

Cambodia Update

This is a report from Somsook about her recent trip to Cambodia
February 4 - 5, 2009

This report covers :

1. Community Architects training workshop held in Phnom Penh, February 2009
2. Dey Krahom eviction and resettlement update
3. Some thoughts on the runaway development happening in Phnom Penh
4. Two pilot cities proposed to the ACCA Program: Serey Sophoan and Samrong
5. The future of UPDF, new MOU with the NCPD to make a new national UPDF

1. Second Young Professionals Training Workshop in Phnom Penh



This month-long event was organized in Phnom Penh during February 2009. The workshop was going on when I visited. It was quite exciting - quite a big number of young professionals and many students in their final years of university - all interested in working with poor communities. With the community leaders and NGO people, it came to about 60 people.

I gave a presentation about what is happening in Asia and Thailand, so they can understand the different situations and different models that have been developed to solve the problems of urban poor housing, with people being the core actors participating in the process.

2. Dey Krahom eviction / relocation update

Visit to the old Dey Krahom site :

My trip took place just a week or two after the last families still living in Dey Krahom were quite violently evicted from the land, to clear the way for the 7-NG Company to start building its 52-story condominium tower on the site. One of my missions was to talk to people, see what's happening and try to understand the situation better. First we visited the site of the former Dey Krahom community, which was very recently packed with shacks and people, and found that it is now totally clear, everyone's gone.



The history of the Dey Krahom eviction: The original Dey Krahom community was one of four communities proposed by UPDF (during its 5th Anniversary celebrations) to be redeveloped as land-sharing projects, and the Prime Minister agreed, in principal. But the Dey Krahom community happened to be in the center of the city, on some of the city's most super-expensive real-estate, where new parliament buildings, five-star hotels and condo towers were going up all around. It's an area of the city that is really *madly* developing! And that's why the land-sharing idea was eventually discarded and a relocation strategy was negotiated instead, in which the Dey Krahom residents were offered free fully-developed land and finished row-houses in a large relocation colony that would be built and paid for by the company that got the concession to develop a 50-story condo-tower on the land.

- **The list of 1,470 households with rights** : An earlier survey by the SUPF community leaders had identified 1,470 households in the old community who would get rights to units in the new relocation project. This list of people who were eligible for free houses in the new project included both house owners and house renters in the old community. There were probably some "gray areas" on this list, of course, but they claimed that this list covered everybody in the community. My guess is that this list is probably more-less acceptable, because there were no limits imposed at the time of how many people could get the rights, and adding additional units was probably easier than reducing the number of units, even though some joint families might have gotten extra units, etc.
- **All but 91 families moved to the relocation site** : Once the relocation site was more-less built, families from Dey Krahom began to move out there in July 2006. Finally, everyone had moved out to Borei Sitthipheap, except for 91 families who for various reasons refused to relocate, and kept negotiating for cash compensation instead. Some of these households still staying in Dey Krahom were on the original survey list and entitled to houses at Borai Sitthipheap, but some weren't. So for the past two years, these families have continued to stay and to negotiate for compensation. During this time, a number of new families also moved into the area. Some of these newcomers claimed to be renters who had been staying in Dey Krahom but had moved out earlier and hadn't gotten on the list.

The negotiation was very interesting. The company first offered these people \$5,000 cash compensation. But people didn't agree, and proposed instead a compensation of \$200,000 per family. As the negotiations progressed, the people's proposals dropped first to \$100,000 and then to \$80,000, while the company's offers of compensation kept going up - first to \$10,000, then to \$15,000, and most recently to \$20,000 per family! *It's a lot of money!* But several rights-based organizations were advising the people that they should get more than that. Some families were tempted to take this \$20,000, but with this advice, they thought that they would be able to get more compensation and kept staying. My guess is that even if the company had gone up to \$25,000 with the compensation, some families would still not have agreed and the same thing would have happened.

Then came the final eviction in early Feb 2009: It seems the deadline for finalizing the negotiations and starting the construction finally came, and the people were still not agreeing to the company's offer. So the authorities and the company staged an early morning forced eviction and demolition, in which people were hurt and the houses were all burned down. This eviction was done in a really very harsh and cruel way, and an international campaign about this eviction was immediately launched and e-mails flew all over the world. Finally, everyone was gone and the site was clear.

- **The report on this eviction says that finally it was 130 families evicted from the site**, which includes the 91 families who are supposed to have refused to relocate and stayed on the old site.
- **Old flat blocks are still there but likely to be evicted also:** The dilapidated 3-story apartment blocks, which were behind the old Dey Krahom squatter settlement, are still there, but it's pretty clear they will also have to go, and may be offered a similar cash compensation or relocation deal. The people living in those small units are also poor and the conditions and services are almost worse than in the slum.
- **52-story skyscraper condo to be built on the site now** : In a neighborhood of only 3-4 story buildings, this giant tower is going to be built.

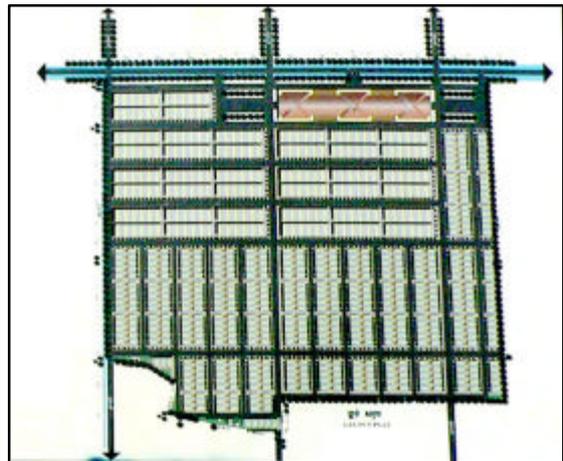
I think we all have to be responsible for what is happening to the people in that community - along with these groups advising the people, the government, the company and the people themselves. This shouldn't have happened, because in this case, many options have been given to avert an eviction, but they couldn't be agreed upon by all the parties - I think we all have to be responsible for that.

BACKGROUND : Dey Krahom resettlement site is called "Borai Sitthipheap"

In the old settlement near the River, there were seven communities. Started off as land-sharing (according to the Prime Minister's promise, as one of the UPDF-proposed first land-sharing projects), but turned into resettlement, with full resettlement site in Khan Dangkor developed by the private-sector company which will get the rights to develop the old site. People get free shop-house units in the new development.

- **Total 1,465 families have been resettled (according to original community's own survey)**

- **The new resettlement complex will have 2,000 rowhouse units, of which 1,470 are reserved for residents of the former Dey Krahom slum** and relocatees from slums in the nearby Basaac area, plus a market, clinic. Schools and temple nearby.
- **Rowhouse units are 4m x 12m rooms**, with 4m high ceilings and a sturdy concrete slab roof, on which a second floor can be built. A toilet and space for a stair up to roof is at the back. A small alley runs along the back of the units, provided access to back doors, and a place for sewer lines and water supply lines, drainage, manholes, etc.. Electricity lines along the house fronts, with 3.5 m wide platforms at the front of the houses and cut-out space for planting a tree! 6m wide roads.
- **Land tenure terms** : people will get individual land title after occupying their houses for 5 years.
- **Many people are already building internal lofts** and bricking in walls to partition rooms inside.
- The project is being built and paid for by the **7-NG company**.
- **The new site** in Khan Dangkor is 18 – 20 kms from Basaac, but close to a new industrial zone with lots of textile factories (about 4-5 kms away), so most people feel they'll find work nearby.
- **The project was proposed and launched by UPDF**, as one of three on-site land-sharing pilot projects proposed to and accepted by the Prime Minister during UPDF's 5th anniversary celebrations. But later, the Dey Krahom process was mostly organized by the Municipality and the old SUPF leaders from the Basaac area, who are rumored to have made a lot of money helping convince the people to agree to relocation instead of land-sharing, and acting as brokers and middle men for people who decided to sell off their rights to the relocation units.
- **Most people are happy with the resettlement site**, and feel it offers secure housing conditions, a cleaner environment and better schools, etc.
- **People mostly happy with the houses, but worried about earning** : Wutipan says *"Good houses, good infrastructure, everything ready, everything free, no debts – but far away!"* Most of the people we talk to are very happy with the development, happy with their houses, which they say are much better than conditions they were living in Dey Krahom, where it was very crowded. But everyone is worried about income.



Meeting with people at the new resettlement site at Borei Sittthipheap :

Here, we visited two groups:

- The former Dey Krahom residents who have moved into the new resettlement units at Borei Sittthipheap.
- A group of 200 - 300 families who are squatting in front of the Borei Sittthipheap resettlement project. Some of these people are the ones who were evicted from the old Dey Krahom site last week, and others were new ones.

The new site at Borei Sittthipheap is quite far from the old settlement (18 kms from the original Dey Krahom settlement), but compared to many of the other resettlement projects in Phnom Penh, this was one of the most complete and "ready-made":

- **The single-story rowhouses (4m x 12m) were completely built** and given free to the people. The units all have 4m ceiling heights inside, which make room for an internal loft) and have concrete slab ceilings which make it possible to add a third story on top.

- **The infrastructure and planning is all right, generally :** There are 6m wide paved streets connecting all the houses, storm and sewage drains, electricity connections (people pay only for their own household meters), and public facilities like a big central market. Everything is all finished and built to a quite good standard.
- **The site is very close to a big new industrial area** with lots of factories and many possible job opportunities. But because the site is far from the city, many still have to make the costly trip into town where their old jobs are. But the Municipality told me that for the transport, they have provided two buses, 3 micro-buses and two vans into the city each day, for residents returning for work. The people pay minimal like 1,000 or 2,000 Riels per trip. They hope that this transport provided will help people who still work in the city.

The only problem is the water supply, which serves only part of the development now. The water has to be pumped from a well and distributed, and it's not sufficient so far. So some families still have to buy water from water cart vendors and some also claim that the electricity is more expensive here than when they lived in Dey Krahom.

- **But most said expenses for infrastructure are higher here than in Dey Krahom** - all their bills for electricity and water.
- **I think the government can do much more than this, make it much nicer.** But the government probably faces the problem of all these dynamics in the community: people moving in and out, rights being bought and sold. The situation is very slippery.
- **Although the savings groups are active in the area, with support from UPDF**, and UPDF loans have been granted to people who want to develop informal shops or transport businesses. Still, there is not a proper, firm condition.



Are they happy staying here in this place? I asked all of the people I met this question, and everyone answered yes. The quality of the housing is not perfect, but it's sufficient and they are happy with their houses. They are also happy having the secure status that has come with the relocation, and happy with the new legitimacy that comes of no longer being squatters but being legal house owners.



They are also happy with the strong and proper structure that has been provided for them. All of them said that if they could choose between staying in the old squatter settlement and staying here in Borei Sitthipheap, they would choose to stay here. The only problem was the jobs and transport expenses.

Land title terms : All the residents in the resettlement community will get individual land title after occupying their units for five years. Those are the Municipality's terms, to freeze the transferring of land rights and to make sure people don't buy and sell and move out.

Because many people will talk about the slippery, dynamic nature of these kinds of resettlement processes, where there are always people who get the rights to units in the resettlement colony and then sell off those rights and move back to a slum in the city.

How much would be the market value of one of these units if people did sell off now, even without any formal land title papers? One lady told me the going price is about \$8,000 to \$10,000 per unit!

So the selling of rights is a real issue, for Borei Sittipheap and for many other government housing projects. Why? Because the price of housing in Phnom Penh - even houses that are bought and sold in this informal market - is very high. The price of compensation the company was offering the hold-outs still at Dey Krahom (\$20,000!) is also incredibly high - and this high compensation offer reflects the reality of the high prices people have to pay for land and housing, even in slums and resettlement colonies.

- **And these housing prices are so dramatically different from the incomes of the very poor people who continue to flock to the city.** And it is this gap between skyrocketing housing prices and real incomes of the poor that makes it so difficult for the system to find a proper solution to housing the poor in the city. This is one of the major problems.
- **Some of this selling of rights began long before the relocation project even began!** Some people who know the Dey Krahom story from the very beginning were telling me that when the original survey was done in the original Dey Krahom settlement, it was known that there was now a list of people who would get rights in a relocation colony, even then some families started selling off their rights - long before the relocation ever happened.

The thriving informal market for housing rights :

I learned that the selling price for these rights started off at only \$50 - to buy your place on the official list. But the going price for selling rights kept increasing over time, from \$50 to \$200 and again to \$500 - where it stayed for some time. Then up to \$1,000 and then \$2,000. So when the new housing were finished, the price for selling rights jumped up to \$5,000, and were negotiated from there up to \$6,000, \$7,000 and \$8,000. Apparently for the time being, the going rate stands at \$10,000 per unit! And I think that after three more years, when people get their land title papers, the price of these units will zoom up - *definitely!*

- **And these prices bear no relationship whatsoever to the amount of money these poor families have or can ever earn!**
- **Who is buying these units and paying these inflated prices?** Seems to be mostly agents who buy these units and hold on to them speculatively, waiting for the prices to rise in order to sell them off to other agents! It's mostly speculation - not so much real people buying these units to live in!



Phnom Penh is now undergoing a huge speculative construction boom - buildings are going up all over the city like never before - houses, apartments, shop houses, hotels, shopping centers, commercial complexes, etc. - and almost all this building is speculative building. It is being built to be bought and sold on increasingly international real estate markets by big investors from outside the country. And this speculative construction is driving the cost of all housing and land up to unrealistically high levels - so almost no local people can afford these housing units. And while other countries are slowing down economically, the real estate market in Phnom Penh is, unfortunately, going up and up, providing investors from other Asian and European countries to come in and make a fat profit very quickly. If you buy a housing unit or a flat in Phnom Penh today, it may double in price in a year's time. Who could resist that kind of investment opportunity? For people with money to invest (in Asia, in Cambodia, in Europe - all of which are facing economic stagnation) Cambodian real estate is oddly enough one of Asia's very attractive investment opportunities at the moment. Forget Thailand and Korea. The big profits are being made in Cambodia! It's a gold mine for everybody but all but a few Cambodians!

- **It's not something you could call gentrification**, because it's not only the wealthier class of Cambodians who are buying all this real estate, but it's more a speculation process by bigger outside private sector players - and many of the units being bought and sold are empty!
- **This is the shocking but very real situation in Cambodia today**, in this country, which is one of Asia's poorest. And in stories like Dey Krahom, we are seeing the impact of this kind of runaway and speculation-driven urban development on the city's poor.

How do they feel about the eviction a week or two ago in the old Dey Krahom settlement? One of the younger leaders in the savings group said : *"What a pity it was that the company offered those people \$20,000 and they didn't grab it! Because if they had taken the \$20,000 and bought a unit here in*

Borei Sitthipheap for \$10,000, they would have still had \$10,000 left over in their hands! Instead, they didn't take it and faced this big problem instead. What a pity!"

- **Nobody we spoke to expressed much sympathy for the hardship the evictees had faced**, but only regret that they had been presented with such a good opportunity and failed to take it! In fact many of the savings group members we spoke with had taken part in the original survey process in the old Dey Krahom settlement, and knew exactly who was on that list, and exactly who got the rights to resettlement. What they told us was that many of the people who were evicted from Dey Krahom last week were actually people who had moved out here to Borei Sitthipheap, and then sold off their rights and moved back to the old site. They told us that even some of the people who had protested in front of the Municipality, demanding that the government give them their rights, were Borei Sitthipheap allottees who had actually moved out here and then sold their rights off and moved back!

This relocation colony at Borei Sitthipheap is just one part of a large "New Town" development being built by the 7-NG Company in the area. They have purchased a huge tract of land out here, and there is plenty of space for relocating more families cleared of inner-city land they are planning to develop. Somsak told us that the land is big enough to relocate 4,000 families. Besides the shop houses, streets and markets, they have built a small bus station. So they seem to want to make this a new redevelopment area - and it's clear that they are using this land not only as a relocation site, but as a profit-making land opment project, which canalso make profits from the developments nearby. So they won't lose anything by developing these "free" units - they will definitely double or triple the money they put into building the relocation colony for Dey Krahom! This will be a new city.



The Borei Sitthipheap community is still in a "slippery" stage of its consolidation :

There are now more than 1,000 people staying at Borei Sitthipheap. I think the government can do more than this, to make it a much nicer area. But the government probably faces the problem of all this dynamic moving in and out, and all this buying and selling of rights, which is no secret. The situation is in many ways very *slippery*. And although there are active savings and credit groups at Borei Sitthipheap, and some UPDF loans have already been granted to residents there for income generation and for setting up informal transport enterprises, the situation in the community is still a long way from being in a firm, stable condition. That may contribute to the problems that continue to plague the resettlement process from the original Dey Krahom, compared to other large resettlement projects in Phnom Penh.

- **Less collective spirit, less community strength here than in other resettlement sites with much worse conditions** : The conditions in those other resettlement projects might look very bad compared to Borei Sitthipheap - especially in the beginning - but because people in those other communities had to come together and struggle together to survive in their resettlement sites, to start making their infrastructure and housing improvements together, we can see much more *collective force* and community spirit. Whatever they have, they have to struggle for and to build themselves, together, and that builds the community. *They have no choice, they have to help each other.*
- **But here in Borei Sitthipheap, there is less of that kind of strength**, because everything was totally ready-built, and the units were granted to each family *individually*. The people didn't have to do anything, and they certainly didn't have to do anything *together*. Of course they have some loose community organization and they have their savings groups, but it's not as strong as in those other resettlements, where people have to build it up themselves. This one might look very nice in the photographs, and look all right from a housing rights perspective, but it's not so great for the community organization, the community strength.
- **Plus, the whole area is still controlled by the company and the municipality**, and people still don't own their units, and won't get their land title until they have occupied the units for five years. People do feel security in their own houses (a lot of people are building mezzanines inside their units and third floors on top), *but they don't feel they own the whole area yet.*

Discussion with families squatting in front of the Borai Sitthipheap resettlement project.

There is a group of 200 or 300 people who are squatting on land right in front of the Borei Sitthipheap resettlement colony. Some of these claim to be renters in the former Dey Krahom, and others seem to keep joining them. We were able to discuss with some of them.

- **One guy claimed he was a renter** in the former Dey Krahom community, but that he couldn't get the right to a unit in the resettlement area, and wanted to claim that right.
- **Another woman said she was also a renter** in Dey Krahom. She didn't say very clearly whether she was a renter before the relocation of after.



My guess is that among the mix of people here are some who have joined the poor people who want to get land rights. Some seem to be victims of that very bad final eviction at Dey Krahom (which the eviction report identifies as 130 families), and some not. It's something like what happened at the Phum Andoung resettlement site, where they started with 200 renter families who camped out on the site demanding their rights to a resettlement plot, but the number quickly swelled to 1,000 families, once word spread that the people were getting plots!

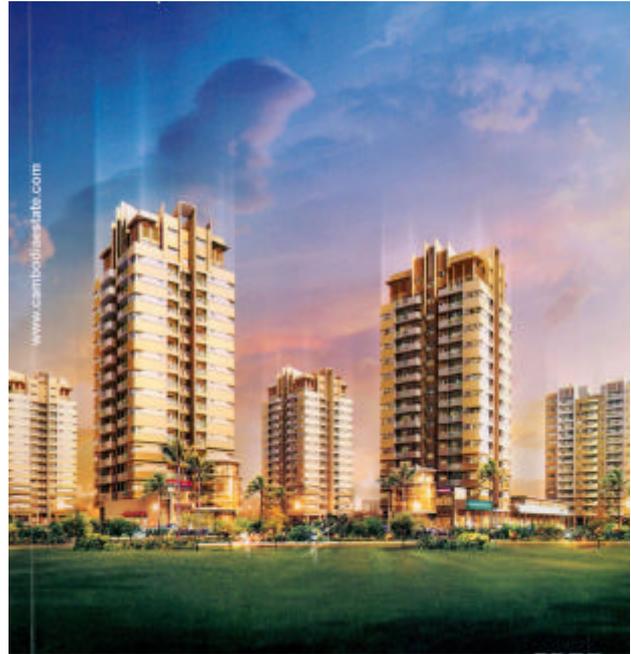
Who is entitled to relocation units and who isn't? The report on the eviction says that finally a total of 130 families evicted from the site, which includes the 91 families who are supposed to have refused to relocate and stayed on the old site. Those 91 families are supposed to have their name in the original list, and after the eviction they are supposed to get the right to units in this new relocation colony + about 700,000 Riels (about \$200) for their expenses during the period + 23 kilos of rice, etc., even though they rejected all the offers of compensation from the 7-NG company.

- **Mr. Mann Chhoeurn**, the Vice Governor of Phnom Penh and chairman of UPDF, says that 78 of these 91 families have already accepted the relocation housing units here in Borei Sitthipheap. But the last group of 17 to 19 families are still bargaining. I proposed to them that finally, if it is necessary, the company or the Municipality should try to give them the compensation anyway, in case they decide not to come to the new site. But Mr. Mann Chhoeurn said they will continue to try to negotiate until as many people as possible will agree, and only then with the last remaining families, perhaps they would consider giving some compensation - *but probably not up to that \$20,000 as they offered before!*
- **The Municipality said they would also be able to house an ADDITIONAL 50 renter households** and buy new plots for them nearby and build them houses. I don't know if these are the *old* renters (in the pre-relocation Dey Krahom) or the *new* renters (who rented in the post-relocation Dey Krahom). This is the area that is not so easy to deal with, because as we've seen, the number of renters can increase without limit very fast!
- **One way or another, these are very poor people** : My own feeling is that when you talk to these people, whether or not they are genuine renters from Dey Krahom, they are clearly extremely poor people who probably have come to the city quite recently and clearly struggling to survive. Perhaps they are among the hundreds of thousands of landless rural people or those who have been evicted from their land in the villages. Maybe they are renting or squatting on land nearby. And they may be searching for whatever possibilities may be. And of course they would like to see if there is a chance for poor people like them to get the rights to a plot of land and a house, and if they can get it, it would mean a big head start for them in the city. *There are always many, many more poor people in Cambodian cities than the existing process can ever hope to deal with.*

3. The OVERWHELMING development happening in Phnom Penh today

Building everywhere : I think the kind of crazy development that is happening in Phnom Penh now is something really overwhelming. And all these big, big first-class buildings that are being constructed all over the city are really bringing about big changes to the economy and to the shape of Phnom Penh. In the parts of the city close to the Basaac River, there are all kinds of huge skyscrapers going up now. When you move around the city, you see building everywhere. There is so much investment pouring into the city.

And this is just the beginning. Definitely there will be a lot more investment to come. Why? Because this is a growing city, not a sinking one. All the graphs about investment and profits and returns in Phnom Penh are going steeply up, at a time when the same graphs are going steeply down, in most of the rest of the world! We learned that now Korea is the number one investor in Cambodia, and number two is Malaysia, then China, Japan, Thailand, Viet Nam, and European countries. Which means there will be even more construction and real estate development than there already is.



50% of all Cambodian public land rented off : I was informed that more than 50% of all government land in the country has been granted to international investors - they don't sell it, but they give it on concession on 50-year or even 99-year lease contracts! This is both urban and rural areas. In the rural areas, they are leasing a lot of this land to China to cultivate rubber trees and eucalyptus for making paper. We even heard that the Kuwaitis are leasing huge tracts of rice plantations to grow rice for Kuwaiti people, using the contract farming system and their own rice-growing technology! So it means the government in Cambodia is now finding its revenues by actually leasing out its own land to foreign businesses!

Plenty of victims in this development recipe : Of course the theory is that all this investment will trigger Cambodia's own economic development. And there is a clear need for Cambodia's cities to develop - they all need streets, infrastructure, transport terminals, public facilities, and all that. Their hotels, service sectors and other sectors also need to develop. But the question is on how they deal with the social side more equitably, so the development can be more balanced and can allow the local people more opportunities as well. Or how can some of the money that the government is getting from these big land deals and joint business ventures go to the people in some ways? If they are not paying attention to this aspect of the development, it means that people who stay somewhere or do some agricultural work will become victims of that development, in a very big way. And all these foreign investors and companies will have a really good time owning more of Cambodia, earning more profits and sending back all the benefits to their own countries!

It's clear that Cambodia's urban development will only intensify, land values will only increase further, and there will be more and more evictions. And it will not only happen in Phnom Penh, which is now the main hub, but in provincial cities all over the country.

4. TWO cities proposed to ACCA, but the first year goal is TEN cities

Starting with two cities, but setting a goal of 10 cities for the first year : The UPDF and the national community network will be proposing two pilot cities for the ACCA Program initially (Serey Sophoan and Samrong), as a first set. Then later, they will propose another 4 or 5 cities, as a second set. And during these early months of the program, they will get this second set of cities-to-be-proposed to participate in the first two cities. Hopefully, by the end of year, they will be able to achieve about 10 cities.



In Cambodia, where less than 10% of all poor settlements in the country have land title, evictions are happening every minute, as private-sector led developments and real estate speculation displace people in both rural and urban areas around the country. We hear that at least 50% of all land in Cambodia - rural and urban - has already been leased to different private sector companies, individuals and international investors - many on 99-year leases! In this extremely difficult context, the UPDF-supported community savings movement is so important - a movement which has now expanded to the whole country and brought the community networks into an active process of saving, livelihood, welfare and upgrading in different cities. The networks are becoming platforms for negotiating with the government on the evictions that are happening. The two pilot cities are examples where people have faced eviction and have successfully negotiated alternatives with the city, with the support of the network, and finally were able to secure land from the government, through a kind of land sharing strategy.

These networks and the projects in these two provincial cities will make a new picture of new possibilities, and the network's confidence will be boosted by doing these projects, with the acceptance and collaboration from the government.

The most important thing is that these projects demonstrate that these problems of housing and eviction *can be solved*, by people and the city, when poor communities have the strength of their own networks and a mechanism which links all the poor in the city into systems of mutual learning, mutual help and collaboration with the city. So this is a very strategic intervention, to get these two cities going. And because all the cities are linking with the other cities in the national network, the experience will show new alternatives.

PILOT CITY 1 : Serey Sophoan (in Banteay Meanchey Province)

Small projects in Serey Sophoan : The details of specific small projects that will be supported by ACCA haven't yet been set finally, but will be chosen from the Cambodian team's remarkably detailed list of who needs what small infrastructure projects, based on the community network's survey in Serey Sophoan. The list includes: 419 households need electricity, 222 households need toilets, 497 households need water supply, 5 communities need wells, 15 communities need "greening" (4,500 trees to be planted), and 5,220 meters of paved walkways need to be built.

Big project : Serey Sophoan's pilot housing project will be implemented at the Preah Poun Lea Meanchey Community (on-site reconstruction, 387 households, but project will start with phase one - 50 households). The \$40,000 from ACCA will partially support an important pilot housing project at Preah Poun Lea Meanchey community, a crowded river-side settlement of 335 poor households who faced eviction from their city-center land when the city announced plans to expand the adjacent bus station two years ago. After a long period of negotiations and planning, the city has agreed to allow the people to stay and upgrade their settlement on the same site, with collective land title, in exchange for giving back a little of the land for the bus station and a riverside park. The community will do all the



construction work themselves, with support from the network, the city and UPDF. In this way, the city's development plans can go ahead, and the community gets a big development boost in the shape of secure land and decent housing.

PILOT CITY 2 : Samrong (in Odor Meanchey Province)

Small projects in Somrong : The details of specific small projects that will be supported by ACCA haven't yet been set finally, but will be chosen from another detailed list of who needs what small infrastructure projects, based on the community network's survey in Samrong. The list includes: 419 households need electricity, 222 households need toilets, 2 communities need 3 wells, 15 communities need "greening" (4,500 trees to be planted), and 870 meters of paved walkways need to be built.



Big project : Samrong's pilot on-site upgrading project will be implemented at the Samrong Thmey Community (224 households). The community has negotiated a long-term lease to the public land they occupy.

A national survey of poor settlements : In this first round of the ACCA Program, they are also going to propose a national survey of all the slums in all the key cities in Cambodia. They will carry out this ambitious survey in 26 cities, in all 24 provinces.

5. The FUTURE of UPDF: Setting up a new NATIONAL development fund

We are now in the process of drafting an MOU between ACHR and the Cambodian Government's *National Committee for Population and Development (NCPD)*, which is a committee under the Council of Ministers and is directly administered by the Prime Minister's Office, to set up a new national community development fund. This national institution has its office in the Government House in Phnom Penh, and UPDF may also have one small room in the government house!

IDEA : Let UPDF continue to serve Phnom Penh, and then set up a new national CDF : The process is still under discussion, but the main idea from this trip's discussion with the NCPD, UPDF and the Municipality of Phnom Penh is that we will probably retain UPDF as it is, to support the urban poor process within the Phnom Penh Municipality, under the original MOU between ACHR and the Municipality. And we will make another new MOU with the NCPD, to establish a national "*Community Development Fund*" which will cover the whole country, both urban and rural.

- **Funds :** As part of the discussions, we will the original UPDF fund will be divided into two parts: those funds which were raised to be used in Phnom Penh will remain in the UPDF, and those funds raised to be used outside Phnom Penh will be moved into this new country-wide "*Community Development Fund*."
- **Importance of this national fund being independent :** It will need to be very clear in the MOU that this fund will have to have a certain independence, although it will be located in the NCPD - why? Because managing a fund is a tricky issue. Many organizations have very good ideas to provide funding support to poor communities, but then when they get their funds, they get clogged with their own rules and regulations and find themselves unable to pass the money to poor communities without all kinds of bureaucracy and stiffness. We have to be very clear that this will not be an obstruction.
- **City-level and provincial-level funds also :** We will then see whether each province and each city, then, will be able to set up their own local community development funds, starting with a small seed capital. Then this national "*Community Development Fund*" will be there to support these local funds, to link them together and to channel funds to them as and when necessary.
- **Starting work in rural areas :** We all agree that it is important to expand our work into the rural areas in Cambodia as soon as possible, because problems in the rural areas are ultimately the cause of all this urban problems. We should find a way that we can help people to retain their rural land and be able to develop themselves there, without having to migrate to the city, as much as possible. As we've been trying to do in Thailand.