



# VIETNAM

## A LESSON IN HOW TO TRIPLE AND QUADRUPLE THE INVESTMENT FROM ACCA

Vietnam is another country that began the ACCA program with a big head start. In 2000, ACHR and ENDA-Vietnam began collaborating with the National Women's Union in a number of cities to strengthen community savings groups and set up city-level community development funds (CDFs) to link these savings groups and expand their development activities. The CDF network, which started in five cities, had an initial focus on livelihood activities and very small community upgrading projects. The ACCA Program has given a big boost to the national community savings and CDF process, helped add many more cities to the network, supported a variety of national meetings and workshops on savings and funds and young professionals.

ACCA has also helped the CDF network to begin tackling the more complex and more urgent issues of land and housing. Vietnam faces many of the same problems as other Asian countries of fast urban growth and increasing numbers of urban poor households without secure land or decent housing. The government has many projects and programs in poverty reduction, but they are scattered and loosely coordinated and have not been very effective. The ACCA-supported big housing projects in several cities have demonstrated an alternative slum redevelopment process, in which the residents are the designers and doers in developing healthy, secure new neighborhoods, in collaboration with the local authorities.



**Linking with ACVN:** In 2007, ACHR and the CDF network forged an important new partnership with the Associated Cities of Vietnam (ACVN), a national union of 103 towns and cities, which is now helping to facilitate the sharing of ideas between cities and promoting community savings and community-driven upgrading as key aspects of its work in its member cities. ACVN now works in close collaboration with the CDF network, the Women's Union and ACHR to implement and scale up the ACCA process in Vietnam. With this national linkage between cities already in place, when a process works in one city, it spreads to other cities almost automatically.

**Small projects as loans from the CDF:** In all the cities in Vietnam, the ACCA small project funds have gone into the CDF, where they are passed on to different communities, according to needs, as low-interest loans (0.3 - 0.5% monthly), to partly finance their projects to lay drainage lines, pave roads, build community centers or upgrade toilets and water supply systems. Because the money revolves, those small ACCA funds of \$10,000 - \$15,000 per city have been able to finance several rounds of small projects - and continue to do so. Another interesting aspect of the small ACCA projects in Vietnam is the large amount of additional funding they have been able to leverage, from the community members and from the local authorities. In many of the small projects, the ACCA contribution amounts to only 20 - 30% of the total project cost, and that modest budget input has worked like a key to unlock other local resources worth four or five times that amount.

## ACCA in VIETNAM :

### PROJECT CITIES (total 17)

- Viet Tri
- Vinh
- Lang Son
- Ben Tre
- Hung Yen
- Thai Nguyen
- Hai Duong
- Ha Tinh
- Ca Mao
- Quinhon
- Tam Ky
- Soc Trang
- Bac Kan
- Pleiku
- Tan An
- Quang Tri
- Cao Lanh

### SMALL PROJECTS

Small projects approved : 104  
 In number of cities : 16  
 Total budget approved : \$288,000

### BIG PROJECTS

Big projects approved : 13  
 In number of cities : 11  
 Total budget approved : \$465,000

### SPECIAL PROJECTS

Disaster-rehabilitation projects in 4 typhoon-hit cities (Qui Nhon, Vinh, Ha Tinh, Tam Ky), budget \$46,990

### SAVINGS (only in 17 ACCA cities)

Savings groups : 2,518  
 Savings members : 46,649  
 Total savings : \$3,596,233

### CITY DEVELOPMENT FUNDS

CDFs active in : 17 cities  
 Total capital in 17 CDFs : \$863,959

- from ACCA \$549,210 (64%)
- from coms. \$1,513 (0%)
- from gov. \$61,466 (7%)
- from others \$250,959 (29%)

### IMPLEMENTING GROUPS

The ACCA projects in Vietnam are being implemented by a close collaboration between the Associated Cities of Vietnam (ACVN), the National Community Development Fund (CDF) savings network and the National Women's Union.



### TOTAL capital in Vinh CDF: \$162,500

- 65,000 ACCA big projects
- 15,000 ACCA small projects
- 8,000 ACCA disaster funds
- 30,000 Selavip Decent Poor
- 1,500 Community shares
- 25,000 City gov. contribution
- 18,000 Other contributions

## Here's one very active CDF in VINH . . .

The city of Vinh makes a good example of how an active community network builds a city development fund which answers a range of needs that go beyond the capacities of individual savings groups. The CDF in Vinh was set up in 2006, with \$13,000 (from ACHR and a little budget left over from a discontinued UNDP project). The capital was small, but the community network kept it in constant circulation in loans for community water supply and organic vegetable-growing projects. The ACCA funds, which started coming in 2009, allowed the network to scale up its lending considerably, and add housing, infrastructure and disaster livelihood loans to their CDF's "products." Housing loans, which are made in bulk to communities, are given at 7.8% annual interest and repaid in 42 months. Small project loans are also made to communities (not individuals) at 9.6% annual interest and repaid in 25 months. The short terms have allowed the CDF to revolve the small project funds 14 times, to finance 66 small community upgrading projects (worth \$214,049) with the budget for only five (\$15,000).

### LOANS FROM THE VINH CITY CDF (2009 - 2013)

(all figures in US\$)

Year	Purpose of approved loans	# hh benefit	CDF LOANS Total loan amount	OTHER CONTRIBUTIONS TO PROJECTS			Total Budget
				from community	from city government	from others	
2009	9 small projects	976	22,525	60,925	40,390	21,933	145,773
2010	4 small projects	423	19,952	14,472	7,288	1,230	42,942
	3 housing projects	49	45,434	375,266	2,685,500	1,430	3,107,630
2011	6 small projects	291	28,857	16,554	74,077	0	119,488
	2 housing projects	15	7,142	171,729	0	0	178,871
2012	disaster income loans	81	23,467	46,285	0	1,514	71,266
	15 small projects	611	44,285	49,185	92,333	0	185,803
2013	32 small projects	675	98,430	76,093	109,312	0	283,835
<b>TOTAL</b>	66 small projects 5 housing projects 1 disaster project	3,121 households	\$290,092 (7% of the total budget)	\$810,509 (19% of the total budget)	\$3,008,900 (73% of the total budget)	\$26,107 (1% of the total budget)	\$4,135,608 (100% of the total budget)



The housing project at Cua Nam Ward in Vinh has been an important breakthrough, because municipal governments keen on modernizing their cities are now setting plans to demolish and redevelop their stock of run-down collective housing, which is seen as an eyesore. When the redevelopment is planned by the government and implemented by for-profit developers, as it usually is, it creates a “social housing” process which breaks up communities, evicts and impoverishes people and prevents the poorest from getting secure land and decent houses.

## Upgrading Vietnam’s COLLECTIVE HOUSING :

The ACCA housing projects in Vinh and Hai Duong are showing new ways to revitalize the country’s big stock of run-down collective housing, instead of evicting people . . .

In this market-oriented phase of Vietnam’s development, many of the country’s old socialist collective housing projects are being bulldozed and redeveloped, as the inner-city land they occupy skyrockets in commercial value. And poor families by the thousands who live in these neighborhoods and housing blocks are finding themselves facing either eviction or the prospect of having to pay for brand new, contractor-built relocation housing they cannot ever hope to afford. This is happening all over the country. So for the CDF network in Vietnam, a key issue has been how to deal with this problem of land and housing. With support from ACCA, teams of community architects have helped communities in several cities to show a different way to redevelop Vietnam’s fund-down collective housing areas and poor inner-city neighborhoods, by getting the communities to start making their own redevelopment plans and then persuading the city and the Women’s Union to support the people’s *in-situ* housing redevelopment plans and work with these active communities as partners. The goal is ultimately to mainstream community-driven housing development.

One of the best examples of how this is actually happening is the city of Vinh. In Vinh, there are 99 old, dilapidated collective housing developments (both one-story row-house developments and low-rise blocks of flats), built for factory workers at the end of the war, in the 1970s, when the city was planned to become a new industrial center. The ACCA-supported housing project in Vinh’s Cua Nam Ward (which was documented in the ACCA 1st and 2nd year reports) showed a very powerful example of how a community living in crowded and run-down collective row-houses could re-plan and reconstruct their own housing very nicely, on the same site. This model is already being replicated in several other row-house type collective housing areas in Vinh, where the ACCA big project funds are already revolving through the CDF to finance housing loans in other projects, and in other cities like Hai Duong as well.

But the problem of collective housing in the five-story blocks is more tricky. 19 of these blocks (each containing 80 units of 20-30m<sup>2</sup> each) are still standing in Vinh, and they are home to some 1,300 families. Conditions in these buildings are bad, and many families have extended their rooms with structures that project outwards from balconies and windows in dangerous ways, to add a little more space for their growing families. In 2013, ACHR and the CAN network teamed up with community leaders and Women’s Union staff to visit and map these dilapidated housing blocks, many of which are now threatened with eviction. When the team talked with people in these blocks, they learned that the ACCA housing project in Cua Nam Ward is now very well known and that people in these blocks would like to do a similar community-managed upgrading that would allow them to stay in the same place.

But the building type makes it very difficult and potentially very expensive to renovate and expand the living space. Plus, the city government has its own plans for demolishing and redeveloping these collective housing projects. The good news is that the savings groups in many of these collective housing blocks are very strong, and the foundation of community management is in place. At the end of the mapping workshop, the group had a meeting with the city, chaired by the supportive Vice Mayor, Mr. Nguyen Van Chinh, to discuss possible alternative solutions to the city’s collective housing which allow people to stay in the same place, with more management by the communities and the savings groups. A workshop in Vinh is now being planned, to discuss this further and work out a next step and possible pilot upgrading project.



## Scaling up the people-driven and citywide upgrading started with ACCA with new support from CITIES ALLIANCE:

In May 2012, ACVN and Cities Alliance launched a national joint program to improve governance and reduce poverty in Vietnam’s cities. The program will have many components, but the focus of ACVN’s involvement is to strengthen and scale up the CDF-based participatory city development and citywide upgrading movement that has already begun in Vietnam, with support from ACCA.

The focus on citywide upgrading and CDFs is a way to address urban poverty by strengthening new development options and new, flexible finance systems for the urban poor, which allow them to become key actors in their own development, and to do so in ways that will influence approaches to urban poverty reduction in Vietnam’s formal development systems and policies. For this work, Cities Alliance has granted US\$ 1.3 million to ACVN, for a two-year period. This considerable budget will allow ACVN to do several things:

- 1** Consolidate the 17 cities now in the CDF network and expand the network to new cities.
- 2** Support community and city processes like citywide settlement surveys and mapping, vacant land mapping, learning exchanges and local training.
- 3** Support the setting up savings groups and the institutionalization of the city-based community development funds (CDFs) at city, provincial and national levels - including legal and financial support.
- 4** Provide seed capital to CDFs in ten new cities to finance at least 50 small-scale community infrastructure upgrading projects (loans will revolve through the CDFs)
- 5** Mobilize greater community participation through community, city and national forums, exchanges, network building activities.
- 6** Support policy change and advocacy through various media interventions and through closer linkages and joint-ventures with various development partners across all ACVN activities.