from ACCA to start their fund with a capital of \$111,667. The fund gives loans primarily for house construction and repair (especially in canal-side communities), and can be used as bridge financing by 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.

