

# Assessing ACCA in SRI LANKA

Notes from the joint assessment trip to visit ACCA projects being carried out in three cities in Sri Lanka  
April 26-29, 2011

These notes were taken during the assessment trip to visit ACCA projects being implemented by poor communities in Sri Lanka. This was the sixth ACCA assessment trip (after the Philippines in January 2010, Vietnam in April 2010, Mongolia in July 2010, Cambodia in September 2010 and Nepal in November 2010).

The visit took place in April 2011, and was a chance for teams of community leaders and their support organizations from seven other countries (Pakistan, Bangladesh, India, Burma, Cambodia, Philippines and Korea) - all of whom are involved in implementing their own city-wide ACCA upgrading projects - to meet their peers in Sri Lanka who are doing projects, learn more about the projects, see how they are progressing, compare notes and discuss together what the strong and weak points of the projects have been.



During the four-day assessment in Sri Lanka, the participants visited two cities together (Colombo and Moratuwa) and two more cities in separate groups (Galle and Nuwara Eliya). The assessment visit was jointly hosted and coordinated by the Colombo-based NGO Sevanatha and the national Women's Co-op savings movement.

## SCHEDULE OF PROJECT VISITS :

### APRIL 26 - Briefing meeting and visits to some Women's Co-op savings groups in COLOMBO :

- Briefing on ACCA in Sri Lanka, with Women's Co-op, Sevanatha and gov. officials, at Berjaya Hotel in Colombo
- Visits to 3 slum communities in Colombo where Women's Co-op savings groups are active (Kirimandala Mawatha, Kamkarupura and Kalinga Mawatha)
- Dinner and cultural program, hosted by the Kirimandala Mawatha Community, in Colombo

### APRIL 27 - ACCA project in MORATUWA :

- Orientation meeting with local community leaders and government officials at the Women's Co-op center
- Visits to 3 communities - (participants split into 3 groups) Samaradoon Watta, Epal Watta and City Watta
- Lunch hosted by the Laxapathiya Community
- Visit to the Mayor's Office, Moratuwa City Hall

### APRIL 28 - ACCA projects in GALLE (Group 1) :

- Field visits to tsunami project at Pelena, in Weligama Town (near Galle)
- Field visits to 2 project communities in Galle
- Lunch hosted by People's Company, at Walau Watta settlement
- Meeting with the Mayor of Galle and Municipal Council officials

### APRIL 28 - ACCA projects in NUWARA ELIYA (Group 2)

- Field visits to ACCA projects in three settlements (Race Course, Dowa and Nawagam Goda)
- Lunch hosted by the Nawagam Goda community
- Observe monthly Joint City Development Committee meeting, chaired by the mayor, at the Municipality

### APRIL 29 - Reflection on the project visits :

- Half-day summary and reflection on the ACCA process in Sri Lanka (at the Berjaya Hotel)

### APRIL 30 - Session with national and city government officials :

- Half-day discussion about the ACCA process in Sri Lanka with government officials (at the Berjaya Hotel)

## INTRODUCTION : ACCA projects in SRI LANKA

ACCA-supported projects are being implemented in seven cities in Sri Lanka so far. The projects in six of these cities are being implemented by a country-wide network of women's savings groups (Women's Co-op), in close partnership with the Colombo-based NGO Sevanatha. One project (in Galle) is being implemented by the People's Company Community Network, in close partnership with the Galle-based NGO Help-O.

These groups are using the ACCA resources to help create, test and standardize a city-wide slum upgrading procedure, which they call the Urban Settlement Upgrading Program (USUP), and which they are now more or less replicating in all the ACCA cities. This USUP process has several clear steps, including surveying and mapping the city's slums, identifying potential pieces vacant land, presenting the survey data to the municipality for approval, setting up savings groups, establishing a joint city development committee (usually chaired by the mayor), preparing city-wide upgrading action plans and then implementing actual upgrading and housing projects, as per the action plan, usually beginning with the communities which have been identified through the survey process (using a "poverty indicators scorecard" system) as being the poorest and most in need.



Because Women's Co-op has 70,000 members, in 22 of the country's 25 districts, with collective savings of some US\$ 14 million, this is an organization with the scale and clout to make this kind of community-driven and city-wide slum upgrading into a national process in Sri Lanka. The ACCA Program, in turn, has helped Women's Co-op to add the elements of housing, land tenure and settlement upgrading into their already very large and sophisticated programs for saving, livelihood, welfare, health, culture, disaster relief and skills training.

The funds from ACCA all go first to CLAF-Net, a national fund which was set up after the tsunami, with ACHR support, and is jointly managed by Sevanatha, Women's Co-op and a few other groups. The funds are then passed to the local branches of the Women's Co-op, which so far are acting as a kind of city-level CDF, which then pass on the loans for housing (in big ACCA projects) and grants for small upgrading projects to the Women's Co-op savings groups in the communities, according to the city's upgrading action plan. The loan repayments then return to the national CLAF-Net Fund.

**Rupa Manel, Women's Co-op national leader:** ACCA has helped us to reach out to new cities and into war-torn areas where we could never go before. More than 7,000 families have become part of our women's savings movement. Because of ACCA, we have stronger social recognition, stronger strength to bargain. We have made many more good links with local governments in the ACCA cities. The ACCA program has also helped us to build trust and good leadership among our members.

**Ranjith Samarasingha from Sevanatha:** ACCA has helped us to broaden our NGO's approach, from focusing on individual projects to thinking more city-wide. All the city surveys and mapping are now done by communities, and the city accepts their figures and makes their data the city's official data. Then the prioritizing of which settlements to upgrade is done by the people, who now have a more city-wide understanding and city-wide networks.

| ACCA Project Budgets in SRI LANKA : APPROVED and DISBURSED |                       |                         |                          |               |  |                |                |               |                             |
|--|-----------------------|-------------------------|--------------------------|---------------|--|----------------|----------------|---------------|-----------------------------|
| City   | BUDGET APPROVED       |                         |                          |               | BUDGET ACTUALLY DISBURSED (As of April 25, 2011) |                |                |               |                             |
|  | TOTAL budget approved | Big projects            | Small projects           | City process  | TOTAL budget disbursed                           | Big projects   | Small projects | City process  | Balance yet to be disbursed |
| 1. Nuwara Eliya  | 58,000                | 40,000                  | 15,000 (5)               | 3,000         | 58,000   | 40,000         | 15,000         | 3,000         | 0                           |
| 2. Kalutara  | 58,000                | 40,000                  | 15,000 (5)               | 3,000         | 58,000   | 40,000         | 15,000         | 3,000         | 0                           |
| 3. Matale  | 58,000                | 40,000                  | 15,000 (5)               | 3,000         | 25,000   | 16,000         | 6,000          | 3,000         | 33,000                      |
| 4. Batticaloa  | 58,000                | 40,000                  | 15,000 (5)               | 3,000         | 37,500   | 28,500         | 6,000          | 3,000         | 20,500                      |
| 5. Galle   | 58,000                | 40,000                  | 15,000 (5)               | 3,000         | 25,000   | 16,000         | 6,000          | 3,000         | 33,000                      |
| 6. Kilinochchi   | 58,000                | 40,000                  | 15,000 (5)               | 3,000         | 0  | 0              | 0              | 0             | 58,000                      |
| 7. Moratuwa  | 58,000                | 40,000                  | 15,000 (5)               | 3,000         | 43,000   | 28,000         | 12,000         | 3,000         | 15,000                      |
| WB Info. Center  | 10,000                |                         | 10,000 (1)               |               | 10,000   |                | 10,000         |               | 0                           |
| Nat. process   | 17,500                |                         |                          |               | 17,500   |                |                |               | 0                           |
| <b>TOTAL (7 cities)</b>                                    | <b>433,500</b>        | <b>280,000 (7 proj)</b> | <b>115,000 (36 proj)</b> | <b>21,000</b> | <b>274,000 (63%)</b>                             | <b>168,500</b> | <b>64,000</b>  | <b>18,000</b> | <b>159,500 (37%)</b>        |

## April 26 morning: Briefing on ACCA in SRI LANKA

At the hotel Berjaya, with Women's Co-op members, Sevanatha staff and some government officials

### Introduction of participants

**Mayor of Moratuwa (Mr. W. Samanlal Fernando) speaks** (*Nandasiri translates from Sinhalese*) He was involved in the tsunami reconstruction (Moratuwa was badly affected by the tsunami) and later with the ACCA city-wide upgrading process. Tells about the work done by the people in Moratuwa.

- **The women who used to be "cornered in their kitchens" have come out and given us their leadership** in Moratuwa and taught society a new way. These poor women in Women's Co-op have been able to plan for the town and for society. Without any racial barriers or political agenda, they all work together. I am proud of them!
- **In Sri Lanka, we say that the mother is the "Buddha" in the house.** That's how he sees the women in Moratuwa - as teachers or "Buddhas", teaching others a new way, at the family level, at the community level, at the city level and at the national level!
- Jayaratne has also done a lot of work in our town. We will help facilitate all infrastructure facilities in your work.

**Sevanatha presents a slide show about Sri Lanka's history, culture and slums.**

**Nandasiri speaks : Women's Bank (Women's Co-op) is 22 years old now.** We started in March 1989 with savings groups in just three shanty settlements in Colombo. The first group had just 8 members. What to do? Where to go? We agreed to save 5 rupees per week per person. That first day, those 8 women saved just 40 rupees. Now Women's Bank has 70,000 members in 22 of the country's 25 districts, and these poor women have saved about 1.7 billion Rupees (about US\$ 14 million). And WB has recently started in the war-torn area of Killinochchi in northern Sri Lanka. About 30 - 40 WB branches are operating in Tamil-speaking areas, and the rest are in Sinhalese language areas.

- **At the beginning, the first group agreed to sit together once every week**, to discuss their issues together and then to save a small amount of money - just 5 rupees. The people in a group live in close proximity to each other and through these weekly discussions, they build a very strong bond and understanding about each others issues. At first, there were no plans for big loans for land and houses! We started small.
- **People living in shanty settlements are mostly indebted to informal money-lenders and have no access to banks.** So they had to find their way to meet their monetary needs and to work out plans, think together, solve their problems together, trust each other. They cannot tell lies to each other because they live together and know each other too well.
- **Gradually, the savings began to accumulate and got bigger and bigger.** The groups' resources grew and they began giving loans. Then the groups joined together into branches, and saved some of their money at the branch level, so the group members could get loans that were larger than the capacity of their individual groups. Also, they began using their combined resources to deal with other issues like toilets, roads, food, nutrition, health, etc.
- **They realized that they were the masters and could get rid of their poverty by themselves!** So the small group system grew, and later they got the Women's Bank registered with the central government's Cooperative Department as the first and only national level women's cooperative in the country!
- **We are still in a learning process.** Many WB members have had no formal education, but our movement is like a big learning university! Now the women get together and go house-to-house to do surveys, collect data, come together and plan using this information. They are planning for the whole city, under the cooperative movement. These women are advisors and community architects!
- **Now we have 10 national councils which work on different issues**, to undertake different work on this different issues (like housing, health, children, culture, etc.)
- **Every member is active, every member is a leader:** Very active membership - not just a few national leaders! All the members of all the savings groups are involved in different activities and working in different ways on these issues, and in this system, every single member is a leader. Everyone has some work to do in this society. They are no longer "cornered in the kitchen" as the Mayor of Moratuwa said! It is like two sides of the same coin: responsibility = recognition by people by society. Before, these women were neglected by banks, by police, by government agencies, too poor! Now the women have gained all these opportunities in their hands.
- **At the beginning, Nandasiri had to go to a lot of meetings and do lots of support work. Now all that is done by the women themselves.** I am very proud to say that this neglected section of society is ready to take responsibility without any political agenda.

**Mr. Anura Dassanayake (Architect from National Housing Development Authority who is the Project director of the Lunawa Environmental and Community Development Project)** He gives a brief but very good history of the Sri Lankan Government's involvement in housing :

- Before the 1970s, there was no government involvement in the slums at all. Slums were considered either privately-owned houses or illegal squatters. But 61% of the urban population lived in slums!
- Socialist period in the 1970s, in which tenants were protected, restricted house ownership and house sizes, and housing units were seized from slum-lords and taken over by the government.
- 1979 the NHDA was established, and the Urban Basic Services for the Poor (UBSP) was started.
- 1984-89: Followed a participatory approach, and a new delivery system by communities themselves, through the community contract system, in which the NHDA hired communities to upgrade their own infrastructure
- 1984- 89 : Million houses program, then 1989-94 : Million and a Half Houses Program
- After 1999 : Participatory approach diminishes, and a real-estate-driven "land-sharing" approach took over, to get hold of the valuable urban land occupied by slum communities. The deal is that a slum community gives up their

land, but everyone gets a unit in a block of flats built on the same land, with part of the land given for commercial development, as a cross-subsidy, land-sharing scheme. But it didn't work - the market forces were not strong enough.

- 2005: Jana-Sevana Housing program - "A house for every family in the country" More of a return to the participatory approach, but with a dangerous focus on "involuntary" resettlement to relocation colonies.
- Now there is no focused policy on housing at all in Sri Lanka!

**Somsook : I have visited Moratuwa five or six times after the tsunami.** ACHR first came to see how we could link with the tsunami-affected communities to see how to deal with the situation. The problems they faced were similar to those faced by tsunami victims in other countries so we helped make it possible for these tsunami survivors to meet and share in several meetings, in Sri Lanka and elsewhere: Thailand, India, Sri Lanka and Indonesia. How to deal with the situation better, link with strong existing groups and use the strong groups with roots to work together.



- **In Moratuwa, we helped to build temporary housing in one of the coastal communities.** The idea of this small intervention was to get people together, so they could sit together, talk, and start planning as a community, rather than as isolated and helpless beneficiaries. The same thing happened in other Asian countries - starting with getting people together to think and plan and strategize how to redevelop their lives. From that temporary housing in Moratuwa, the process linked with different organizations in other affected areas in Sri Lanka, like Galle. But the idea was the same: how the affected people could get together and work with others, collaborate, and make a new politics of change.
- **This was also a way to build and expand a network around the tsunami problems.** And eventually, the process got broader than only the tsunami, with many new partnerships and new cities, and new learning about a very strong army of development actors.
- **So the disaster opened up new possibilities and new strategies.** Not just to rebuild broken houses but the disaster should make a more structural change in these marginalized communities.
- **Sri Lanka has tried and tested all the housing theories and practices in the book over the years!** Different laws, different programs, different policies - all coming from the government side. But after so many years, things have gotten stuck. What next? But as we saw with the tsunami, the answer is to go back and ask the "experts" - the people! We need to recognize that great development force that is right there on the ground in front of us, and we've got to build the people's process as the core process of change.
- **Put away all those theories and policies in the drawer and give people the chance to be the leading force in solving these very big problems of land and housing and poverty in Sri Lanka!** The world has changed. We have to look at people as the new force of change. That's why ACCA supports a people-led change process, in which we are not just supporting housing upgrading projects, but we are taking aim at all the structural problems that cause poverty in the first place.
- **CLAF-Net is the national fund** - we hope it will grow with the people's process.

**Jaya introduces the ACCA process in Sri Lanka, which is supporting what Sevanatha calls the "Urban Slum Upgrading Program" (USUP) :**

- **CLAF-Net** (Community Livelihood Action Facility Network) is a network of organizations who originally came together after the tsunami to form a common fund (with initial capital from ACHR) and has now expanded into other cities, with support from ACCA and UN-Habitat and other sources. It is a legally-registered fund now, and the fund is jointly managed by the groups that are part of the network (esp. Women's Bank, Help-O and People's Company), with Sevanatha providing the fund secretariat and technical support. CLAF-Net has put various grants it got during the tsunami, and subsequently from ACHR, ACCA and other sources into this revolving loan fund. The terms of the loans are set by members - especially Women's Bank. Three organizations sit on the CLAF-Net fund's steering committee - Sevanatha, Women's Bank and other? Steering committee meets monthly, and brings in members requests for loans.
- **CLAF-Net now has a lending capital of about US\$ 700,000**
- **The CLAF-Net Fund only gives loans for legal construction and only to savings group members,** and uses the process to regularize informal settlements, and uses the loans for housing to leverage tenure security through the city collaborative process. CLAF-Net is spreading out and supporting housing loans outside ACCA cities, and also gives livelihood, housing improvement and infrastructure loans to savings group members. The CLAF-Net Fund's lending capital is a mix of grants from ACHR, ACCA and Homeless International, Selavip, and funds from UN-Habitat. The loans from CLAF-Net go first to the WB branch (which along with the other branches in that city act as a CDF), which on-lends to the group and members - each level adding a margin onto the interest rate. And then the loans are all returned to the national CLAF-Net fund - they don't stay in the city. But the branches have their own lending capital which all comes from the women's savings.
- **We can't go into a municipality without any resources!** So we start with the \$40,000 big project funds from ACCA and use this money for housing loans like a carrot to leverage secure tenure from the municipal council.

- **The first step in a city is the slum and vacant land survey and mapping** : Usually city slum surveys are done by trained planners. But we simplify the process and train Women's Bank members from the same city to do the survey, to read maps and satellite images from the internet and to quickly assess the various poverty indicators in the slum settlements according to the "scorecard" system. This training takes 2.5 days. Then the WB members do the survey, ward mapping and scorecard. Then they bring the data to Sevanatha to put into the computer on GIS. Besides surveying all the slum communities, they also identify and map plots of vacant land in the city, because municipal governments always say *we have no land!* But people find in the survey that there is almost always lots of vacant land in the city! Finally, all this information is brought to the city and shared in a meeting with the mayor and municipal council. It's a negotiation trick. Then we use this survey to make a city-wide plan, starting with the most needy slums, and start savings groups.
- **Then we form a joint city-level development committee**, which meets monthly and becomes the main collaborative and sharing platform or forum for the different groups in the city. In all the towns we work, we work with the Municipality. We bring all the land and housing issues to this committee to discuss, to get support for solving them from the city. Other organizations working in the city can also join this committee.
- **Most cities in Sri Lanka have slum problems that are solvable!** In most Sri Lankan towns, there are only a small number of slums, and these problems can be resolved! In Moratuwa, there are only 90 slum communities.
- **In Galle**, the savings groups and branches (not under Women's Bank) have come together into a network (with support from the Help-O NGO) and registered themselves legally as a non-profit company called "People's Company," in which each savings member can hold a maximum of 10 shares, have annual meetings, etc. It's a little different than the cooperative structure, which Women's Bank is registered under. And in Galle, People's Company and Help-O are part of the CLAF-Net network.
- **Now regular exchange visits between cities, and the network is growing.**

**QUESTION (Somsook) : How were the 7 cities so far chosen for the ACCA project?** How are they different? What do these cities offer? (Jaya answers) In **Nuwara Eliya, Kalutara and Moratuwa**, the Women's Bank process had already started and become strong before ACCA and Sevanatha was already doing UN projects in these cities. The request for us to bring ACCA to the war-affected and tsunami-affected city of **Batticaloa** originally came from the Municipal Council, with whom we had been working since the tsunami, but the local government understood that only the tsunami-affected households were getting help, while the other poor in the city were neglected. In **Galle**, we had already linked with the savings groups being supported by Help-o, after the tsunami. And in **Matale**, we started there because Sevanatha was already working there, the mayor requested for ACCA, and because different groups had come and started savings groups there but then left without any development, so WB came in.

- **(Jaya) In all these cities, we are trying to go beyond the technical issues of housing** or infrastructure upgrading and using the ACCA process to make a political platform for legitimizing these informal communities.

**QUESTION (Kirtee) : Why are ACCA housing projects only being started in settlements with secure tenure? Why not start with the insecure tenure situations, or even eviction situations?** (Jaya) We start with all the settlements in the city, and use the small projects and the vacant land survey for finding other land, and all these aspects go together.

**Somsook : ACHR worked with several organizations in Sri Lanka after the tsunami, and the idea was how to support these key organizations working with the poor to sit together and put their forces together.** That was the start of CLAF-Net (which used to be called CLAP-Net). And in this process, Women's Bank and Sevanatha got married! They knew each other, of course, but had never really worked together. This was a big challenge in so many of the tsunami-hit countries, trying to get so many different groups and networks to work together in the same area, with their different approaches - to solve problems that were much too big for any one group to solve alone. If they put their forces together, they can go very far. At the time of the tsunami crisis, this kind of working together was possible in Sri Lanka, but then the divisive force of external funds and outside network influence on these good organizations made them get confused, and little by little, they separated.

- **People in the same area should work together!** But different outside organizations take possession, and create so many separate islands in the same sea, with no bridge between them.
- **CLAF-Net is trying to bring together this collaborative force** of different groups working together and to channel that force into doing city-wide upgrading in these cities in Sri Lanka.

**Jaya : After the tsunami, all the various organizations wanted to do their own nice projects - and then they left!** They poached good government workers to come join their short-term working teams. There was no institutional development, and in fact the process weakened existing organizations and institutions in the country. We were learning, though, and trying to work as a network, and trying to use the tsunami emergency as a chance to build the community organizations in these cities, through the tsunami reconstruction projects CLAF-Net supported.

- **Impact in Moratuwa** : The mayor saw our good projects and gave material to do more.
- **Impact in Nuwara Eliya** : The city charges \$10,000 to do drains, but people can build the same drains for \$5,000, so the mayor gives tool kits to all the WB branches.

**QUESTION (Ruby) : What is the structure of the partnership between CLAF-Net, Sevanatha and the Women's Bank? What are the limitations of each organization?** (Rupa and Anoma) We have strong reasons to work together. We have been working with people in communities for 15-20 years, and we have no conflict in our roles. We have to divide the roles very clearly: Sevanatha does the technical support and we work with the communities and manage the money. CLAF-Net is not like a separate micro-finance program. At the time of the tsunami, we had a chance to come together as a network, and at that time, all the groups had the same agenda and the same issues. The

objectives of our different organizations are very similar, and we work to achieve these objectives through the networking process, rather than working as individual organizations.

- **Many organizations come into poor communities to help people, and they all come with their different agendas.** WB is for the people and is an organization that belongs to the people, and our role is to build and train the community organizations in this network.
- **CLAF-Net is a joint organization**, and the key steering committee members are Sevanatha, WB and the People's Company. We work collectively. Sevanatha does all the documentation and accounts at monthly meetings.
- *(Nandasiri adds)* **We have to define our roles very clearly and we never, ever overlap!** Sevanatha does technical and political work. Women's Bank is only an organization of the people and our work is to do our loan and repayment activities. We each do our own work.

**Somsook: Women's Bank has a lot of money - US\$ 14 million! Why not put this CLAF-Net fund under the Women's Bank?** But no - when CLAF-Net was set up, the idea was it would be a collaboration between WB and other groups. WB is the force that works on the ground, but it takes the strength of this joint organization to deal with the technical issues, the management, to talk to the mayors. But the new role allows the space for collaboration. And CLAF-Net is using the WB as the "operation force", using the already active Women's Co-op structure to disburse the finance.

- **The old question again : Under your Women's Co-op rules, can't you give housing loans at a lower interest rate than 18% or 24%?**

**Somsook on assessing ACCA and the change process in Sri Lanka :** We have come here to see how ACCA is supporting your work, and to see what has been the impact of ACCA support on that work.

- **We want to make change :** The idea of this ACCA support is not to implement a few nice little housing projects and a few physical improvement projects here and there, like little islands, but how to use these physical change projects by people to make real, structural change in these cities and in the whole country. We want to change the concept that it is inevitable that people stay in slums, we want big scale change in land and housing. And we tried to plan the ACCA Program in such a way as to support groups like yours to make this change by people. Have these small projects in Sri Lanka led to structural change?
- **When people who are poor and marginalized start to sit together, survey, see the problems**, plan and start to do things, we are activating and shaking up people and letting them move from being the sleepers or the passive beneficiaries into being the active determiners of their own development.
- **Upgrading is a way to legitimize people, but also a way to get everyone in the upgrading mode.** We have to target all the settlements in the city, not just a few pilot projects - our babies - that never scale up! That kind of pilot-projects-that-will-later-be-replicated thinking is a lie! We are cheating ourselves if we believe it, because it never happens! That kind of thinking has nothing to do with the real scale of problems, but only with the scale of what is comfortable for the development professionals to manage.
- **So we have to start with scale, from day one.** And let the scale build the change process. This is what ACCA is trying to build. It is a political process, and it is something that the ACCA Program brings as an addition to your existing process.
- **Sri Lanka has a long history of trying out all the different housing policies in Asia!** But the programs have gone up and down, and now the country is confused, and not used to this new kind of partnership we are trying to support here - where a very big people's network and a very professional work together like this!
- **We have organized ACCA assessment trips in five countries so far** (Philippines, Vietnam, Mongolia, Cambodia and Nepal). Sri Lanka is the sixth assessment trip. But these are different than the usual project assessment missions, where it is professors and "experts" from outside who come in with their various development theories and pronounce judgment and give you a low score! But we do our ACCA assessment process very differently. In our version, the assessment is being done by your peers from other countries - community members and their supporters - who are all deeply involved in implementing their own ACCA projects back home. These are not academic observers but real doers and participants in change, and they come to learn and share and jointly assess, so the learning goes both ways. And they assess themselves at the same time. So it is a broader kind of assessment. By doing projects ourselves, it makes it easier for us to pinpoint much better the issues and makes for a much richer learning.

**The 3 key aspects of the ACCA process we want to assess are :**

- the QUALITY of the work
- the finances and how the small finance from ACCA builds more quality and how it is managed
- the impact of change in all ways.

## Visit to some Women's Co-op savings groups in COLOMBO :

### BACKGROUND : The Women's Bank savings movement in Sri Lanka

In July, 2009, the Women's Bank (now called "Women's Co-op") in Sri Lanka celebrated its 20th anniversary with a big national event and exhibition in Colombo. The Women's Co-op is a national movement of 6,500 small savings groups in 22 out of the country's 25 districts, with 75,000 members (35,000 full members and 40,000 "associate" members) and US\$ 14 million in collective savings. Here are some comments from Somsook on the WB process, after she came back from attending that anniversary event.

#### The Women's Bank System:

- **The savings group:** The basic unit of the Women's Bank system is the savings group, which has 5-15 members from the same community or village or area, and which makes all the decisions about loans to its members and manages its own savings internally. There are now 6,500 of these small savings groups in Sri Lanka.
- **The branch:** These savings groups are then linked together with other nearby groups into area-based branches of 20 to 30 savings groups. These branches work like networks, and there are now about 250 branches across the country (in 22 out of the country's 25 districts).
- **The issue-based task-forces:** The WB also has a system of ten issue-based task forces which focus on issues like health, housing, agriculture, welfare, children, education, disaster, culture, etc. Every savings group has leaders in charge of these different issues, all of which are actually vital parts of these women's lives. This is part of WB's "Everyone is a leader" concept. These task forces have done a lot of good successful work, in all the branches.

**People's own money stays in the community and is controlled by people on the ground:** They have the small savings group of about 5 -15 people. This savings group meets every week and makes all the decisions together - which means all the ordinary members make decisions and collectively decide how their collective savings will be used and loaned - *not the leaders, not the committee!* To me, this is one of the most important strengths of the Women's Bank process, that ordinary people are involved in the decision-making and setting their systems and loan criteria within the group. And all of the money that belongs to people is kept with the members in the small group. This is the main difference between this kind of community-based savings and loan system and the conventional micro credit system.

**Savings and loan system within the group:** Savings members save about 5 - 10 Rupees a week (about US\$ one cent!) a week, put the money together and use it to give loans to each other, after discussing the loan requests. In this group that I visited, members can borrow only 250 Rupees (US\$2) the first time, and then according to their savings and repayment record, they can borrow again up to ceilings which grow each time they repay - 500 Rupees (US\$4), then Rs 750 (US\$7) and then Rs 1,000 (US\$9), etc. But the important thing is that this small group of women has the power to make decisions (what loan to give to whom) about using their own savings. And people in the group have to have consensus on the loans to be granted to any member. And once the loan has been agreed upon by all the members, the borrowers husband will have to come to the group and co-sign for the loan, as a kind of joint borrower or guarantor! In this way, they intentionally bring the whole family of the member into their active community finance process.

### Visit with the "Lotus Flower" Women's Bank savings group, in the Kamkarupura Community, Colombo

Kamkarupura is a very large, crowded informal settlement of 5,000 households, on the edge of the Colombo municipal limits. The community is about 40 years old, and nobody has title deeds, but they do have occupancy cards from the National Housing Development Authority (maybe from the "Million Houses Program" time?) The community has mixed ethnic groups: Sinhalese (Buddhist), Muslim, Tamil (Hindu) and Christians. We're told there are a lot of money-lenders and drug dealers in this community. Our group spends a half-hour or so visiting with the 9 women who are members of the "Lotus Flower" savings group, in the house of one of the group's treasurer. The group members are Muslim, Sinhalese and Tamil. They have their weekly meeting here every Wednesday at 4:00 PM. This is one of 22 savings groups in the Kamkarupura branch. Total 236 savings members in the whole branch. Section leaders from all 22 savings groups meet once a month at the branch office nearby (which is in someone's house). But the branch committee meets weekly to consider loans and other business.



- **236 households of the total 5,000 households in this community (5%) are WB members.**
- **Small savings groups stay small (min. 5 - max. 15 members) :** This group was formed 4 years ago, but all the members have been saving for 10 years, and they were all parts of other groups that got too big and had to be subdivided into new groups. Groups have 5 - 15 members, and when new members want to join, they form new groups rather than make the groups larger. So these are all real savings veterans! Each group elects its own leaders to join various branch-level and national-level duties (so "she can't forget her group!") Even the national

leaders like Rupa and Anoma have to be elected by their groups and by all the branches to have those national positions. And if Rupa or Anoma want to take a loan, they have to ask their group!

- **Savings :** They all save a minimum of 5 Rupees per week with the group, but they also save "shares" with the branch, and also their housing savings stays at the branch level. Members (and non-members!) can also deposit their money in the branch, and will earn 12% to 17% per year interest (compare that to commercial banks in Sri Lanka which pay only 3% or 4% on savings accounts). Many members deposit their provident funds in their WB branch, to get this high interest. These interest rates are set by the national leadership.



**QUESTION :** What if the very poor cannot save 5 Rupees per week? Nowadays, 5 Rupees is very little, and everyone - even the very poorest! - can save that amount. But some women who earn monthly can also deposit their savings once a month - its up to the group to work that out.

**QUESTION :** Some of the people we passed coming in here seem to be much poorer than all of you - are the Women's Bank members only those with more money, who can afford to save? (the women are all emphatic to answer this question) No! Ten years ago, when we started saving here, it was the poorest women in the community who joined the savings groups! But after so many years, and with so many loans and improvements in our lives, our economic position has improved a lot! That's the point - that we don't keep being poor forever! It is our Women's Bank that has helped us to bring ourselves and our families up like this!

**Loans :** The rule is that a member can borrow an amount that is double your savings, at 2% per month (or 1% per week?). That interest rate may seem high, but in Colombo, the informal money lenders charge 20% per month for loans! So when those informal borrowers join Women's Bank, they save a lot! Most loans are discussed and decided upon during the weekly meetings, but if there is an emergency, they can come to this house (the treasurer's house), where the money box is kept. But the key to the box is kept with the group's vice president, so two people have to know when an emergency loan is made! If the loan amount is small (for emergencies and livelihood, daily needs), the group gives the loan, but if a member needs to borrow larger amounts (for housing improvements, larger livelihood, consumer items, etc.) they can borrow from the branch (and the other 8 members in her group act as loan guarantors), which meets weekly. The branch has more lending capital, because all the group members have "shares" in the branch, and keep their special housing savings in the branch. The branch also manages the funds for insurance, health, etc.



**Loan examples :** The loans cover "all needs, from birth to death - except anything illegal and liquor!" In this group, repayment is 100%, no problems at all with repayment.

- One woman borrowed 180,000 Rupees (US\$1,800) to set up a grocery selling shop.
- One woman borrowed 25,000 Rupees (\$250) to get an electricity connection in her house.
- Ramzan Bibi (who has lived here for 20 years and is the savings group treasurer) will borrow 150,000 (\$1,500) to renovate her earth-floored wooden house, which now has no electricity or water.

- **Not one rupee is ever kept in any commercial bank** - most of the money is circulating in loans, or kept in such cash boxes. This is true for the whole of Women's Bank, with its US\$14 million!
- **Every member has a job:** Besides the president, vice-president and treasurer of the savings group, they have a health secretary, culture secretary, children's officer, etc., to take care of those aspects. This is part of the Women's Bank's system of "everyone is a leader."
- **Not only savings and loans! All problems and issues come to the savings group!** We help each other in every way, we are all close friends, we're like a family. When somebody in the family dies or is sick, her other group members come and cook for her visitors, etc.
- **QUESTION :** Who earns the money that is being saved here? In many families, the husband earns and the wives are the savers of the husband's earnings. But many women also have small side businesses, with which they supplement the main family income (like tailoring, making "hoppers", baking buns, selling vegetables, etc.)

**Women's Bank's welfare scheme :** Each branch manages its own welfare insurance scheme for its members, using its own funds. Benefits are determined by each branch and are based largely on how much savings capital the branch has acquired, so they're not the same for all branches. Older branches with more money tend to give higher benefits. What benefits to members get in this branch?

- 25,000 Rupees (\$250) for a death in the family

- 3,000 Rupees (\$30) for the birth of a child
- 3,000 Rupees (\$30) for eye-glasses (*Anoma's branch gives 5,000 Rupees for eye-glasses!*)
- 200,000 (\$20,000) for the children, if a WB leader dies.

**Women's Bank's Health Insurance Program :** They also have a special health account, in which members can deposit 1,000 Rupees (one time every five years) to join their health insurance scheme. This entitles the member up to 400,000 Rupees (\$4,000) for hospitalization and medical emergencies (depending on actuals).

### Visit to the Kamkarupura Women's Bank Branch, in Colombo

*After the meeting with the enthusiastic women of the Lotus Flower savings group, we all walk over to the Kamkarupura branch office, which is just a 10-minute walk away, where we meet up with other visitors who had had similar conversations with other groups in the area. The branch office is in the shop-house of one of the members, and we all gather on the ground floor, where we are served tea and sweets and lovely lemony-tasting bananas. Photos of Nandasiri on the wall. We are shown the HUGE ledgers where they keep the financial records.*

#### **How the branches and national leadership subsidize themselves :**

All of the branch offices are in savings members/ houses. The branch pays a small rent to the woman who lends her house for the branch activities. Every full member of WB pays 1 Rupee per month for national WB coordination and 3 Rupees per month to support the branches. There are 35,000 full WB members nationally (the other 35,000 are associate members), so if each pays 1 + 3 Rupees that means the WB has 140,000 Rupees (\$1,400) per month for national coordination and for the branches.

- **All the national-level WB leaders are elected by the WB members and have a tenure of only one year.** Then there are elections. Usually, the old leaders stay, but the crucial point of the short tenure on these important positions is "to keep the leaders responsible."
- **Auditing fund :** Each branch uses 1.5% of its total interest income to pay for auditors and auditing training. These auditors are all trained WB members, or "the educated daughters of WB members."
- **Women's Bank is decentralized, "so no politicians can catch it!"** Nandasiri says, *"If you build a great big mill to manufacture something, everyone can see it's size and its wealth and its productivity. But if you make instead 1,000 small workshops, nobody can see them all at once and nobody can destroy them! Women's Bank is like that."*



**QUESTION :** If there are 5,000 families in this community, why are only 236 of these households members of Women's Bank? In the villages, 90% of the households are members, but in the big slums in the city like this, 90% are not members! We don't take as members any people who do illegal or corrupt things or deal with drugs!

### Visit to the Kirimandala Mawatha Settlement branch, in Colombo

(129 houses, 200 households) The third assessment group attended a branch meeting at the Kirimandala Mawatha branch leader's house, attended by approximately 10 women - all members of the local small group. This community, which is built along the railway tracks, was formed in the early 1980s, as people arrived and settled on the land, constructing temporary housing. The 129 households in this settlement are a mix of Tamil, Sinhalese and Muslim, but they can all speak each others' languages, and there is a strong trust and closeness. Very soon the settlement became crowded, and the main issue was that of the access road/footpath.

- **A local politician initiated a Community Development Council (CDC) during a political campaign,** so that services could be delivered. This CDC started without guidelines, but gradually began collecting fees and became registered with the Municipality. With the fees and money collections, the residents were able to build an access road.
- **The residents are legal occupants of the land.** They have enumeration cards given by the NHD, and the land belongs to the Railway Authority. The Railway Department asks for a 6 meter reservation. The community has submitted a list of households to the municipality, and therefore they are able to obtain water and electricity legally. They have had fights in the municipality in the past and they are aware that one day, some households may have to



move out, but the government promises to re-house them. The threat of eviction is very low, as they are in the ward of politicians who can help them negotiate ownership in certain cases.

Once the CDC was established, Nandasiri approached the CDC leader and explained how the Women's Bank works. Now, all but 6 of the 129 households are members of the savings group, and within the local branch, 17 million rupees have been saved through 13 groups. (Those 6 non-member households are apparently not members because they are money-lenders themselves.)

**How the savings group operates:**

- The savings group can keep a maximum of 10% of its assets on hand, for a maximum of 10 days.
- Each member has five record books: one for health, housing, savings, children, and loans. This savings group is mature, which is why members have five record books.
- In order to join the local Women's Bank branch, they needed to be an active savings group for 8 months first. During this time the group received training in accounting and financial management, and also kept a clean savings record and the branch checked that members were all genuine. There is daily auditing of the branch's accounts, by the group's internal audit team, and once a month, the Women's Bank head office will send someone to audit the accounts. The government cooperatives department audits the branch once a year.



| Sl. No. | Amount | Date | Particulars | Total   |
|---------|--------|------|-------------|---------|
| 1       | 5      |      |             | 5       |
| 2       | 100    |      |             | 105     |
| 3       | 10     |      |             | 115     |
| 4       | 30     |      |             | 145     |
| 5       | 4.75   |      |             | 150     |
| 6       | 260    |      |             | 410     |
| 7       | 30     |      |             | 440     |
| 8       | 100    |      |             | 540     |
| 9       | 100    |      |             | 640     |
| 10      | 100    |      |             | 740     |
| 11      | 30     |      |             | 770     |
| 12      | 175    |      |             | 945     |
| 13      | 450    |      |             | 1395    |
| 14      | 100    |      |             | 1495    |
| 15      | 80     |      |             | 1575    |
| 16      | 16.76  |      |             | 1591.76 |

**How are loans managed?**

- A member who wants to obtain a loan needs to present her request at the group meeting, at which there needs to be 100% attendance. The applicant must present her savings, income and other relevant information which would affect the decision whether or not to grant the loan.
- Loans are available for everything, from settling a mortgage to paying for jewelry and weddings – this is so that people don't turn to moneylenders instead.
- The loan repayment period depends on how much the member can afford to repay in each installment.
- According to the members, there is no loan default problem, as before the loan is granted, the repayment amount is mutually agreed upon, with 250 rupees a month as a minimum. When the loan is considered, everyone knows the person and will be aware if they are having or are likely to have repayment difficulties – loans are only granted according to repayment capacity.
- If the demand for loans within the branch exceeds their collective savings fund, it is possible to borrow funds from another branch. The more loans the branch gives out, the bigger their asset base.
- The interest rate charged on loans is 24% annually (2% monthly), and this interest goes to fund a variety of welfare activities, for which family members (including in-laws) are eligible. The welfare provisions extend to health, with grants for operations, such as 400,000 rupees for kidney or heart surgery (this grant comes from the Women's Bank), or a 2000 rupee grant for the 1<sup>st</sup> child, 4000 rupees for the second. It is also possible to obtain scholarships for school and university.

**Discussion with the savings members :**

- **QUESTION: What do women take loans for?** Loan patterns have changed over the years. At the start the loans were small loans for consumer goods, whereas now loans are for larger investments such as trucks, adding a second floor to a house, or a dowry.
- **Comment about loans for weddings :** (Meera) In Pune, we have a waste-pickers union, and it has some methods of reducing the necessity for large loans. The members encourage collective weddings so that people don't need to borrow large amounts and go into debt, and also they do not allow weddings before the age of 18. In this way, loan requirements are lowered, and it is also a way of bringing about social change.
- **QUESTION : What is the impact of the savings program?** The program is not just about giving loans – it is also for changing attitudes, especially those of our husbands. Normally men are the heads of households – but this savings group program means that man and wife have equal responsibility at home. So it is not just about saving money for credit.

## Dinner and cultural performance at the Kalinga Mawattha Community, Colombo.

The Women's Bank branch members in the Kalinga Mawattha Community in Colombo prepared a big, delicious home-cooked dinner for our group in the upstairs meeting room in their community center. Before the meal, there was a cultural show, with dances by the community youth groups, comic skits and the ceremonial lamp-lighting.

**From "The world is changing" scrap-book :** While we were walking from the bus into the community center in Kalinga Mawattha, a little boy of about 9 or 10 years introduced himself to me and wanted to know what my name was, where I was from and how many friends I had on my Facebook site? And would I be a friend on his Facebook site? He told me he has Facebook friends all over the world and regularly chats with them, using his older sister's lap-top computer. I'm afraid I disappointed him when I confessed that I have no facebook site and am probably too old for all that stuff. But I wrote down my e-mail address on a sheet from my notepad, and he received it with an air of disappointment, like a kid who had set his heart on a race-car but only got a lollypop!



## ACCA project in MORATUWA :

### BACKGROUND on the ACCA project in Moratuwa :



**The tsunami in Moratuwa :** The southwestern coastal city of Moratuwa (population 177,190), Sri Lanka's third largest city, was one of the most severely battered by the December 2004 Asian tsunami. Six informal settlements along the city's coastline were almost completely obliterated by the waves, leaving hundreds dead and 3,000 families (mostly poor fisher folk) scattered in distant relief camps, without homes, belongings, boats or jobs - and most without any land ownership papers. Moratuwa quickly became a focal point for the relief work and longer-term livelihood revival and housing rehabilitation assistance of Sri Lanka's two large women's savings federations: Women's Bank and the Women's Development Bank Federation, both of which continue to work with poor communities in Moratuwa (*but separately!*).

**Using the tsunami to boost Women's Co-op savings :** The Women's Bank has been active in Moratuwa since 2004. After rallying their members to provide emergency relief assistance in the immediate aftermath of the tsunami in Moratuwa, Women's Bank began setting up savings groups and channeling support to tsunami-affected households through loans for self-employment, house repair and rebuilding, fishing equipment and other purposes, to help people get back on their feet. The savings process has since expanded to many other non-tsunami-affected communities in Moratuwa. There are now 66 Women's Bank savings groups, with 1,400 members, in 9 branches, in Moratuwa.

**The OTHER women's savings movement in Moratuwa :** The Women's Development Bank Federation, another savings-based women's movement, has also been active in Moratuwa, since long before the tsunami. In 2008, WDBF savings groups were in 32 slums in Moratuwa, and the federation has implemented several important housing projects in the city, in collaboration with the Municipality, the Ministry of Urban Development, UN-Habitat's Slum Upgrading Facility and SDI. (1) Temporary house construction in the tsunami-hit coastal Jayagathpura community (70 houses) (2) Land-sharing project in the Usawiwatta community (56 units in a 4-story block) (3) On-site upgrading in the Dandeniya Community (230 households), (4) On-site upgrading in the Babatuwapara Community (22 households). Ruby tried to contact Upali at the WDBF to organize a visit, during the assessment trip, but she wasn't able to get in touch. The word we got from Women's Bank is that WDBF is no longer very active in Moratuwa.

**ACCA in Moratuwa :** The ACCA project in Moratuwa was approved in November 2010, and is being implemented by Women's Co-op and Sevanatha, in close collaboration with the mayor and the municipal council. The ACCA funds are all managed through CLAF-Net and the Women's Co-op branches in Moratuwa, which act as a kind of city development fund. All the activities are monitored by the City Development Committee (which comprises representatives from the communities, the network, the local government, NGOs and other local development actors, and chaired by the Mayor of Moratuwa). The committee acts as a platform of the project decision making, monitoring and coordinating overall project, and resource sharing for the city development purposes. There have already been some striking breakthroughs as a result of this ACCA-supported process. In the city of Moratuwa, for example, 526 households in 7 poor settlements have been given freehold titles to their land.



| ACCA budget APPROVED in Moratuwa : |                       | Budget actually DISBURSED (as of April 15, 2011) |                |
|------------------------------------|-----------------------|--|----------------|
| • Small projects                   | \$15,000 (5 projects) | • Small projects                                 | \$12,000       |
| • Big projects                     | \$40,000              | • Big projects                                   | \$28,000       |
| • City process                     | \$3,000               | • City process                                   | \$3,000        |
| • TOTAL                            | \$58,000              | • Total disbursed                                | \$43,000 (74%) |
|                                    |                       | • Balance  | \$15,000 (26%) |

**Slums in Moratuwa :** The city-wide slum survey and mapping in Moratuwa was carried out in April - July 2010 by WB and Sevanatha, six months before the ACCA project in Moratuwa was approved, with support from a UN project. They counted 90 slum communities in Moratuwa, with 4,441 families (16,104 people). About a third of these settlements are squatting on government land, a third are squatting on private land, and a third are on land they own themselves. Many are facing the immediate danger of eviction. Many of these settlements lack water supply, electricity, paved roads and drainage.

**Small projects :** So far, only one small ACCA project has been implemented (*see table below*). As in the other ACCA cities, the small projects were prioritized and chosen on a preliminary basis, based on existing data on low income settlements in the Moratuwa Municipal Council. After the five projects were chosen, there was a city consultation meeting to assess the selected communities' needs and to gauge their support for the projects. According to settlements survey, 10 communities need assistance for implementation of small projects. However, project team has identified 5 communities with members of WB in Moratuwa for ACCA support.

| PROGRESS : Small projects in MORATUWA (from Sevanatha's Jan 2011 report) |                    |                                   |                     |   | BUDGET CONTRIBUTIONS to PROJECTS (US\$) |           |             |              |  |
|--|--------------------|-----------------------------------|---------------------|---|---|-----------|-------------|--------------|--|
| Community  | Type of project    | # household s directly benefiting | Status of project : | BUDGET CONTRIBUTIONS to PROJECTS (US\$) |   |           |             |              |  |
|  |                    |                                   |                     | from ACCA                               | from communities                        | from gov. | from others | TOTAL budget |  |
| 58 City Watta  | Drains and walkway | 30                                | almost done         | 3,000                                   | ?                                       | ?         | ?           | ?            |  |
| Pochchi Wattha   | Toilets            | 35                                | not started         | 3,000                                   |   |           |             |              |  |
| Idal Wattha  | Drains             | 60                                | not started         | 3,000                                   |   |           |             |              |  |
| Nagrasaba Idama  | Drains             | 24                                | not started         | 3,000                                   |   |           |             |              |  |
| Mura Watta   | Walkway            | 52                                | not started         | 3,000                                   |   |           |             |              |  |
| <b>5 communities</b>   |                    | <b>201 hh</b>                     |                     | <b>15,000</b>                           | <b>?</b>                                | <b>?</b>  | <b>?</b>    | <b>?</b>     |  |

#### BIG project (not started yet):

- **Originally planned BIG Project : Bodhiya Kumbura Community (65 households, on-site upgrading on land which already belongs to the community members).** All 65 households in this community own their land. Most houses were of a temporary quality, located in low-lying areas. So people needed both technical and financial support to raise the foundations of their houses. WB had already formed five savings groups in Bodhiya Kumbura. As in the other ACCA cities in Sri Lanka, this settlement was chosen for ACCA-supported upgrading because it already has secure land tenure, making it ready for implementing right away.
- **Change to 58 City Watta (30 households, on-site upgrading of a squatter community which is negotiating to buy the private land they now occupy.)** Sevanatha reports that "because the Bodhiya Kumbura community was not ready to start the improvement work, CLAF-Net decided to move the big project to the 58 City Watta Community" (*more details below*)

#### Meeting at the Women's Bank Office in Moratuwa :

We started the day with a big gathering in the upstairs meeting room of the Women's Bank office, in Moratuwa. This new, 2-story building was constructed with funds from a CIDA project at the time of the tsunami reconstruction, on land that was donated by the municipality. Besides all of us, there was a big group of Women's Bank members from Moratuwa, Sevanatha's support staff, and some municipal and provincial government officials. At the end of the meeting, before we went on field visits, the Mayor of Moratuwa joined us.



**Ms. Santhamalla (from Women's Bank Moratuwa) briefs us about the process in Moratuwa :** Women's Bank began working in Moratuwa in January 2005, right after the tsunami. The savings was slow at first, but in the last two years has really taken off. There are now 149 savings groups (in 21 communities) in Moratuwa, in 8 branches, with 1,523 members and total savings of about 300,000 Rupees (\$3,000) (*this figure comes from the Powerpoint, but seems a very small amount of savings for WB!*)

- **Survey and mapping in 2010 (before the ACCA project started) :** The city-wide slum survey and mapping of slums and vacant land in Moratuwa took three months (April - May 2010) and was carried out by 8 teams of WB members (mostly mothers!), after being trained by Sevanatha in March 2011. This was 6 months before the ACCA project in Moratuwa began. Each survey team had 2 or 3 women and was in charge of surveying their own area,

where they know most of the settlements. But they also use aerial photos to spot smaller "hiding" settlements. They then spent June and July gathering and computerizing the survey and map data, with help from Sevanatha. Sevanatha then prepared the "City Shelter Profile" in a nice booklet.

- **Survey results : 90 slum settlements / 3,535 houses / 4,441 families / 16,104 people in Moratuwa.**
- **Then identified the 10 very poorest slums, using the "Scorecard" system.** These 10 poorest settlements were mostly along the coast or along canals.
- **Presented the survey data to the Municipality and set a 5-year upgrading plans :** Then, when the survey was finished, WB members and Sevanatha presented the survey to the Mayor and the Municipal Council members. This was the first time in Moratuwa the city knew all this information about slums in their city! The city had no such data! Then set up the joint City Development Committee (with municipal officials, Sevanatha and Women's Bank members, with the Mayor as chairman), and drafted a 5-year upgrading plan, which targets mobilizing communities through savings, secure land, improving infrastructure, livelihood and loans for housing. To do this plan, they have divided the municipal area into five zones. So far, three of the zones are active.
- **After the survey, 55 new savings groups were formed!** The survey gave a big boost to the savings process in the city.



**Jaya continues : Breakthrough : Land titles for 526 poor families :** In 7 informal settlements, the national government's Divisional Secretary has given individual freehold land titles to the occupants, to regularize their land tenure, but the people have to pay 20,000 - 30,000 Rupees (US\$200- \$300) in fees for the title deeds, which many can't afford. So CLAF-Net decided to give loans to the WB savings groups to get these title deeds. 526 households in 7 settlements are getting title deeds to their land this way (327 households have already got their deeds, and the other 199 households are in process). Eventually, about 900 households will get deeds from the gov. under this program. One reason for this breakthrough : Moratuwa is the Minister of Lands home constituency! Most of these 7 slums are very old slums on private land that nobody is claiming ownership of, and in these cases, the government can acquire the land and distribute it to the people who occupy it.

- **The "National Involuntary Resettlement Policy"** says you cannot evict anybody without providing alternative housing, which meets certain standards. So actually evicting households is quite difficult in Sri Lanka.

**QUESTION : What about plans for more difficult tenure cases in the city? (Jaya)** There may be some evictions of canal-side squatters to make way for projects to widen the canals, and the Municipality is looking for land for relocating these families. But no evictions yet and people are staying there.

**QUESTION (Gordon) What about more difficult communities that can't get tenure or can't physically upgrade in-situ? (Jaya answers)** We are trying to get community people in the city to think in a more systematic way - before they only did savings and credit. Now they do land mapping and surveying, and now they go to communities to start savings and they start dealing with the housing and land issue right away. But we have to follow the proper upgrading sequence! If they already have tenure, we can give them housing loans. But if they still don't have secure tenure (like the 200 families who are squatting along the railway line), we form savings groups and start to look for alternative land to resettle, working with the local authorities, and the Mayor helps deal with the other land-owning authorities.

#### **Process of getting Housing Loans (from ACCA or CLAF-Net) : 4 steps :**

1. Savings member makes her housing loan request to her WB savings group and the group passes on the loan request in the weekly Housing/Welfare Section Meeting
2. The section leader sends the request to the main committee and the main committee sends the request to the CLAF-Net table in Moratuwa.
3. Sevanatha's project officer and technical officer approve the project, and Sevanatha's technical officer sends the loan request to the national CLAF-Net.
4. CLAF-Net passes the loan amount to Women's Co-op, and Women's Co-op passes the money to the local branch, which passes it to the savings group, which passes it to the member-borrower. The loan is then repaid to the CLAF-Net fund, through all these levels.



**Somsook : There is a danger that this technical officer from Sevanatha has too much power to say "You should do this, you should do that." (Jaya responds)** All the decisions are made by the WB members, and Sevanatha just supports with technical help. Besides, Sevanatha has trained 25 community women as community-based "para-architects." They will be able to do plot divisions, construction materials estimates, measure land, mapping, etc. and will eventually be the technical advisors to CLAF-Net and WB. In Moratuwa, three women from WB are paid by WB to assist

Sumith (Sevanatha's project officer in Moratuwa), and they learn planning and community layout from him as the work goes on.

**No community architects yet in Moratuwa :** There have been some efforts to link with the architecture faculty at the local university, but Jaya says that so far, not one single architect has joined the community upgrading process in Moratuwa yet.

**QUESTION : What about the WDBF in Moratuwa? What happened?** (*Rupa answers*) After the tsunami, they got some communities in Moratuwa to come together, but only for meetings, no real partnership or working together. (*Jaya continues*) The Women's Development Bank Federation (WDBF) was a group of Women's Bank savers who broke away in 1998 and formed their own organization. After that, there was no healthy discussion between the two organizations, and we cannot work together. After the tsunami, the WDBF played an active role in Moratuwa and built some temporary houses with ACHR support, in one affected coastal slum. They also did one or two housing projects in the city, with support from SDI and SUF. But gradually they withdrew, and many of the WDBF savers have come to join Women's Bank. We invited them to join the CLAF-Net and they came to one or two meetings, but then nothing.

- (*Nandasiri adds*) In Matale, as in Moratuwa, there were many Women's Development Bank Federation members who deserted the WDBF and joined Women's Bank instead. Why are they leaving WDBF? Because it was not the people's agenda!

**Decent Poor Program :** Sevanatha and WB have their own "Decent Poor Program (*not part of the ACCA regional "Decent Poor Program", but their program is also funded by Selavip*), which is being funded by a \$60,000 grant from Selavip, and is supporting 50 of the poorest families within the WB membership with grants of 60,000 Rupees (US\$600) per family. The grants are mostly used to help these very poor families improve their housing conditions. The program is focusing mostly in Moratuwa, but a few families in other cities are also getting grants.

- **How the beneficiary families are selected :** The selection of the families is all done by the local savings group leaders, and the rule is that the beneficiary family has to be a WB savings member, they have to have secure land tenure, the condition of their house has to be very bad, and the family has to be unable to improve their housing on their own because of illness, death, poverty or being disabled, widowed or sick, etc.
- **In Moratuwa, 5 households with poor or disabled people have gotten the grant so far.** The 60,000 Rupees is not enough to build a complete house (which costs at least 150,000 Rupees - \$1,500), so the houses are not finished.

**QUESTION: Who builds these houses?** Beneficiary families build these houses with the support of WB members and Sevanatha. They hire skilled workers. Only the unskilled labor is from family members and community.

**QUESTION : How does this "Decent Poor" program lead to change in the system?** In these communities, are the other families helping build these houses? Contributing money or materials? Or is it only the 60,000 Rupee grant from Selavip? Or is it just a grant to the individual family, who deals with the problems individually?

**The principal of insufficiency (Somsook)** That's where the important principal of insufficiency comes in. Of course the 60,000 Rupees is not enough to build a complete house, and the \$60,000 grant from Selavip is not enough to cover all the poor who cannot afford to improve their houses. So the question is how are you going to fill that gap, and find creative ways of letting that "insufficiency" draw other resources into the process?

**QUESTION (Ruby) How does the Women's Bank link this Decent Poor Program with other government poverty programs? To combine forces, or is the program totally independent?**

- **Rupa answers :** We have a working team of 20 WB leaders in Moratuwa, who work with Sumith (Sevanatha's local staff here) on this issue, and 10% of each branch's earnings are used to support this activity (?).
- **Mayor Fernando adds:** The Municipality is aware of this Decent Poor Program, but we don't have any funds to support it financially. But we are supporting this program in other ways, in small ways, by providing transport for building materials and lending the community tools and equipment. But in the next city budget, we are trying to allocate 10,000 Rupees (\$1,000) for helping build toilets and to contribute some building materials like roofing sheets and bags of cement in these Decent Poor houses.

**QUESTION to the Mayor and the Provincial Government officer (from Kirtee) Why do you support this process?** (Mayor Fernando answers) As politicians, we can't do what community people can do. Sometimes we may guide them, sometimes we learn from them and sometimes we support their good initiatives. But of course there are political advantages to supporting that process by people also!

**SMALL ACCA projects in Moratuwa :** Although five small ACCA projects have been planned, only one project (the road and drains project at City Watta) has started. Jaya shows slides from the process of implementing that project.

**QUESTION (Somsook) Why has only one small project been implemented, even though five have been selected? How can you use the small projects to spread out this process to city-wide? And how do you select these small projects?** (*Jaya answers*) The projects are suggested by savings members from among the already-active savings groups. The criteria is that the number of beneficiaries should be as large as possible - hopefully the whole community. But it is difficult to stretch this \$15,000 to cover more than five communities! But the Mayor has agreed to help provide some materials for more projects.

**(Somsook, in conclusion)** This is a very strong process here. There are many different models for how ACCA is being implemented, but here is a very clear example of a people-driven development process at a large scale, and a clear example of the city government and the people's organization working well together, with support from the professionals at Sevanatha. Here, the Women's Bank members are like the government's troops to develop their city! Congratulations!

### Site visit to 58 City Watta (SMALL ACCA Project)

58 Watta (also called "City Watta") is a small settlement of 30 families who have been living on this private land for about 10 years. The community used to be called Kudupurawapu Watta, which has some bad connotations, so they decided to change the name to "58 City Watta" to change the image. They have recently negotiated to buy this land and all now have individual title deeds to their plots, where many of them have small carpentry and furniture-making businesses.

- **Drainage problems** : The City Watta land is very low-lying, and drainage has always been a big problem. The access road was often flooded and muddy. The community adjoins a canal that often floods. The people (many of whom are carpenters) used sawdust to partly fill the land, but they still have problems of flooding and standing water. We see the problems first hand, as a huge storm blows in during our visit to the community. But the residents displayed their resourcefulness and carpentry skills, and immediately raised a temporary canvas roof for us to shelter under, while digging channels in the ground to drain away flood water.
- **This was a neglected community until Sevanatha came in November 2010**, with women who were doing community mapping. It was then that the local residents learned about the slum upgrading program. They were convinced to join in the program because they were shown Sevanatha projects. Previously, many organizations had come to the community but nothing every happened, whereas now, they have infrastructure and livelihood improvements. In the first stage, some facilities did not support the project, until they started seeing some results, and now there is 100% support.
- **Savings**: Before, there were no savings groups here. Now there are 5 Women's Bank savings groups with very strong savings. The first savings group started in January 2011, and membership of the savings groups increased as they started implementing the walkway project. The fifth savings group just started today! In order to benefit from housing loans, the savings group needs to join the Women's Bank. This will happen after an 8-months probationary period.



**Moratuwa is a city of carpenters**, and in the small workshops and timber yards on all the back lanes of the city, the whole country's furniture is made. You can never be far from the sound of saws buzzing or the smell of freshly planed wood.

- **Usually, these carpenters borrow money from informal money-lenders to buy their materials**, and their are lots of middlemen and difficulties with shop-keepers withholding payment for the furniture, etc. So they need livelihood loans to buy timber. Many of the WB members are wives of carpenters, and most save and allocate some for their housing and build incrementally, with several small housing loans from WB (*at that very high interest!*). This way, it takes about 3-5 years to finish their houses this way.



**Small ACCA project to build concrete storm drains and improve the pathway.** So far, the small project here in 58 Watta is the only project has been implemented in Moratuwa. The first phase of the project included the construction of 144 feet of concrete storm drains, and the improvement of the surface of the access pathway, which used to be filled in with sawdust. They will build another 163 feet of drains in the second phase, as soon as the rainy season is over. The community provided all the labour (both skilled and unskilled), as well as food for the labourers, and the process of infilling and building the drain took 6 weeks. The municipality provided the tools to help with the cutting of the drainage canal. During the implementation of the path project, there was some financial delay, so the families gathered funds for financial support amongst themselves. They also hope to develop their houses in the next three years.



### Community people talk about the impact their small project has had on the City Watta community :

- **This project has led to many changes.** Physically, the condition of the community is much better. The drainage canal also benefits people living further up the canal, as they also used to suffer when the canal was blocked. One man explains that during the rainy season, there were floods, the children could not go to school, and families could not cook, as their homes were flooded. The government did not care, and politicians only came during elections.
- **But the community residents have also benefited psychologically.** They now have the support of the Women's Bank, Sevanatha, and the municipality. They no longer feel like a neglected community.
- **This settlement is led by women,** and now that husbands have seen the results of their work, they give their full support to the savings and upgrading activities.
- **Good support from young Sevanatha staff:** A young architect named Sumith is the staff member from Sevanatha who is in charge of supporting the process in Moratuwa. He is very popular in this settlement, where one woman says, "Now "Sumith is our hero!"

**Possible BIG ACCA project in City Watta also (on-site upgrading):** The big ACCA project in Moratuwa was originally planned to be implemented in the Bodhiya Kumbura Community (on-site upgrading, 65 households). But because that community was not ready to start the improvement work, CLAF-Net decided to move the big project to the 58 City Watta Community. The people have already worked out a subdivision plan, with support from Sevanatha.

### Site visit to Samarakoon Watta



Samarakoon Watta is a low-lying settlement of 325 households built on marshy land. Most of the people are wood-workers, carpenters, furniture makers - a few fishermen. The land used to be a paddy field before. The land-owner started to subdivide the land and sold off parts, through agents. So most of the people have title deeds, but some down by the lake shore don't and are still squatters.

**After the tsunami, this settlement was selected for support from a CIDA project,** which wanted to fund the construction of a women's resource center for the city. But they couldn't find land here to construct the center, so the Mayor offered the municipal land where the Women's Bank center was finally built (where we had the meeting this morning). But that CIDA project did support the widening and concreting of some of the lanes in this community, also with some funding support from the Municipality. That CIDA

project also started a women's organization here, but it wasn't successful and stopped after a while.

- **Then the Women's Bank came in 2006 and started savings groups.** There are now 10 savings groups in Samarakoon Watta, with 97 members, and they have their own branch, and Preetika's house is the branch office.
- **CLAF-Net has given housing loans to 11 WB members, scattered throughout this community (but not using the ACCA funds)**

**Ranjani's Housing Loan for 250,000 Rupees :** As soon as we arrive in the community, the rain starts pouring down heavily, and we all take refuge in the newly-built house of Ranjani, near the community entrance. She is a young mother and her husband (who is the family's only earner) is a wood-worker. The house is about 40 square meters. She took a 250,000 Rupee housing loan (\$2,500) from CLAF-Net to rebuild her house, with a high foundation and concrete frame. The house is very solid, but still unfinished - no flooring, no doors and windows, no plastering on the walls. The tin sheet roof is supported on good timber joists, and cheaper coconut-wood purlins. She plans to build a second floor later, and the concrete columns have been designed to support that (with technical details by Sevanatha).

- **Housing loan :** She tells us she repays 3,000 Rupees (\$300) per month, for 5 years (*But this adds up to only 180,000 Rupees?  $3,000 \times 12 \times 5 = 180,000$  Rupees?*). The interest rate is 18% per year, of which 8% goes to CLAF-Net and the rest is divided between the branch and WB's main branches like Bosevana, Kirimandala Mawatha.
- **Building materials very expensive in Sri Lanka!** Cement is imported from India and very expensive. Solid concrete blocks cost 32 Rupees per block, but

**Preetika's Housing loans for 230,000 Rupees (totally paid back) and then 100,000 Rupees (now being repaid).** She sells lottery tickets and has a good income, so she has taken two loans to build



her new house (also with an unfinished second floor, with the structure designed to support it). But with that extra money, she's been able to finish the house, with plaster and painting inside, tile floors, doors and windows etc. Preetika uses her house as the WB branch office, and has even built a little room in front for the WB, where they keep the ledgers, etc. We all sit down inside this nice big house and are served tea and sweets while we discuss.

#### Discussion about the 11 CLAF-Net / ACCA housing loans here :

**Norberto:** It is always more expensive to build houses individually like this. It's cheaper when we build in groups.

**Ruby:** Suggests at least buying the materials together, so you can get discounts by buying the materials in bulk, and then let people build separately. That's what we did in our Typhoon Ketsana house repair loan project - all the loans were managed by the community, which selected the families who needed help, determined the quantities needed, purchased the materials together and then allotted the materials to the families, based on actual needs.

**QUESTION:** Are there many housing loan requests? (WB community members answer) Yes! But the ability to give loans depends on the amount available in the fund. Not enough to give to everyone!

**QUESTION :** Then how do you decide who does get the loans, when there are so many requests? It depends on the members ability to repay, and whether they can really afford to take that loan.

**QUESTION :** How can these 11 scattered housing improvements impact the whole community and the whole city? (Jaya responds) It helps to get others to join the savings groups, so they can also get housing loans. And gradually, we'll get all the people to be members.

**QUESTION :** Why not plan for everyone in the community? The ACCA big project funds seem to be used like normal Women's Bank housing loans, with no special initiative or innovation, so the loans are only going to individuals and are only available to the 97 WB members - not to the other community people. What about getting all 325 households into the picture from the start, and making a plan which includes everyone?

- **Jaya and other women respond:** With infrastructure, yes, we do plan for everyone. But if they are not members of Women's Bank, they cannot get housing loans. But the next step for us, clearly, is to add this collective element, because now the benefit is only going to the individual WB members. We also need to work on this dimension of building technology, to make the houses cheaper.
- **WB member adds :** Each family wants to build their own house, according to their own plans - everyone wants a different kind of house, and the shape of their land is also different. So we can't build the houses together in a group. We've had the experience of upgrading 25 houses together, in one project, but there were problems because the people didn't get to choose the design.
- **Anoma adds :** Women's Bank is not a project, it's a long-term thing. And gradually, everyone will join and we can work in the whole settlement. People never leave Women's Bank, and they want to see their housing benefit. And among these 325 families, some don't own their land and don't do any regular saving, so they can't join the process.

**QUESTION (Ruby) Less than one-third of the community members join the saving - why don't those other 228 families join the savings?** You have to use this process to tell the people about your savings program and get them to join! The savings is not just savings, but it is basic activity and the tool to mobilize all the people in the community. (WB member answers) Yes, but still there is the problem of the lake-side squatters, whose land is not clear.

#### Lunch hosted by the Laxapathiya Watta Community

Laxapathiya Watta is a big and prosperous-looking settlement, along a canal. Seems almost like a middle-class neighborhood more than an informal settlement. We are given a delicious lunch at the big house of one savings members, which functions as the office of the Laxapathiya Watta Women's Bank Branch office.

- **Performance of drumming :** Four community women sit on chairs around a central drum, beating complex rhythms on it. A little brazier has been placed at the women's feet, underneath the drum, so that as the fire heats up the drum's skin, the pitch of the drumming gets higher and higher. But all of us watching are fearful for the women's sarees, which come within inches of the flames, and people keep darting in to pull back the cloth from catching fire!
- **Inauguration of new "full" Women's Bank members :** There is also a little ceremony in which a big group of "associate" WB members are made "full" members, after having saved for 8 months. Once a woman become a "full" member, she is eligible for housing loans.



## Visit with the Mayor of Moratuwa + 2 Municipal Council members, at the Municipality Office

**Mayor (Mr. W. Samanlal Fernando) speaks (Jaya translates) :** *(showing map of the city)* Moratuwa is mostly a long, narrow peninsula located between the sea on the west and a big lake on the right. The city is famous for clay, fisheries and making furniture. The city also has a major university, the National Design Center, and is city where many of Sri Lanka's famous musicians and cricket-players come from! Also, the famous science fiction writer Arthur C. Clark lived here.



- **My dream has been to see poor women building housing in Moratuwa :** Jockin invited me to Bombay, to see housing projects that were built by the poor. Now my dream is coming true because the same thing is happening in Moratuwa, and I see the Women's Bank playing the same role here that the Mahila Milan played in Bombay.
- **Title deeds to shanty-dwellers :** This was the first time we have been able to give land title deeds to shanty dwellers in Moratuwa, and those deeds carry my signature. In Jayagathpura (where the ACHR-supported temporary housing was built after the tsunami, by WDBF), the land had to be given by the central government, which caused difficulties. In the city, we don't have control over a lot of the land in the city, which is under the control of various central government agencies. But if we have the people's support, our negotiations with the central government are stronger.
- **Women's Bank is showing that women can do better than men!** They can think better and over time they can look after and develop their areas - even to control the spread of dengue fever! The mayor and the municipal councilors may keep on changing, but the Women's Bank will stay. All my blessings and support go to them to continue to carry out their work in the future, with Sevanatha!

**Kirtee :** *Your city is shaped like a key, and you can open all the doors of development!* When we come back here in 2013, we hope all the poor will have title deeds to their land and be full citizens of this city! *But I'm sorry India beat Sri Lanka this year at World Cup cricket!*

- Explains about an Indian Government Program he has been involved with to help build 50,000 houses for war-displaced families in Sri Lanka, with the rule that the houses must be built by the people themselves - no contractors.

**Rupa :** *I have to say a few words, or else there will be a vacuum!* Women's Bank started in Colombo in 1989, in just a few slum settlements. But we soon expanded to other communities nearby, with the help of some Japanese volunteers. Now we have 9 branches in Moratuwa, with very good and very aware leadership. We can send these women from Moratuwa to any part of the country to anything for Women's Bank.

- **Women can play the technical support role :** The technical support from Sevanatha has helped to sharpen their leadership and skills. But we have a concept now of community-based architects, who are trained women who can provide this technical support.
- **We have visited many other cities in other countries, under ACCA,** and have sat with many mayors, and they listen to us! *We have such mayors in our country too!* Thanks to such a mayor who works so closely with community people, with so much respect for what we are doing! But in other cities, it is not so. Thank you for having a dialogue with us and assisting our program. Now there is good collaboration and good partnership, and that is what we want to cultivate.



## "Self-assessment" on the ACCA process in Moratuwa, by Women's Co-op members :

*In mid April 2011, Nandasiri talked to Sriyani Fonseka (from Lakshapathiya), Chandrani Silva (from Rathmalana) and H. A. Samudra from Moratuwa. These three women were among the 15 leaders who participated in the city-wide survey in Moratuwa. They surveyed 91 urban low income settlements in order to launch the people-based housing program. At the end of the survey, 21 settlements were identified as the poorest settlements to start the ACCA process with. Here are some remarks from their conversation :*

**On the city-wide survey process :** I joined the Women's Coop 5 years ago. I used to go to all the leaders meetings, representing my group, to learn about the group system. Most of the time I did not speak, but I listened to all issues. These meetings were very interesting and there were many things to learn - all the experiences of our women. In the meantime, I was asked to participate in this city-wide slum survey with some known leaders of Women's Coop. We

were guided by two young architects from Sevanatha - Rohana Rathnayaka and Sumith Waragammana. "We went from house to house with our group of leaders. This was a new experience for us, this gathering of data about our own people in other settlements. This was a special occasion for poor women like me.

**On becoming assets in the city :** As representatives of poor people in the city, we have gotten the opportunity to deal with various agencies like the Municipality members, the Mayor of Moratuwa and the Sevanatha NGO. In this process, members of the municipality have become acquainted with our work and with us. Now many officials come to meet us when they pass by our houses. Sometimes, municipal staff members come to us and invite us to their municipality wards, seeking our assistance to organize the poor into savings and credit groups. This is a new challenge to us. "*Can you come to talk to some women in this settlement where we are working to organize savings groups?*" We feel that we have something special to offer the people which members of municipality do not have. My feeling must be correct. Is this not a kind of recognition for us? With these requests, we understand that we have something that they do not have. They accept our words and our savings system. They trust us. Our ties with people are stronger than politicians.

**On friendly cooperation with the mayor :** The connection between us and the Mayor is very friendly. We asked for tools and equipment kits for our disaster management team to keep ready for emergencies, and he has helped us. Many of our communities are inundated with rainwater during the rainy season, and in such situations, our disaster Management team is ready to help people affected by the floods. The Mayor has approved eight such tool and equipment kits, for eight Women's Coop branches, to assist our disaster management teams. Now we are in the process of discussing with the authorities for the land rights of many people in our settlements.

**On cooperation with other stakeholders in Moratuwa :** The opportunity we got through Women's Co-op of working with the authorities is a great chance. Now we are working with the Land Ministry, Divisional Secretariat, Water Supply Board, Electricity Board, members of the Municipal Council, the National Housing Development Authority and Sevanatha. We got a request from the Ministry of Cooperatives to hand over the keys of five houses to beneficiaries of the President's decent poor housing program. This is a good recognition for us.

**On changes in relationships and status in the city :** Municipal workers - especially the city sweepers - now clean our roads very well. They know that the Mayor is listening to us! They know about our close ties with the Mayor! They know we are strong enough to go to the Mayor directly! And there is another very special thing: now when poor women from around Moratuwa come to the mayor with their various problems, he requests them to meet us and to get organized into women's savings groups. We understand by this that there is something which we women can provide to the poor that the Mayor cannot provide. So in this way, we have proved our Women's Coop! It was a long way we traversed to get this recognition - it didn't happen in one or two months time. And it's not only the Mayor, but all the municipal council members like to listen to us now and ask for our help in mediating problems in the settlements.

**On the small ACCA projects :** The Mayor himself attended the occasion when we started working on the road construction under the small ACCA project. Many other municipal officers have attended those occasions when the Mayor presented. In one project in the City Watta Community, the access road we constructed went through a wooded waste-land that was very bumpy and difficult land. We asked the Mayor to send a road-roller to help us compact the soil before we laid the road - and he sent municipal roller!

**On learning through doing :** We may have been deprived of a formal education, but we feel now that we have entered into a new era of our own education. In addition to accountancy and book keeping training programs in the Women's Coop, we now also go to new classes in housing construction, under the Women's Coop's community architect program.

## ACCA project in GALLE :

### BACKGROUND : The ACCA project in Galle

**The lovely historic port city of Galle** (population 108,407), on Sri Lanka's southwestern coast, was one of the many coastal cities in Sri Lanka that was badly hit by the December 2004 Asian tsunami. Though Galle's magnificent forts and colonial buildings (declared by UNESCO a World Heritage Site) were mostly spared, the city's coastal neighborhoods and fishing communities were devastated. Nearly 3,000 people died, 14,000 houses and several hundred boats were destroyed, and more than half of the city's population was affected. There are 43 slum communities (6,969 people), some of which are tsunami-affected and some not.

**Help-O :** Human and Environmental Links Progressive Organization (Help-O) is a small NGO which has been working in Galle since 1993 on issues of community development (especially savings and credit) and urban environmental issues. In recent years, Help-O has worked to get local communities actively involved in developing plans to conserve environmentally sensitive areas of the city, especially the coastal greenbelt zones. After the tsunami, Help-O worked with donors to organize cash-for-work schemes, collect data on tsunami-affected communities, and help some tsunami-affected households to get land and build new houses, with support from ACHR and the new CLAP-Net fund.



**ACCA in Galle :** The ACCA project in Galle was approved in July 2010, and involves a collaboration between the following partners :

- **Help-O** (Community organizing and support for project implementation) NGO
- **People's Company** - which is a non-profit institution set up by the network of community savings groups in Galle
- **Galle Municipal Council** (Assists in legal and land tenure matters)
- **City Development Committee** (which coordinates and monitors the project)
- **Sevanatha** (Technical support for poor communities and for project activities)
- **CLAF-Net** (the joint fund through which all the ACCA project funds flow)

| ACCA budget APPROVED in Galle : |                       | Budget actually DISBURSED (as of April 15, 2011) |                |
|---------------------------------|-----------------------|--|----------------|
| • Small projects                | \$15,000 (5 projects) | • Small projects                                 | \$6,000        |
| • Big projects                  | \$40,000              | • Big projects                                   | \$16,000       |
| • City process                  | \$3,000               | • City process                                   | \$3,000        |
| • TOTAL                         | \$58,000              | • Total disbursed                                | \$25,000 (43%) |
|                                 |                       | • Balance  | \$33,000 (57%) |

**City process :** As in all the other cities in Sri Lanka, the ACCA funds for small and big projects are all channeled through the CLAF-Net Fund, and all the project activities are monitored by the City Development Committee (which comprises representatives from the communities, the network, the local government, NGOs and other local development actors, and chaired by the Mayor of Galle). The committee acts as a platform for the project decision-making, monitoring and coordinating overall project, and resource sharing for the city development purposes.

**The BIG ACCA Project has changed, but not started yet :**

- **Originally planned BIG ACCA project : Bandaranayke Place Community (85 households,** on-site upgrading on land the people already own, with individual land titles). Originally, the idea was that the \$40,000 ACCA funds would be used to give housing loans to the first batch of 40 households, to construct new, single-story detached houses with 40m<sup>2</sup> area @ \$1,000 loan per family. The construction was to be partly collective and partly individual. The local government was to contribute \$7,500 for the infrastructure development, and the community members were to contribute \$2,000 to the project. No details were given about the loans or the finance or fund mechanism.
- **Change to BIG project in two communities :** Sevanatha's second year ACCA update reported that the big project in Galle had changed and was going to be implemented in two communities (neither of which have started yet) :
  1. **Bombey Kasal Watta (22 + 40 households)** a relocation site where the land was provided the government (or people purchased it themselves?) 22 households will get ACCA housing loans.
  2. **47 Watta (25 + 45 households)** a relocation site where the land was provided the government (or people purchased it themselves?) 25 households will get ACCA housing loans.

| PROGRESS : Small projects in GALLE (from Sevanatha's Jan 2011 report) |                    |                                   |                     |   |                   |              |              |               |
|---|--------------------|-----------------------------------|---------------------|---|-------------------|--------------|--------------|---------------|
| Community   | Type of project    | # household s directly benefiting | Status of project : | BUDGET CONTRIBUTIONS to PROJECTS (US\$) |                   |              |              |               |
|   |                    |                                   |                     | from ACCA                               | from commun ities | from gov.    | from others  | TOTAL budget  |
| Samagi Watta  | Drains improvement | 250                               | in process          | 3,000                                   | 225               | 450          |              | 3,675         |
| Waluwatta   | Community center   | 14                                | in process          | 3,000                                   | 675               | 900          |              | 4,575         |
| 47 Watta  | Drains improvement | 25                                | in process          | 3,000                                   | 450               | 900          |              | 4,350         |
| Moragoda  | Drains improvement | 15                                | in process          | 3,000                                   | 225               | 450          |              | 3,675         |
| Bombey Kasalwatta   | Drains improvement | 29                                | in process          | 3,000                                   | 1,350             | 2,701        | 2,251        | 9,302         |
| <b>5 communities</b>  |                    | <b>201 hh</b>                     |                     | <b>15,000</b>                           | <b>2,925</b>      | <b>5,401</b> | <b>2,251</b> | <b>25,557</b> |

### Site visit to Pelana Community (Tsunami reconstruction) (Women's Bank)

(This is not an ACCA project) The first community we visited was 27km south of Galle - a community which had been badly affected by the 2004 tsunami. We joined in the regular meeting of the local Women's Bank branch, inside the house of one of the committee members. When the tsunami struck in 2004, many of the houses in this area were badly damaged or completely destroyed. The survivors were housed in camps for the first two months, 4 km away, in local temples and schools. After 1.5 months, international agencies organized more permanent camps, where the families lived for 2 years, while they rebuilt their houses. They were also offered many programs for counseling and therapy.

**25 different agencies were working here after the tsunami:** When the Women's Bank arrived, there were 25 different agencies giving



things away for free, ranging from kitchen utensils to fishing boats, to houses. The government provided a grant of 100,000 rupees for partially damaged houses, as well 5,000 rupees a month (over 4 months). Many of these other organizations collected membership fees, but these fees disappeared with the organizations when they left the area.

- **Women's Bank comes here after the tsunami :** The Women's Bank came here two months after the tsunami, but unlike many other organizations, they were not offering anything for free, like fishing boats, but rather a system that they would be able to use for the rest of their lives. In response to the special emergency nature of the situation, the Women's Bank waived their usual requirements that a woman be a member for 8 months before being eligible for a loan - in this case, 2 days membership was sufficient. The Women's Bank was willing to take a risk that loans would not be repaid, but after 1 year they started recovering the money. The local people felt that WB was an organization that was going to stay for the long term.
- **A color-coded women's movement!** The different committee positions are represented by different color saris: finance officers wear maroon saris, welfare officers wear yellow, culture officers wear orange, housing officers wear brown, agriculture officers wear green and livelihood officers wear light blue.



**Women's Bank savings in Pelana :** This area has 202 savings members (out of total 300 households), in 19 different groups, in two branches. 150 housing loans have been issued. 80 families are not savings group members - because they are money lenders, government employees, or because they don't need support. It used to be that government servants could not be members, but this rule has now been relaxed.

**Special revolving loan fund for livelihood and housing improvement :** In 2005, ACHR granted Rs 850,000 to Women's Bank to set up a special revolving loan fund, which WB then gave out as interest-free loans to members, for post-tsunami reconstruction and livelihoods. After the tsunami, the government had a program of financial assistance for affected households: if your house was partially damaged, you received Rs 100,000. The ACHR funds supplemented this government support, which was focused on housing and infrastructure, with a maximum loan of 80,000 rupees per member. Most loans issued by the WB branch here were for livelihoods and income generation: small fishing businesses, for example. The women then started savings, and also introduced savings accounts for their husbands! Assets have grown rapidly: from 3.5 million rupees in 2009, to 5 million rupees in 2010.



**Discussion with the Women's Bank members at Pelana :**

- **QUESTION: What was the biggest change in your life?** (*one house owner replies*) The courage I've gained. Women's Bank was the most important thing to happen to me since the tsunami. Now, we can get grants for funerals, and support for other things. Housing is also important, but it is linked to the Bank.
- **QUESTION: What lessons did you learn from the tsunami?** (*from the group*) Now we are more concerned about earthquakes, but we receive warnings by SMS and the news. We all have emergency tsunami bags in case we need to evacuate quickly, with the essential documents. There's a nearby Disaster Management branch office which keeps us informed.

**Site visit to the Walahanduwa Tsunami Relocation Colony, in Katugoda, Galle (not an ACCA project)**

**Background on the Walahanduwa housing project :** After the 2004 Tsunami, Help-O began working with a group of 27 poor tenant families who had been living in coastal communities in Galle before the tsunami. Though they lost their homes and belongings, their status as renters meant they were not on any government beneficiary lists. After identifying some house-plots in an already-existing middle-class subdivision, on top of a big hill in the Galle suburb of Katugoda, they applied to the new joint tsunami fund set up with support from ACHR (which later became CLAF-Net) for a land purchase grant. To make the project affordable to these families, they decided to plan in such a way that two families shared a single plot, dividing the plot down the middle and building semi-detached houses.

- **Almost free houses :** Rs 500,000 (grant from an Italian donor) + Rs 200,000 (from each family) + extra (depending on the family and their design)



modifications). So the total house costs were between Rs 700,000 - 800,000. The "People's Company" hired skilled masons to build the houses, but all the unskilled labor came from the beneficiary families.

- **Land Loan :** The new land cost a total of Rs 5.7 million, of which Rs 2.5 million came as a grant from the ACHR joint tsunami fund, and the rest came from other sources (?), but was passed on to the people as a loan. Help-O's newly-set up "People's Company" was the legal entity that took the grants, bought the land and acted as a kind of developer for the project, selling plots to the families. Each individual family's loan was between Rs 180,000 and Rs 275,000, depending on the size of their plot and their house designs. People were to repay (average) Rs 1,000 per month for 18 years, at 12% annual interest, and when they repaid the loan, they would get individual land title for their plot.
- **Land loan repayments too high:** In November 2006, a team of Thai community leaders and ACHR visited the project and spoke to the people. The Thais asked, *Is this monthly loan repayment high for you?* The community women said *yes, it's very high, because we are all casual laborers, not fishermen, and many are unemployed some days.* Somsook proposed that they divide up this 12% annual interest on the land loan, with some part of the interest being paid back into the group, as a kind of fund, which they can manage themselves, as a group, for welfare or for late land repayments, etc.



**Discussion with the Walahanduwa residents during this ACCA assessment :** (*Anoma, one of the national leaders from Women's Bank, joined us on our visits to these non-WB settlements of Help-O and People's Company.*)

- **QUESTION: Do you like the houses?** We had no involvement in the design of the houses. We would have preferred to play a role in the design. At the time, we were in a vulnerable position, so we accepted this. The twin houses share walls so we can hear noise from our neighbors. We have had to repair the houses because they are bad quality, which has been an extra financial burden for us.
- **QUESTION: Who owns this land?** After the tsunami, we waited for one year for the government to offer us land for relocation. But nothing happened, so we entered into an agreement with Help-O to buy this land. Because of the cost of repairing our houses, we're struggling to repay our land loans, which we need to do in order to get individual title deeds to our land plots. Until we repay our loans in full, Help-O and People's Company hold the title. Some people had to get extra loans from elsewhere to cover their loan repayments.
- **QUESTION: What was the original loan agreement?** The original loan agreement was for a repayment period of about 17 years, with 210 monthly installments, at no interest. The maximum loan was Rs 275,000 and minimum loan was Rs 180,000, and the average monthly loan repayment was to be around Rs 1,000 per month. But since people were not making their loan repayments (because of difficulties or because they were unhappy with the quality of the houses), the People's Company started charging interest and increased the monthly loan repayment amounts, to make up for the unpaid loans. Some people are not paying the loans back anymore. Only two houses are totally paid off, and to do that, the owners took loans from other sources.
- **QUESTION: What are the loan repayment terms now?** (*one lady explains*) I paid my loan until 2010, then I had some problems, so wanted to make smaller monthly repayments. However, the People's Company is currently demanding that we pay Rs 4,500 per month, to recover the lost repayments. I was a community mobilizer after the tsunami, and I didn't want anything for free. Now, I'm willing to pay Rs 500 each month.
- **QUESTION: Can you be compensated for your old land, which is now in the no-build zone along the coast?** (*one man replies*) Yes, but the compensation was only Rs 50,000, so I refused, on principle.



**A comment from Gordon of IIED** (*excerpted from the report Gordon sent after the assessment trip*) There is something a bit perverse about the situation, however. We were told that the market value of these houses is now about 1.5 million rupees. If this is true, the residents could be said to have received the economic equivalent of 1.3 million rupee houses at no cost. Yet there are quarrels about the remaining Rs 200,000 or so which has to be repaid - representing about 13% of the total value. From this perspective, both sides seem unreasonable. A market economist would argue that the first solution to try would be to allow the households to sell their homes and to receive the difference between the sale price and the outstanding loan. If the figures here are accurate, this would mean that a household could choose to move into a 1.3 million rupee house with no loan. There should be a better solution, but it is worth keeping this one in mind as it could be preferable to no resolution at all, and this is not a case where community solidarity has been built up and would be undermined by departures. Indeed, it is possible that these residents are effectively having to live with the discipline of a savings group without the organization that turns this discipline into a tool they could use for themselves.

## Site visit to Bombay Kasal Watta community (ACCA Big Project site)

This community of 150 households is located on the edge of Galle city. Most families here are Muslim, and most have been living for 40 years on this land, which belongs to a private landowner who lives in England. The savings network's survey and mapping of Galle identified 48 communities, and Bombay Kasal Watta was identified by Help-O as one of the poor communities in which savings groups could be started. 32 families in the community were identified as needing particular help. Technical officers from Help-O drew a map of the settlement. Before the survey, the community people didn't know of Help-O or of the ACHR joint tsunami community development fund.

**Savings :** A savings group was started a year ago, and they now have Rs 20,000 in collective savings. Most of the residents are self-employed and would stand to benefit from income-generating loans from the savings group. People do weekly savings, and some emergency loans have already been given. Now people are organized into groups and are working with the municipality.

**Possible ACCA small project to upgrade the drainage canal.** An open drainage canal runs through the community, bringing bad smells and dangers for children who play around it. So the plan is to use support from an ACCA small project grant to improve the canal. The community will also try and get the assistance of other NGOs, as well as Help-O, plus the help from the Community Development Office of the Municipality. One problem is that nobody knows who is in charge of maintaining the canal.

The last CDC meeting identified this area as a special project and gave the go-ahead for upgrading projects: while the land belongs to a private party, the Municipality has agreed to give permission for the project to go ahead.

**BIG ACCA project plans:** There are also plans to use part of the ACCA Big project funds to improve, rebuild or expand the houses in Bombay Kasal Watta. Layout plans for the community have been made, with support from a community architect who works with the community members in small groups, and has been approved by the CDC. But the house designs have not yet been developed. The housing loans given to each household will depend on what kind of improvements they want to make. The next step is to organize housing design workshops in the community, with technical support from the CDC.



**A note about "People's Company"** After the tsunami, which hit Galle badly, Help-O began working with affected communities to clear the rubble from their settlements, began gathering data on affected communities and established a data collection center. Because people had lost their jobs and means of livelihood in the tsunami, Help-O organized them to set up small savings groups, to begin giving small self-help loans to each other to revive their livelihoods. These small groups also developed systems for collectively managing donations from various organizations. But the capacity of these small savings groups was quite small, and there was clearly a need for access to larger finance for livelihood and housing after the tsunami.

- **Housing and Livelihood Development People's Company Limited (or "People's Company" for short)** is the name of the non-profit company that Help-O has set up after the tsunami. They wanted to set up a kind of cooperative body to link all the savings groups in Galle, but in Sri Lanka, it is extremely difficult to register as a cooperative society, and the government has all but stopped registering new cooperatives. So Help-O decided to register as a non-profit "People's Company", in which the savings branches are shareholders, and in which members can own a maximum of 100 shares, so no single person can control. It's like a company, but owned by the savings group members. So when the people buy land collectively for their housing, the land will be under the ownership of this non-profit company, and collectively owned that way - at least until the loans are paid off, and then communities can elect to individualize the land title. If people want to sell, they must get approval of the company. The company is governed by a board, which is composed of one representative from each savings branch (total 8 branches were part of the company initially, and another 20 branches were in process).

**Some advantages of community-driven processes working with People's Company are :**

- The People's Company has a more legitimate status to better negotiate with the local authorities.
- The Municipality's annual budget can be reduced, as Help-O is helping to decrease community waste, and introduce proper waste management. There is therefore public participation of the cleanup of the city.

- There is Private-Public Partnership (PPP) for sustainability development, with community contributions to infrastructure development in Galle
- It leads to good governance in Galle, with the participation of the public sector, private organizations, NGOs and community organizations.

### Meeting with Galle Municipality and the Mayor

After the community visits, a meeting was held in Galle Town Hall with representatives from the Community Development Office and the Mayor's office. Many community representatives, Help-O and People's Company representatives attended as well.

**The Mayor speaks:** The city Council cannot survive without the support of the central government, community groups, and other sectors. The success of the Municipality is more than just accounts - it depends also on people's participation. We are the 3rd largest municipality in Sri Lanka, with a long history. There are many different ethnic and religious groups living in harmony here.

- The municipality has no housing budget, so it is good that other organizations can implement housing projects, and the municipality will provide its full support.
- Every part of citywide upgrading needs to be done with the municipality, in order to be legal.
- There is already a *Standing Committee for Housing* which can assist with the implementation of projects.



**Kirtee:** I would like to suggest that the municipality should have a 5-year plan, and we will support your target of achieving Galle without slums - ACHR will support you in this, help with the planning and assess the results.

**Ruby:** the settlement and land mapping shows clear data which will help you prioritize projects, and the municipality should make use of this data.

**Some comments from Gordon from IIED** (*excerpted from the report Gordon sent after the assessment trip*) The meeting at Galle Town Hall was in many ways a more familiar sort of meeting than the one in Moratuwa. We entered the room along with quite a large contingent of women from the communities and a smaller group from the NGO (Help-O). A number of local officials came in several minutes later, and the Deputy Mayor launched into a rather long speech, one of the goals of which seemed to be to assert government authority. The Mayor himself came in some time later, causing considerable rearrangement of chairs, and taking the discussion in a somewhat different tack. It was at this meeting that we first heard a governmental complaint familiar from many other countries and contexts where funds are going directly to communities. Some officials felt that their authority was not being taken seriously enough in this community-driven process (which some presumably see as externally driven) - suggesting that if the authorities were not kept sufficiently informed, and if the community projects were not approved, they could turn out to be illegal. On the other hand, there seemed to be different opinions on the side of the local authority, and various men took the floor with what seemed to be a lot of posturing and positioning.

Despite some rough edges to the meeting, the overall tenor was positive. In response to complaints that seemed to suggest that the government was not being kept sufficiently informed of our plans, one of our team turned the tables, arguing that it should really be their plans, and if they made a five year plan to eliminate slums in Galle we would provide all possible support. In another context this might have seemed counterproductive, suggesting that the government should make all the decisions, and get communities to contribute their time and donors their money. It turned out to be quite disarming in this context, however, and soon the discussion turned to more constructive matters. It was not a substantive meeting, with decisions to be taken, but it was possible to imagine such meetings in the future, taking place in the same room, and held in the name of the CDC (or equivalent).

## ACCA project in NUWARA ELIYA :



**The Temple of the Tooth :** On the way to Nuwara Eliya, we all stayed the night in the beautiful town of Kandy, nestled in the thickly-forested central highlands of Sri Lanka. In the morning, before we set out on the last leg of the journey to Nuwara Eliya, we stopped off to see the Temple of the Tooth, an extremely important and beautiful Buddhist temple built by the Kandian kings to house the relic of the Buddha's tooth (his left incisor, actually). Kandy was the last of many Sinhalese kingdom to defend itself against the competing colonizers trying to get their hands on Sri Lanka - the Portuguese, the Dutch, the British. Legend has it that the King of Sri Lanka could only be king if he had the tooth in his possession, and only he who was the custodian of this sacred relic was considered as the King of Sri Lanka. When the kingdom was invaded by others and the king ran away, he would always take the sacred tooth with him, and conduct all the rituals, just as they are performed every day, as they have been every day for 2,000 years.

**The road up to Nuwara Eliya,** passing in and out of clouds and rainbows, passing by waterfalls and little wayside settlements clinging to the sides of cliffs, with gorgeous vistas of green, carefully manicured hillsides covered with tea bushes, and dotted with many huge, ancient trees, so the whole landscape looks like a giant garden. Here and there we pass a little stall selling vegetables, or sometimes just a lonely farmer holding up a fist-full of beets he has for sale!

**Tea estates in Sri Lanka:** Originally, all these hills were covered with fantastic and ancient jungles. In the British colonial times, the idea was first to grow coffee, and the first clearing of these fabulous forests was to make way for coffee plantations. But something went wrong, and the coffee plants all died one year, and so they switched to tea, which proved to be perfect for this climate, and much more profitable. The tea estates were all owned by rich Englishmen and private English companies, who had seized the land from whoever owned it before. After Sri Lanka won its independence, the tea estates were all nationalized. But when the government proved to be a terrible manager of tea-growing, they concessioned them out to private companies and individual tea growing families. The land under the tea estates all still belongs to the government, but it is managed by these private companies.



**Tea workers :** It's no surprise that the original Sinhalese inhabitants of these hills were not happy at the idea of becoming low-paid tea pickers on land they used to own, so the British had to bring in their own laborers, from southern India. But until very recently, none of these south Indian Tamil tea workers had Sri Lankan citizenship, even though they might be fourth or fifth generation and have no links at all with India. But now they all have Sri Lankan citizenship. We were happy to learn that the tea-workers (who are mostly women!) are protected by very strong trade unions, guaranteeing that they get decent wages for the difficult and highly skilled work of plucking the tea leaves every day and tending the plantations.

### INTRODUCTION : The ACCA project in Nuwara Eliya

**Sri Lanka's "Little England"** The small town of Nuwara Eliya (pronounced "noo-RAY-lyia"), in the misty central highlands of Sri Lanka, has a long and interesting history. In the Ramayana story, after he abducted Sita (Lord Ram's wife), King Rawana is supposed to have hidden her in a place very close to Nuwara Eliya. During the British colonial period, in the early 19th Century, the city became a popular holiday place for English people weary of the coastal heat and humidity. The town's high altitude and cool weather made perfect conditions for growing tea, and the British brought in hundreds of poor Tamil workers from south India to labor in the lush green tea estates they established on the rolling hills around Nuwara Eliya. The descendents of these tea workers still make up a large part of the city's population, and especially the poor.

**ACCA in Nuwara Eliya :** The ACCA project here was approved in February 2009, and is being implemented by Women's Bank and Sevanatha, in partnership with the Nuwara Eliya Municipal Council. The city-wide slum survey and vacant land mapping was conducted before the ACCA project began, in January 2009, by Sevanatha, who designed the survey and trained municipal staff and community leaders to help carry out the survey, with the assistance of Women's Bank. The survey collected information in all of the town's slums about poverty, problems, needs, infrastructure and

land ownership, and this information was used to analyze each settlement and give it a "score." Using this "scoring" system, the poorest settlements in the city were prioritized.

| ACCA budget APPROVED in Nuwara Eliya : |                       | Budget actually DISBURSED (as of April 15, 2011) |                 |
|--|-----------------------|--|-----------------|
| • Small projects                       | \$15,000 (5 projects) | • Small projects                                 | \$15,000        |
| • Big projects                         | \$40,000              | • Big projects                                   | \$40,000        |
| • City process                         | \$3,000               | • City process                                   | \$3,000         |
| • TOTAL                                | \$58,000              | • Total disbursed                                | \$58,000 (100%) |
|  |                       | • Balance  | \$0 (0%)        |

**Slums in Nuwara Eliya :** Most of the town's poor live in 32 slum and squatter settlements (2,061 families), without land tenure and in extremely bad conditions, without toilets, water supply, drainage or electricity, many located on steeply-sloping hillsides. Some of these settlements are run-down housing "estates" and "line houses" built originally to house the tea plantation workers, and some are more recent squatter settlements.



**Expanding savings groups :** The Women's Bank started the first savings groups in some of the town's poor settlements in 2008. The ACCA process in Nuwara Eliya is building on this Women's Bank process, which works as a kind of guarantee that the process will be sustained in the long term. The survey gave a big boost to the city's savings process. Since January 2009, more than 40 savings groups have been set up around Nuwara Eliya, and membership is growing fast.

**Building new partnerships:** Before the ACCA project, the Women's Bank had been working in Nuwara Eliya, but only in a few settlements, without any relationship with the municipal council, and without any work on land or housing issues. There is now a common purpose. The Municipal Commissioner is very supportive, and Municipal Council staff understand the benefit of the Women's Bank savings process and often go with WB leaders to help start new savings groups in new areas. A joint city development committee has been established to oversee the ACCA process, comprising community leaders, government and municipal council officials and Sevanatha, which meets monthly. Sevanatha presented the survey information to this committee, and through that process, the mayor and the Municipal commissioner are also involved now.

**Small ACCA Projects** (from Sevanatha's December 2010 report)

| PROGRESS : Small projects in NUWARA ELIYA (from Sevanatha's Jan 2011 report) |                  |                                   |                     |   |                  |              |             |               |
|--|------------------|-----------------------------------|---------------------|---|------------------|--------------|-------------|---------------|
| Community  | Type of project  | # household s directly benefiting | Status of project : | BUDGET CONTRIBUTIONS to PROJECTS (US\$) |                  |              |             |               |
|  |                  |                                   |                     | from ACCA                               | from communities | from gov.    | from others | TOTAL budget  |
| Nawagam Goda   | Road and drains  | 153                               | finished            | 3,000                                   | 400              | 400          |             | 3,805         |
| Kelegala 1   | Sewer line       | 12                                | finished            | 3,000                                   | 180              | 180          |             | 3,360         |
| Kelagala 2   | Sewer line       | 8                                 | finished            | 3,000                                   | 150              | 150          |             | 3,300         |
| Dowa   | Road + drainage  | 32                                | finished            | 3,000                                   | 200              | 200          |             | 3,400         |
| Loverslip  | Community center | 175                               | in process          | 3,000                                   | 175              | 175          |             | 3,350         |
| <b>5 communities</b>   |                  | <b>380 hh</b>                     |                     | <b>15,000</b>                           | <b>1,105</b>     | <b>1,105</b> |             | <b>17,485</b> |

**Big ACCA Project has changed :**

- **First plan - Nawagam Goda :** Originally, the plan was that the big ACCA project would be implemented in the Nawagam Goda Settlement (113 households, on land the municipality has given them). A few scattered households in Nawagam Goda have also been given housing loans (using the ACCA big project funds, through CLAF-Net).
- **Later plan - Dowa :** But later, it was decided that the big project would be implemented in Dowa (also called Mahinda Mawatta) (31 households, on-site upgrading of existing community, on public land they are negotiating to get on lease or free)

**"Self Assessment" of the ACCA process in NUWARA ELIYA (by Women's Co-op members)**

In mid-April 2011, Nandasiri spoke with three Women's Coop members in Nuwara Eliya : Priyani Rosevergin Ranasinghe (from the Nawagam Goda Community branch), Velupillai Krishnakumari (from the James Street Branch) and H.G. Jayanthi (from the Hawaeliya branch).

**Priyani on the BIG ACCA project in the Nawagam Goda community :** There are 114 members in our Women's Coop branch in the Nawagam Goda community. We became a branch in August 2009. Our settlement is within the

Nuwara Eliya Municipal Council area. In our settlement, there are three different categories of housing ownership: people who have received ownership rights from the National Housing Development Authority, people who are "unauthorized sheltering people" and people who live on tea plantation land. Almost all the members in our savings branch have housing problems. Our savings members were encouraged in solving our housing problems with the beginning of the (two?) ACCA BIG projects in Dowra (in Mahinda Mawatha) and here in Nawagam Goda. There are 26 houses in the Dowra area in Mahinda Mawatha.

Information about these people (*in Nawagam Goda?*) was gathered by Sevanatha, and we as community people provided the information as needed. We realized the real situation of the land right after the survey. We felt that the land rights must be given to us for better housing and recognition. We began to work with the Municipality. Sevanatha initiated some meetings with the Municipality to work for land rights. People in these two communities had lived more than 15 years as unauthorized dwellers. The NHDA, Sevanatha, UDA, Environment Authority, Disaster Management Authority, Officers of the Provincial Secretariat, members of the Municipal Council and community leaders participated in these meetings. We got the opportunity to meet with officers in various authorities and departments in these meetings, which were useful for our development efforts.

With the encouragement of Sevanatha, the Municipal Council initiated the City Development Committee, with the participation of various development authorities including our community representatives, to bring the people's voice.

All the slum areas in Nuwara Eliya (including Dowra, Hawaeliya, Kelegala and one or two Bonavista housing projects) were encouraged by the housing upgrading process in Nawagam Goda, by people themselves. This is new thinking - not as a concept, but as a practical work for the habitable new houses but also the land rights as a human right considered as priorities.

All the inhabitants in Nuwara Eliya (not only Women's Coop members) have changed their minds about this new way of delivering good, habitable housing by people themselves. This has been a great change in the minds of common people in our town. Many more people have begun their housing construction, with or without external assistance. We very clearly know that this enthusiastic encouragement came from the work of Women's Coop members.

**Savings process growing :** Not only the housing but formation of new savings groups and the establishment of new branches has increased in the Nuwara Eliya Municipal area. Before the ACCA project was introduced, we had only two Women's Coop branches (named Hawaeliya and Ruwaneliya) with only 160 members. After the ACCA Project was introduced, we could establish six Women's Coop branches in Nuwara Eliya. Now there are seven branches in the Nuwara Eliya District (Nawagam Goda, Kelegala-1, Kelegala-2, Bonavista, James Street, and Ragala, with about 7,777 members and accumulated amount of US\$ 130,000.

#### **Small ACCA projects in Nuwara Eliya :**

- **Drainage system in Nawagam Goda :** As a small ACCA project, we constructed a drainage system in Nawagam Goda, with all the labor contributed by the people.
- **Sewers in Kelegala :** In Kelegala, we members of Women's Coop started a sewerage system which connects the individual toilets to the main sewer line.
- **Drainage system in Dowra :** In Dowra, our women members totally participated in building a drainage system where there used to be floods every time there was heavy rain. Through our new drainage system, we have been able to we were able to prevent rainy water inundation in the dwelling area.
- **Retaining walls at Lines community :** (small project?) With regard to the Lines communities, in which the Tamil tea plantation workers live. Their houses were constructed during the white people era, but have deteriorated rapidly. Some of these houses are two storied. We had to design and construct strong side walls to prevent soil erosion which is affecting our houses in a hilly area like Nuwara Eliya. Community people participated in wall construction. Sevanatha assisted us in technical aspects and designing.

#### **Visit to Race Course Community**

This is a small squatter settlement of 46 very poor households, living in make-shift shacks on land which belongs to the old British-built horse race course. Originally, the race course belonged officially to the Queen of England, then deeded to a private club. Then, after nationalization, it became the property of the central government. Some of the families earn a meager leaving as daily laborers, or by cutting grass to sell to feed the horses. Some actually have jobs with the race course, which allowed them to build a shack here, but won't allow them to upgrade it.

- **Savings very strong here :** After the city-wide survey, the WB started savings groups here and now all the 46 houses are WB savings members.
- **Upgrading or relocating :** The people have since then been trying to negotiate permission to stay and upgrade their settlement. But because of a municipal plan to improve the race-course, the city is saying no to on-site



upgrading and discussions are now on about land for relocation. The people are now negotiating to move just slightly to a small piece of municipality-owned land next to the settlement, which is reserved for a non-existent "materials storehouse". This may be more possible, because it will be easier to negotiate for municipal land than for land under central government control.

**Nalinda is the young Sevantha worker who is working in Nuwara Eliya.** He works closely with Women's Bank and with the Municipality staff on the project in Nuwara Eliya.

**Comment from visitors : The Municipality says there is "No land" for housing the poor. But when we look around, we see empty land everywhere!** The trouble is that the land belongs to speculators, or to various government departments who won't allow it to be used, or is under forest reservations and cannot be built on. How strange that a city has so much room for race-courses and golf-courses and tea plantations, but no land for people! Everything has its allotted space in this town - horses, tea - everything except people! So a quarter of the town's population have to live in slums.

**Visit to Dowa Community (Small ACCA project)**



*We meet with a big group of community women from several branches of the WB. (the women in the pink sarees are members of the auditing team) During the meeting, the WB leaders give us the story of the Dowa community, and also tell us about the larger community process in Nuwara Eliya.*

**Women's Bank saving in Nuwara Eliya got a big boost from ACCA :** The first WB savings group to be set up here was in this Dowa community, in 2002! The savings process continued, but without much growth. At the time the ACCA project began two years ago, there were only 80 members. The ACCA process has given a very big boost to the savings process in the town, and now there are about 100 savings groups, with 1,200 savings members, in 8 branches.

**Dowa (which is also called Mahinda Mawattha) is a small squatter settlement of 31 households** on low-lying government land, in the center of town. Before the project, this was a neglected area of the city, always flooded and very bad conditions for the community members.

- **Small project to improve the road and build a deep concrete drain :** Now the community has raised the level of the land, and used ACCA small project funds to improve the access road and build a concrete drainage line to drain the community. It was mostly women who did the work.
- **Plans to make the BIG ACCA project here in Dowa :** Originally, the plan was to implement the BIG ACCA project in Nawagam Goda, but now the idea is to do the big project here in Dowa.
- **Reblocking plan :** The people have already developed a reblocking plan for the community, which makes slight adjustments to the existing plan so that everyone gets a decent sized house plot (before some had very big land and some had tiny land), and the original houses have been demolished and rebuilt on the new plots - each one individually built, according to their own design, not together. The people's new subdivision plan has been approved by the municipality, but there is still a problem with the land, and they don't yet have permission to go ahead with their project.



**QUESTION : What are the achievements in Nuwara Eliya? (the WB leaders present)**

- We've been able to reach the poorest settlements in the city, start savings and start making improvements there.
- We've been able to solve the land tenure problems in two settlements.

- We've given many toilets and housing improvement loans
- We've been able to improve the access road and drainage in Dowa and have developed a reblocking plan.

**QUESTION : What kind of changes has come with ACCA?** *(the women answer, variously)* Oh, many big changes!

- Before ACCA, we didn't know each other, now the women in all the settlements in the whole city, we know each other very well and visit each other all the time.
- Now there is unity - if something happens, there is a lot of information and everyone knows, everyone is ready to come together to help.
- Now we are able to get financial assistance to improve our toilets and houses. None of us could ever get any kind of loan from a bank, but now we can get loans when we need them, from Women's Bank.
- I never dreamed I could build such a concrete retaining wall myself! (woman from Nawagam Goda)
- Now there is a very strong relationship between the municipality and the people. Before the ACCA started, we all kept our distance. Those chairs you are sitting on were loaned to us by the municipality! The mayor is very aware now of our work and our struggles, and he support us - *not because he has suddenly become a good man, but because we are now working together as a force!* We used to be afraid to go to the municipality for any work, but now it is *"like our home."*

**QUESTION : How to fix all the land and housing problems in Nuwara Eliya?** We want to do that, and do it quickly! When the rainy season comes, we cannot work, we have to wait for the dry season.

- **Here in Dowa, we still haven't resolved the land problem.** The authorities have not yet granted us permission to upgrade our settlement. The city supports us, but the central government is not agreeing. But we have made our improvements anyway, and laid out our new plot boundaries for the upgrading - *and we haven't been evicted yet!*

**QUESTION : Some examples of how you work with the municipality - especially on actual physical projects?**

- Mrs. Karuna (Karnavati?) Weragoda works in the municipality's Community Development section - she works very closely with the communities and helps us have access to the different officials.
- We have worked together to set up 5 pre-schools in the communities, organized children's sports clubs and cultural clubs and computer training courses for kids.
- Planning approval for our upgrading projects and housing improvements is very easy to get now!
- We are now invited to participate in various municipal committee meetings, and also participate every month in our own city development committee - *the problem used to be we were shut out of the larger urban management process, but the problem now is too many meetings!*

**QUESTION : What about the quality of the drain you've built at Dowa - is it cheaper or better if people do it themselves?** All the construction was done by the women's team. We saved a lot of money by not going to a contractor! Once we received the ACCA funds, we discussed together how to purchase the materials and stretch the budget as far as possible. We hired only one skilled mason, and all the unskilled labor was provided voluntarily by the community women. We got support designing the drain, and setting the levels from the municipality and Nalinda from Sevanatha helped coordinate with the municipality and the people for approvals.

**QUESTION : Can you do the same thing in other communities?** Yes! No problem!

### Visit to Nawagam Goda (Small ACCA Projects) + lunch prepared by the community women

This community is very close to Dowa, on a hilly site rising up to the tea gardens above, with a big Tamil temple at the front, by the main road.

- **Small projects in Nawagam Goda** (all completed) Construction of paved roads inside the community, drainage and a retaining wall. Another retaining wall is now being built to shore up the entrance road, which is being eroded from underneath by flood-waters in a canal. So the community is now building a retaining wall to support the road.

**QUESTION : Why can't the municipality do this - it is outside the community!** After heavy rains, the road was damaged and is now dangerous. So the project to shore up the road with a retaining wall came from the community.

- Nalinda explains that the small ACCA projects are all implemented as "Community Contracts" where the skilled laborers are paid, but the unskilled labor is not paid, so they can save money which allows them to stretch the \$3,000 to do more than one small project in the community, as here.

**CLAF-Net housing loans to a few scattered WB members :** So far in Nuwara Eliya, 14 households have been given housing loans (totaling \$15,600) and 57 households have been given house repair loans (totaling \$39,050) from CLAF-Net. Some funds for this work have been given by UN-Habitat. 18 of these new housing and house repair loans were given to members of the Nawagam Goda community.

**Visit to one housing loan recipient :** This woman borrowed 250,000 Rupees (\$2,500) to rebuild her house, at 18% annual interest, and repays 7,000 Rupees (\$700) per month. She has been a WB member for over two years, but the house title is in the



husband's name (in Sri Lanka, the husband is usually considered to be the head of household and the government gives title deeds to the husband.) The repayments are difficult and both husband and wife are earning - he is a scrap iron dealer and part-time unskilled laborer. The house is not completely finished.

- **How much would this house be worth on the open market?** This family has a big land plot, with title, and so the house with land would be worth about 2.5 million Rupees (US\$25,000). So that means the market value of this house is about 10 times the cost of building it!

**South Indian lunch :** After a quick look at Nawagam Goda, we are all rounded up and brought into the community hall next to the big south-Indian style Hindu temple in front of Nawagam Goda, where the women have prepared us a fabulous lunch, with some 15 or 20 dishes, all served south Indian style, on banana leaves on the floor. With iddlis, sambar, dosas, etc.



### Observing the meeting of the Joint City Development Committee Meeting, at the Municipality

*The joint city development committee, which is chaired by the Mayor of Nuwara Eliya and includes community leaders, Women's Bank members, Sevanatha and municipal officials, meets once a month, and is the key collaborative and sharing platform for discussing and jointly addressing all the land and housing issues brought to the meeting by these groups - particularly the poor communities and the city. This month's meeting, which was chaired by the Mayor, was scheduled to take place on the afternoon of 28th, so that the ACCA visitors could join the meeting and observe the process. Here are some notes from this quite intense and politically-charged meeting :*



**Mrs Karunawathie, Head of Community Development Section of MC reports (with a good powerpoint) on the progress of ACCA in Nuwara Eliya so far :** *(these CDC meetings always begin with a progress report, we're told)*

- **Low income settlement survey and mapping :** Conducted in January 2009, found 32 poor settlements, 1,249 houses, 2,061 families (23% of city's population).
- **Selection of 10 priority settlements selected** (based on the "scorecard" analysis of the survey data) : Unique View Road, Under Bank, Unique View, Hadden Hill, Lady MacCalam Rd., MC Line, Lovers Leap Rd., Gemunumawatha, Race Course and Forest Road)

**QUESTION :** It seems that most of the communities with ACCA projects are the communities with savings groups and not the communities which have been identified as the ten priority settlements in the survey?

- **City Development Committee (CDC) set up.** This committee gather key stakeholders in monthly meetings, to present progress of ACCA/USUP, discuss issues and initiatives, agree on actions and support, discuss individual community needs (street lights, infrastructure, playgrounds, community centers)
- **Report on the progress of Women's Bank Savings groups** *(but the information in the powerpoint is much out of date, compared to the numbers the women gave us earlier, in the meeting in Dowa)*
- **Report on loans from CLAF-Net in Nuwara Eliya** (these figures include funds from ACCA and also Rs 4 million from UN-Habitat)

#### CLAF-Net loans given in Nuwara Eliya : *(as of April 28, 2011)*

| Type of loans             | Beneficiaries | Amount of loan (Rupees) | Amount of loan (US\$) |
|---------------------------|---------------|-------------------------|-----------------------|
| New house loans           | 14            | 1,560,000               | \$ 15,600             |
| House repair loans        | 57            | 3,905,000               | 39,050                |
| Toilet construction loans | 26            | 1,175,000               | 11,750                |
| Self-employment loans     | 43            | 2,210,000               | 22,100                |
| Small loans               | 32            | 160,000                 | 1,600                 |
| <b>TOTAL</b>              | <b>172</b>    | <b>9,010,000 Rupees</b> | <b>US\$ 90,100</b>    |

- **Community Livelihood Action Planning (CLAP) workshops** have been held in 5 communities (Nawagam Goda, Bambarakale, Kalegala, Loverslip and Gamunu Mawatha)

- **Small ACCA infrastructure projects completed in four communities :** Nawagam Goda (lane paving, drains and retaining wall), Dowa (lane improvement and drains), Kelegala 1 (sewerage line) and Kelegala 2 (sewerage line).
- **Training and knowledge sharing :** Exchange visits, leadership training, accounting training, house planning, technical advice, GIS training for municipal staff.
- **Selected settlements for upgrading :** Dowa, Unique View, Under Bank, Race Course, James Street, St. Andrews Drive, PWD Houses, Bonavista.

**DISCUSSION POINT 1: The land problem at Dowa.** The land which Dowa (Mahinda Mawatha) occupies is under the control of the central government, which is not cooperating with the municipality in issuing the people permissions to build their new houses. The people have already prepared their subdivision "reblocking" plan to the Municipality, which has approved it.

- **The central government's Environmental Authority official** says he objects to allowing any houses to be built on that land, which is supposed to be a "low-lying wetland." The mayor says, "Then give us your criteria for how the land should be developed, so that it meets your environmental requirements. We cannot evict those people, and now you aren't allowing them to build proper houses on the land."
- **Then the central government's Urban Development Authority (UDA) planner** says "We should have been asked for permission to do this development! The mayor says this is a project of the Municipal Council and the community, not of the central government."
- **Jaya suggests that the Municipal Council should take responsibility for getting all these permissions** and negotiating with other government institutions. From our side, we have funds for housing loans and are ready to go ahead with the upgrading of this settlement and do the project.
- **Mayor suggests making this project at Dowa a special case**, and appointing a special committee to negotiate with the relevant authorities. The committee could include members from the Environmental Authority, UDA and the Disaster Management Center. If there is any political interference, the mayor can intervene.
- **Environment Authority guy says you cannot go ahead with the current plan**, must change the plan, because this is a designated wetland and a natural drain, for the rest of the city. Mayor says, "But the land is no longer wet! The people have filled it by a meter and fully drained it, so now it is dry!" The mayor (*who is getting angry*) says, "So you are saying that a wetland should be empty and should not be covered with people, is that it?"
- **Jaya :** I worked as a town planner in UDA for many years, and according to our idea, this is not a vulnerable location or a seriously vital part of the city's drainage system. You should not object so strongly like this. When I worked at the UDA, we used to try to simplify the rules, not to follow them so strictly that we prevent people from getting decent land and housing!



**DISCUSSION POINT 2 : Underbank Settlement :** This is a small squatter community living in Forest Reserve land. So the Forestry Department sued the people and got a court order to evict them, but the law says that the Forestry Dept. has to find suitable land for resettlement before the people can be evicted. So the Forestry Dept. found a piece of alternative land and allocated it to the people. But the people refuse to go there because it's on a very steeply sloping land.

- Disaster Management Center guy says he has inspected the relocation site and finds the land not suitable for residential purposes. Too steep.
- What about other land? Mayor suggests some other locations. Land officer for the Divisional Secretariat speaks.

**DISCUSSION POINT 3 : Race Course Settlement :** Everyone seems to agree that this small community of 46 households has to be relocated. But where to go? There are central government plans to build a sports stadium on the land they now occupy, next to the race course. But no land for resettlement has been identified yet. The mayor suggests a few possibilities.

- **Mayor (getting angry again) "These foreigners are here to help us build houses for the poor in our city, and we can't agree to provide land for them!"**
- **Environment Authority guy :** Personally, we want to help, but we have to respect the laws and regulations when we do our work!
- **Disaster Management Center guy** explains that he also wants to help, but his department cannot agree to moving people to any land which is not suitable for



residential purposes!

**DISCUSSION POINT 4 : James Street Community** : This community is on land belonging to the golf course, which doesn't allow the people to build proper houses on the land where they are now living in very bad shacks. A woman from the community asks the mayor for permission to let them build good houses. The Mayor says he has already talked to the Golf Course and has been given permission. But the government should be involved, because, again, this is central government land.

**DISCUSSION POINT 5 : PWD "Line" Houses community** : This is a congested community of 61 units of old PWD workers housing. The NHDA has already built up flats for 22 of the households, which will be opened on 27 May. The mayor says there is no big issue here, because the rest of the households in the community will also get government-built flats soon.

**Somsook speaks : *This is a very interesting and very democratic meeting!*** This is a platform which is trying to solve the problems of poor people in Nuwara Eliya, and trying to find ways to help them, as much as possible, even though there it's clear that there are so many rules and regulations which make that difficult. This very democratic process is taking place in a country which is the leader of housing for the poor in Asia!

- **But now that leadership is slowing down and there are so many illegal squatters**, in Nuwara Eliya and other cities, at the same time there is so much government land everywhere. There is no problem about land in Sri Lanka! There is plenty of land for race-courses, for golf-courses, for sports stadiums, for tea-gardens and for horses - but no land for people! This is not because there isn't enough land, but because of how land is being allocated. It's not their fault that the poor cannot find anywhere legal and decent to live, but the fault of the system that has gone wrong and cannot be fixed properly.
- **The most important thing in a city is its people - the people are the real wealth in any city.**
- **Upgrading by people.** We have a long history in Asia of the government trying to do everything, planning everything, deciding everything, in which people are just the beneficiaries or the "users." Now we have to change that expensive, top-down model so that people are the owners of the process, even if it is very little money they have to work with. In this alternative model, people do it and take responsibility, but working with the government.
- **You have a very good start here in Nuwara Eliya.** There was a very good survey and now there is a good understanding of the areas that are most in need of land and housing assistance. It may take some time to soften the edges of some of these rules and regulations, and to find the way to more freedom for people to do what is necessary to solve their own land and housing problems. A new housing direction in this very capable country! In is important for Nuwara Eliya to show this new way to the rest of the country - how to get the land to the people, while you are still the mayor!

**Father Norberto (from the Philippines) speaks** : The struggle of the poor is to be part of the cities they live in, and to be full, legitimate citizens. This meeting was very good! Because it had no chairman, and everyone was allowed to speak. And because it was very informal, like a community meeting. I congratulate the mayor and the support groups for this very important exchange.

**Na (from Korea) speaks** : I have learned many things from you about democratic processes! You are lucky to have a mayor who understands you! And the mayor is also lucky because the people negotiate with you so nicely, so politely, without any violence! In Korea, we only fight. And the Central government is lucky to work with cities and to help the poor people. Next time, I'm bringing our mayor from Seoul here to learn from your process.

**Rupa** : Gives a very long talk!

**After the meeting, we are all invited for a cup of hot tea and cakes in the Mayor's office downstairs.**



## Reflecting on the ACCA process in SRI LANKA :

*On the second-to last day, we had a half-day session back at the hotel to summarize the observations and comments of the visitors, about the various projects and cities they'd visited during the assessment. The meeting opened, again, with drumming as we entered, and then with a beautiful dance by a group of young girls from the community, who invoked Saraswati, the Hindu goddess of wisdom and learning as a blessing to begin the meeting, before the lighting of the obligatory oil lamp. At the end of the meeting room, the Women's Bank members from several cities had set up tables offering their various wares and sweets for sale.*



**Dividing into 4 sub-groups for discussion and reflection :** For the first hour, the participants divided themselves into five sub-groups to discuss (South Asian group, Southeast + East Asian group, "Seniors" group and the Sri Lankan group). Each group was assigned the task of organizing their reflections on the Sri Lanka ACCA process into three categories :

- Strengths and good things in the process
- Weaknesses and suggestions about things to improve or develop more
- What things we saw which we'd like to take back with us and apply at home?

**Somsook :** The ACCA process in Sri Lanka may not be perfect, but it has its strengths and weaknesses, and it shows a new model. Because we leave the power to the local groups, to adjust the ACCA program to fit their own context. But there are lots of dimensions in the ACCA process in Sri Lanka - especially the political dimensions of this large people's process.

- When the Women's Bank leaders tell us "We have to adjust our rules, as we expand from only savings and credit into housing, infrastructure, relaxing the loans for new people, lowering interest rates, etc." That is a real significant transformation!
- Sevanatha and the cities are also transforming into a new kind of collaboration, and with a new city-wide scale.
- The key point is that now, the government has no choice but to join forces with the people! The government cannot deny this discussion about the need for scale. Whether they join with the Women's Bank or not, the people will go ahead! Jump on the bus or be left behind! It's a new politics and it's being led by the people. But it is a politics that can be done in a friendly, soft way - no need for demonstrations! Demonstrations are the politics of activists. But the politics of people is doing things, negotiating and being friends with everybody (although this has been undermined by the system).
- ACCA is trying to give people the tools to move and to show things and to negotiate and to gather more resources and support and money along the way.

## 1. SOUTH ASIA group (Bangladesh, India, Pakistan) (Vrunda presents)

### 1. Strengths and good things in the process

- **The systematic and national level scale of the Women's Bank** - people are meeting regularly, not only within their own groups but also with the municipality. All the systems come together, and they have created a platform to coordinate activities, housing, infrastructure, but also social aspects to build trust and a support system.
- **The full picture of the community is being looked at** - training of members in architecture skills will ensure the sustainability of the process.

### 2. Weaknesses and suggestions about things to improve or develop more

- **Lack of flexibility within WB** : Within the Women's Bank, there is a structure that everyone follows, but perhaps there should be more flexibility to take into account the varying size, types and contexts of the different communities.
- **Maybe WB too focused on women**: There are many activities linked with the Women's Bank, but they all seem to be focused only on the women. How about youth training programs, or more development activities that focus on other groups outside the women?
- **And also too focused on individual - rather than collective - development** : Many of the livelihood activities focused on self-employment for individuals - how about cooperative businesses to create jobs at a group level? The groups are strongly connected to the municipality at the local level, but what about connections at the national level, in order to address more issues at the bigger scale?
- **WB Interest rates are high** - but if people put their savings in a bank, they could get interest to offset the interest rates. Also, everyone should be able to get equal loans, whatever their savings capacity is.
- **The municipality should be encouraged**, or even obliged, to join in regular meetings with the actors in the ACCA process.

## 2. SOUTHEAST + EAST ASIA group (Philippines, Thailand, Vietnam, Cambodia, Burma, Korea) (Ruby presents)

### 1. Strengths and good things in the process

- **Strong savings, strong and "disciplined" savings system, and strong women!** Women helping each other is the basis of the WB system. Savings has clear rules and procedures and strong control of the process by women. Good involvement of all the women members in the savings and development process, not just a few leaders who do everything! This "Everyone is a leader" allows the groups to focus on important issues in their lives, not just savings and credit. They are truly the "Buddhas" of the home!
- **Very strong on the "Small group" system** - that is clearly where the main power of the WB savings process rests. The small group is a very strong mechanism to balance the power with the branches, city and national level.
- **Good and comprehensive economic development for families through the WB process**, so the economic strength of the member families is going up.
- **Lots of expansion of the savings groups, with the coming of the ACCA Program**, in all the cities
- **WB is opening up their system and adjusting it a little bit for housing loans.**
- **Very good engagement with the local government in all the cities** - and very supportive mayors in Galle, Moratuwa and Nuwara Eliya, who are open to allowing the people the space to do things the city can't!

## 2. Weaknesses and suggestions about things to improve or develop more

- **18% interest on housing loans is too high for the poor to pay!** (for CLAF-Net, WB and People's Company projects)
- **Suggests that CLAF-Net not only focus its loans on communities which already have secure land tenure**, but to offer finance which can help communities with tenure problems to explore buying land and preparing other options.
- **Loan repayment problems in Galle:** The land and housing relocation project we visited (tsunami relocation, before ACCA) is having serious land loan repayment troubles and the free houses from the NGO are not good - suggest giving the people the space to discuss these problems and developing their own solutions, like maybe renting out rooms in their houses to help pay the land loan, or skills training to increase people's incomes. It seems Help-o only thought about housing loans, not the whole community people's lives.
- **When we were in Galle, it was difficult to get the stories from the people themselves** - the Help-o staff did most of the talking and answered all the questions, on behalf of the poor. *"They must feel very lonely in that role of having to do everything!"* Very different than in Moratuwa, where the community women were so strong and articulate and happy to tell us their stories! We don't see change being made by people in Galle, it's still very strongly driven by the professionals.
- **Galle: Women's Bank and Help-o/People's company (which both have savings groups in Galle) are not networking together, seem to avoid each other.** Suggest that the two savings processes be linked to make it city-wide!
- **Galle: We saw so many biogas projects -but for what?** What's the big picture?
- **Suggest that many of the technical support roles which Sevanatha provides can be taken over by the community women themselves** - this is starting to happen we can see. This will help make the ownership of the upgrading process and the fund management.
- **There are some tensions between trying to work in a city-wide way, and being a membership-based movement.** So in many of the projects, it is savings members who get the benefits of the ACCA process, not the whole community or the whole city. Suggest concentrating more on the whole settlements (savers and non-savers together) and the whole city (all the settlements, not just the ones with savings groups) and plan for all., in a more comprehensive way. The savings membership will grow anyway, but it's important not to exclude people because they are not yet members.
- **Suggestion: start with common infrastructure improvements, not individual housing improvements.** The small upgrading projects affect everyone in the community (not only savers) and bring everyone together to participate. The housing (which only goes to scattered members) doesn't build this larger participation.
- **Suggestion: Use the small upgrading projects to build a team of community builders** who are skilled and can help other communities to plan and build their roads, drains, toilets, retaining walls, etc. Not always necessary to have architects and hired artisans to do this work.

## 3. What things we saw which we'd like to take back with us and apply at home?

- **The system of small groups**, rather than big groups, for the savings process - the system really works in terms of building leadership and keeping different tasks in small groups. *Philippines:* When we are dealing with big settlements, we can also apply the small group system, in order to address issue of how to collect the payments, and to share tasks and responsibilities. *Myanmar:* We should apply the small group system, and build a network between NGOs, municipalities and communities. *Cambodia:* We will emphasize small groups, and strategically involve women as key actors. *Korea:* We will take back to Korea the emphasis on the importance of women's power and their strong role in community processes. We will consider the issue of how citywide processes can be applied in South Korean cities, using collective power.
- **In order to achieve city-wide scale in upgrading processes**, it is helpful to begin with small cities.

## 3. SRI LANKA group

### 1. Strengths and good things in the process

- **The Women's Bank have built a strong organization.** In society, they have gained respect and a name, and they have a strong financial capacity and have improved the overall capacity of their members. Women now have a strong voice in society. They have a strong management capacity and the opportunity to participate in the urban development process and work with the municipality. The groups have good unity, and the leadership is impartial. There is exchange of experiences and networking among the groups
- **Women have the chance to participate directly in the decision making process at the group level.** They are no longer isolated, they are working as a group at the city and branch level
- **Families and members are gradually moving away from dependency syndrome**, improving their own capacity to help themselves.

### 2. Weaknesses and suggestions about things to improve or develop more

- **The Women's Bank should reduce the interest rate for housing loans.**
- **The women need some support to improve their income earning capacity.** They want to improve their production capacity.
- **In all the districts, they want their members to learn more about planning and technical know-how.** This includes more technical know-how in the production of building materials. They would like more members to train

as technical facilitators to coordinate technical activities.

- **They would like to increase women's representation on the CDC** to influence the decision-making process.
- **At the moment, they are limited to seven cities by the ACCA program, and also limited to urban areas** - they would like to expand to rural areas and more cities.
- **Only a limited number of members have computer skills**, so they would like to expand this training to more members in different districts. To continue the group work, they need to expand their technical knowledge.
- **As the number of groups is expanding, they need office space for the branches, in some communities.** They have a plan to have a center in each district in the future. They also need some assistance to improve their English.
- **They would like to have a roster of resource persons within the organization**, to get the support of specialists.
- **Disaster management should be prioritized.** In each district, they should have a disaster management committee.
- **They would like to increase their WB membership and increase the savings.**
- **Loans should be available for employment skills, not only for housing.**
- **NGOs and GOs should be sensitized about the women's program and the ACCA program.**
- The voice of women from village to district, national and international level should be strengthened.

#### 4. "SENIOR PEOPLE" group (Kirtee presents)

##### 1. Strengths and good things in the process

- **The Women's Bank is strong in many ways**, with expansion of membership, internal discipline, and support for each other. The Women's Bank allows everyone to be a leader, and they have an impressive welfare and health grant program. WB goes beyond finance while keeping finance at the core - not just focused on savings and credit.
- **There is a good relationship and partnership** between the Women's Bank and Sevanatha.
- **Municipalities are on board and often quite open** to this new community-driven and city-wide development process.
- **The system of Community Development Councils (CDCs)** at the municipal level seems to be consistent with the vision of WB and Sevanatha.
- **There is some flexibility in the processes**, despite the scale and fixed systems of the Women's Bank.
- **Surveys and land mapping play an important role in the change process.**
- **The communities are able to tap the financial institutions of the people** - community finance is part of the process from day one.
- **There is a clear movement towards a citywide approach.**
- **There is evidence of structural change:** key organisations are changing for a common purpose - sharing their energy and strength.
- **The strength of the people on the ground is visible** - they need to tap this energy for change.
- **The Women's Bank has much greater depth in the community context than say, Grameen** - it has given people a chance to come together to work together and find a place in society.

##### 2. Weaknesses and suggestions about things to improve or develop more

- **Community upgrading should cover the whole area!** But Women's Bank is a voluntary grouping of members. How to bring these small pockets of savings members to lead an upgrading process which includes everyone? Upgrading needs to be extended beyond savings group members for the wider community.
- **The ACCA projects are different than "community contracts"!** The community contract system gets in the way of people's ownership. People need to be the owners, not the beneficiaries, not the sub-contractors! They have to be involved more in making the decisions. This is a very important strategy, when community people make the survey and then decide how to use those small resources from ACCA to cover all the settlements and bring in more resources to fill in the shortfalls.
- **The relationship with municipality needs to be developed**, beyond the Mayor, to other members, such as members of the council and other local institutions. ACCA can be used as an opportunity to widen the vision of the municipality. How deep does the municipality's commitment run? Politics is always present and will be a challenge.
- **The power of different actors in the municipality and in the government is limited** - e.g. mayors don't have power over land issues. This needs to be addressed appropriately.
- **It is not always clear that community people are owners of the process.** For example, Sumith, the technical advisor in Moratuwa, might play too large a role, and one woman even said, "He is our hero." How to define the relationship between the communities and the professionals more properly?
- **What is the leveraging impact of the ACCA activities?**
- What is the relationship between the Women's Bank, People's Company and other organizations?
- **Community members who are not WB savings members** : In many cases, when we asked why so many families in the community were not members of the WB savings process, we were told that the others were drug dealers and money lenders - why is this always given as the reason for the savings not being 100%?
- **2% interest a month does not equal 24% a year - it's 34% when compounded.** This is very high.
- **CLAFNet charges 8% which is too high.** At least 2% to 4% of that interest should be used to create a welfare fund, for example.
- **Upgrading is often happening only in the "easy" cases** - community members are more likely to get housing loans if their tenure is already fairly secure. How will the difficult tenure cases be addressed?
- **The people should be the ones leading the process of change and initiating dialogue and exerting pressure,**

along with the government, not the NGOs.

- The Women's Bank has a good health and welfare system of grants, but in the long term, the focus should be on getting the government to provide this healthcare.

**GOOD NEWS! Women's Co-op agrees to lower their interest rates for housing loans** (but only for housing loans from CLAF-Net and ACCA) : Since this is special funding from outside which clearly targets the poorer WB savings members, the national leadership has agreed to lower the interest rates for housing loans from CLAF-Net as follows :

- CLAF-Net loans to the branch at 6%
- The branch adds 3% margin and on-lends to the group at 9%
- The group adds 3% margin and on-lends to the member at 12%

## **Seminar with mayors and government officials about the ACCA process in SRI LANKA : April 30, 2011**

*On the last day of the assessment trip, Sevanatha organized a half-day dialogue with mayors and government officials to talk with the Sri Lankan groups and the visiting teams about the city-wide upgrading process being supported by ACCA in Sri Lanka - and elsewhere. Here are some notes on that meeting, which took place at the hotel :*

### **Ministers & Government Senior Officers who attended the dialogue :**

1. Mr. L. S. Palansuriya, General Manger, National Housing Development Authority
2. Mr. Palitha Gamage, Chairman, Urban Settlement Development Authority (USDA)
3. Mr. Anura Dassanayaka, Project Director, Lunawa Environmental and Community Development Project
4. Mr. Dammika Gunawardana, Assistant Manager, Engineering Division, National Housing Development Authority
5. Mr. Asoka Siriwardana, Secretary, Ministry of Fisheries, Cultural Affairs, Food Supply & Distribution, Trade & Co-operative Development- Southern Provincial Council
6. Mr. Predeep Hehan, Mayor's Secretary, Galle Municipal Council
7. Mr. M. A.M. Sawmer, Community Development Officer, Galle Municipal Council
8. Mr. K. Sivanathan, Municipal Commissioner, Batticaloa Municipal Council
9. Mr. Lukman Presanna, Public Health Inspector, Nuwara Eliya Municipal Council
10. Mrs. Karuna Weragoda, Community Development Officer, Nuwara Eliya Municipal Council
11. Mr. Mohamed Hilmy, Mayor of Matale Municipal Council
12. Mr. Janaka Hettiarachchi, Health Department, Matale Municipal Council
13. Mr. Rajkumar Susai, Public Health Inspector, Matale Municipal Council
14. Mr. W. Samanlal Fernando, Mayor, Moratuwa Municipal Council
15. Mr. U.D.C. Fernando, Municipal Commissioner, Moratuwa Municipal Council
16. Mr. M.M.M. Jaufer, Mayor, Kaluthara Urban Council
17. Mr. Ashoka Ranasingha, Municipal Secretary, Kaluthara Urban Council



**Jaya :** We have been implementing this ACCA program in 7 cities in Sri Lanka, for two years now. But we have not yet had an opportunity to share this experience with central, provincial and local government officials, and so far, it is only some mayors and local government officials who know what is happening in these seven cities. But as the foreign participants have stressed, we need the central government's support for this national program, so we would like to use this meeting as a platform to share our experiences and to discuss how we can work together with the central government with the ACCA Program also, to expand this program. We would also like for the poor communities and women savings group members from Sri Lanka to present what they have been doing, in comparison to other countries in Asia.

*Ceremonial lighting of the oil lamp.*

**Jaya :** presents ACCA Program in Sri Lanka *(with powerpoint, in Sinhalese language)*

**Nandasiri :** As community people, all the senior Women's Bank leaders participated in the million houses program, and the 1.5 million houses program in the past. We thought a certain type of community process has been started in those days. And suddenly, when the political pattern in Sri Lanka changed, that whole community process stopped at once. That community upgrading program went to the national and international level. That program, which was started by the Sri Lankan Government, won the award for the Year of the Shelter, and the whole world was looking at us for inspiration. But it was stopped! But even though the government decisions changed, the people continued their development processes. So now, as Women's Co-op, this continuation can be seen very visibly now, in many cities around the country. And we are trying to reach the other cities also. The community process is now getting rooted. The community people have to play the main role in development. So we have to continue this. The people have the resources, they have the strength, and this has to be understood by the government.

**Somsook** (*Presents ACHR's work and especially the city-wide and community-driven work of the ACCA Program in Asia, with Powerpoint*) Let me share with you what we have been doing to try to support change in several countries in Asia, with support from the ACCA Program. I am very glad to have this opportunity to share with many mayors, who are key actors to make this big change in your cities. And the National Housing Development Authority, whose Million Houses Program was for many years the light of housing development in Asia. Today we are coming back to the situation in Sri Lanka and in Asia to see how we can move forward, in a big way. In a direction that we can actually solve the housing and land problems in all the slum problems in our cities, as much as possible. And to do this in ways which go with our new, modern, more open and more democratic societies. And find a way that poor people themselves become the main force of change and the key mechanism in bringing about that change. (*I didn't transcribe this presentation*)

**Ruby** : Presents the ACCA community upgrading process in the Philippines (*didn't transcribe*)

### Reflections from the Sri Lankan politicians and policy-makers :

- **Mr. Palitha Gamage, Chairman, Urban Settlement Development Authority (USDA)** : Ours is a new institution that was just started in 2009. And yes, we are open to dialogue with all of you!
- **Mr. L. S. Palansuriya, General Manger, National Housing Development Authority (NHDA)** : He has been working with NHDA for thirty years. He describes a new NHDA initiative in which they are planning to build 1 million houses with people, between 2011 and 2016, with a budget of maximum US\$2,000 per house, and people have to save and participate in the construction. Six months to construct a house. First year, the target is 60,000 houses, and NGOs will assist the process of implementing this national program.
- **Galle Municipal Council Member and Chairman of Help-O:** He visited ACCA and ACHR projects recently in Thailand (during the ACHR regional meeting in Jan 2011?), and says these are the best example of good governance and community development.
- **Mr. Predeep Hehan, Mayor's Secretary, Galle Municipal Council** : I want to support your program!
- **Mrs. Karuna Weragoda, Community Development Officer, Nuwara Eliya Municipal Council** : She brings up the difficulty local authorities have in solving the land problem for slum communities, which municipalities cannot do on their own, because the land is often under the control of national government agencies. She request that this forum could send a recommendation to the national government to help local authorities to get land to the poor.



**Somsook** : *I would like to support this proposal!* It will be good to work together on this. This is a problem in so many Asian countries, that local governments cannot manage the land within their own cities. In Nuwara Eliya, for example, we saw lots of land - land everywhere! But while so many of the town's residents are living in squatter settlements, the various government departments leave all this empty land vacant and unused. Or they reserve it for race-courses and golf-courses - for any use but for the people in that city! The question is, how can we change this so that local groups can fix their land problems locally, so that people can have the freedom and a proper life - in all these cities?

- **Proposes to ask the NHDA to start a Housing Development Fund**, which will channel finance to people's initiatives. This housing development fund could link directly to the Women's Bank, via the WB branches in various cities, and they can manage the loans and loan repayments in bulk (and lower their interest rates also!). This would be a ready-made way to link this national finance to the group process.
- **Proposes to link this national housing development fund to city-based development funds**, which can be set up and managed jointly by the poor community networks and the city governments.

**Mr. L. S. Palansuriy (NHDA)** : Good suggestion! I support this idea!

**Mr. K. Sivanathan, Municipal Commissioner, Batticaloa Municipal Council** : Suggests that national agencies also give loans to poor communities for housing - not just ACCA.

### Closing remarks from Kirtee Shah :

It's very easy to talk about partnership with communities. It is not easy to talk about partnership with municipalities and with government, and therefore we are very happy that you have all come, we are very happy that you have heard what we are doing and saying, and we are very happy that there will be a better and better base for a relationship in the future. It is very hard to summarize what has happened in this meeting, but I want to do two or three things. First I want to put the whole of the work that we are doing in the context of the initiative and leadership that Sri Lanka has taken in the housing sector, over the last thirty or forty years. Second, I want to make you see the amazing people's organization you have in your own country, which you probably don't see it as well as we see it, because we are outsiders. Third, I would like to talk to you about in what way you could meaningfully help this process, and how could this process contribute to what is essentially your work.

**There is nothing new about people building - people have been building all along.** Let me first demystify the concept of a people's processes. This is not something alien or new. It is so engrained in our psyche, in our working and in our culture in Asia. You may be very surprised if I tell you that at least 70% of the housing that exists in Sri Lanka today has all been built by people themselves - no architects, no engineers, no financing institutions, no government. All of it has been done by people, which means people as designers, people as architects, people as financiers and people as builders. And therefore, when we talk about people building their own housing, it is nothing new! But we have lost our ability to see that this is what people have been doing. And therefore we really believe we are doing a very big thing when we say, "*People can build it!*" As a matter of fact, it is just going back to our history, to our heritage and to what we already have. There is nothing new about people building - people have been doing it all along. As a matter of fact, Latin America has a very interesting term for that: they call it *social production of housing*. We talk about economic production of housing, and builder production of housing, but we don't talk about social production of housing, and the social processes have been going on for a very, very long time. And Sri Lanka, India, Thailand - in fact the whole of Asia - are good examples, where 70 - 80% of the housing stock which exists has been created by people.



**In the context of Sri Lanka, I want to mention four or five innovations you have done in the housing sector, which is your contribution to the world** - not only to Asia. Sri Lanka is the only country in the world which has tamed and humanized the process of urbanization, by offering rural development as an alternative, in order to see that the urban development doesn't get out of control. Secondly, you have given India and other countries the lead, by your housing programs in the 70s and 80s. And these programs have shown that decent housing and secure land for everyone - in both urban and rural areas - is an achievable national goal. You are also the ones who gave community development a new meaning, and through your disaster management program (especially after the 2004 tsunami) you gave a new respectability to people-centered and owner-driven housing rehabilitation. You gave the world a whole new idea to talk about, and you are the only government I know which argued in favor of the people. When the tsunami rebuilding was going on, many countries and experts from outside were saying we cannot build bigger than 250 square foot houses, but Sri Lanka's government said nothing doing, we are not talking about people's housing in a bad way, we are talking about housing in the context of people's dignity, and therefore we will build nothing less than 500 square feet.

**So when we saw in the last few days what Women's Bank, Sevanatha and the ACCA Program are doing, it is all a continuation of Sri Lanka's tradition.** What did we see?

**First the Women's Bank.** I've heard about Women's Bank for many years, but this is the first time I've gotten an opportunity to actually come and see it, and it was a very deeply moving experience. It is a deeply moving experience because what the Women's Bank is doing in the country is not only comparable to what is happening in Bangladesh through Grameen Bank or in India through SEWA, in the context of community and empowerment, it is several notches up from what SEWA and Grameen Bank are doing. This is happening because the Women's Bank process has a very deep concern for the poor and a genuine understand of the poverty process - not only what causes poverty, but how to help people come out of poverty. This is a process which has given an enormous amount of strength to communities. We saw women who were very confident. We saw women who were very courageous. We saw women who have become very articulate, and it is wonderful to listen to them tell their stories and explain their work, in their houses and communities. They seem to have acquired a new strength through the Women's Bank process and a greater solidarity. And more than anything, women have a new identity through this process.

**Now this Women's Bank movement is happening in your own back yard!** And this is happening through the processes that Women's Bank and Sevanatha and other organizations are causing to happen. I want to repeat to you something that we heard in a poor community along the coast near Galle. We were talking to about twenty women who had all suffered during the tsunami - someone's child died, someone's sister died, most lost their houses. The question that I asked them was, *what is the most important thing that happened to you after the tsunami?* Their answer was that the most important thing that happened to them was Women's Bank. I thought they were saying this just to be polite, because we had some leaders from Women's Bank sitting with us. So I said, OK, what is the second most important thing that happened to you, and the third and the fourth? And all my colleagues who were there will all confirm that they all said the second, third and fourth most important thing that happened to them all was Women's Bank! There was no prompting or stage-management in this amazing discussion - this was genuine. It was something you could see in the eyes of the women who were talking to us and telling us, "*Our courage is Women's Bank.*" Now it is not only an institution, but what it has done to them as people: they are able to stand up, they are able to rebuild their lives, they are new individuals. And all this has happened in your own back yard, through your own organization.

**And it has happened because of the manner in which the Women's Bank has done it: respecting people, trusting them, telling them you can do it, building an institution which is so unique.** I was shocked to learn that the Women's Bank's savings portfolio now runs into 1.8 billion Rupees! Yet this institution does not require buildings, it does not require big support budgets. This entire operation happens through the homes of poor women. The kind of

informality which is the rule in this institution is something you've never seen anywhere! This is building a genuine poor people's institution. This is understanding poverty and finding ways to deal with poverty. So the point I'm trying to make is that you need not worry about what Grameen is doing in Bangladesh, or what SEWA is doing in India - you have a phenomenon which is taking place in your own country!

**Another very important thing that is happening is the kind of partnership that is building here in Sri Lanka through this process.** Partnership is a very difficult thing to do, and you people are in the government and you know very well: two departments can't even work together! Here we are talking about institutions working together. These institutions can work together because they respect each other, they create space for each other, they understand each other's strengths and weaknesses, and all of them have one single focal point: trust in communities. They trust people and they think development can happen through people. This is the third message I wanted to convey to you, and it is a very important message in the context of Sri Lanka.

**I want to also say to you that slums are not problems, slums are solutions.** And they are solutions because poor people who live in slums are solving their housing problems. These are problems which governments are not able to solve, which private sector corporations are not able to solve, which the larger entrepreneurs are not able to solve. But the poor are solving these problems through their own creativity. And the entire ACCA process that we have been talking about is essentially building on this particular creativity of people - it is not negating that creativity or running away from that entrepreneurship. We are saying look, people are building houses on a scale bigger and more effective than any program - let us help and support them. They are finding solutions to their problems of land and housing - let us facilitate that process. Let government and middle organizations act as facilitators, as supporters of that creativity in people. And therefore, the processes that we are talking about here and which ACCA is supporting is a process of supporting what people are doing - not negating it, not bulldozing it.

**But people can go only that far by themselves.** This is a new world we live in now, and people will require some support. Now what kinds of support is needed? They essentially require support in three ways:

- **Land :** The state and the municipalities must find ways by which land is given to people. This is nothing new, this is not a donation. This is what is happening throughout the world, and it is happening because political systems and governments are recognizing that people are living in slums and have to encroach on others' land because the markets are not able to supply land. It's a market failure and a systemic failure. And therefore governments are beginning to realize that we must play our role and see that facilitation has been done so that people can build up their own houses. Even the United Nations is talking about this: give people the right to the land on which they are staying, provide them with secure tenure and don't worry about housing - they will do it themselves. So the first critical thing is the land, which has got to be government's responsibility, governments must provide it.
- **Access to credit:** The poor require resources, in the form of loans. The poor are not asking for grants, they are essentially saying open windows for loans. Provide loans to support people's own housing and slum upgrading work. Organizations like Women's Bank and Grameen Bank have shown in a big way that poor people are "bankable," that they are very responsible customers, that if you loan them money they will pay it back to you. As a matter of fact, without access to formal sources of credit, the poor are the ones who pay the highest interest rates for loans from informal money lenders and loan sharks - *and still they pay it back!* And therefore the second thing that they require from you is access to financial resources.
- **Basic services:** Like everyone else, the poor require basic services, which is the responsibility of all municipalities to provide. You are servicing the entire city. You are providing water, electricity, sewerage and roads and other support to the whole city - there is no reason why you should not provide these services to the poor. If you want them to pay for it, believe me they will pay for it. But accept responsibility for that and provide it. The whole world over it is known that the poor pay much more than the rich for the water and the electricity they use.

**I want to close by saying that one of the most important things about this century is that cities now have a new identity and a new role.** Cities are now known as engines of economic growth. I quoted this in Galle to the Mayor and the Municipal Councilors, that the GDP in Seoul is higher than the higher GDP of the entire country of Indonesia. And the GDP of Shanghai is higher than the entire country of Australia. This is a new identity of cities. The mayor of some of these cities no longer talk about their work as water supply and sewage, they say "We are CEOs of our cities and our responsibility is to generate employment." Now this responsibility must make you think beyond what you have been doing up until now. Municipalities cannot say that land is no longer our responsibility - we have to wait for the center to give us. Municipalities have to go to the center and say, if you want us to manage our cities, we must manage our resources, we must manage our lands, and therefore we must be able to give lands to our people.

So I'm saying that in the change context of cities and cities' roles, you've got to look at economic development, at growth, at your people and at your citizens. And in the context of this particular ACCA project in Sri Lanka, if we believe that it is proper for Sevanatha and Women's Bank to make a five-year plan, if Galle has 48 poor settlements, Galle should make a five-year plan which says that within five year's time, we will eliminate all housing poverty from our city. You should make this plan, and believe me we (ACCA, ACHR, all of us sitting here) will be willing to be your partners. We will share our experiences, we will help you find resources and help you find the way. But you make your plan. If Galle were to say that five years down the line, Galle will be a city without slums. And if in order for it to achieve that objective, we require partnership, believe me, there are large numbers of people and agencies willing to become your partner and help you. All you have got to do is to dream, to think through, to determine to carry people along, and to look at yourself in the context of the larger changing scenario.

And the last thing that I want to mention is this - and I did mention this loudly in the meeting in Galle - that it is not only the poor and the poverty we are talking about. The poor and the poverty are the absolutely inescapable responsibility. And therefore you have to deal with them. Galle has to tell itself that it has the potential as a city to become one of the best centers to attract tourists in Sri Lanka - and through tourism develop the economy of the city. It must plan for it, it must seek partners - believe me it will find partners.

The most important thing that we will all take home with us from this visit is the energy and the confidence that the women have shown us. Believe me, we continuously seek for partners for development, but we sometimes do not see these important partners who are sitting in their homes, right before our eyes. I think it is very important that we open our eyes and see these women as genuine development partners, work with them and see what kind of change we can bring about. And this is starting to happen in seven cities in Sri Lanka now, in a few projects. But the only thing is it should not be only a few projects - there should be city-wide projects going on in slums all over these cities, and you (the mayors and government officials) should be leading that process. ACCA and ACHR are ready to join you in what you want to do and support you in that city-wide slum upgrading. This is not empty rhetoric. Please make your five-year plans to upgrade all the slums in your cities, and we will be your partners. We will come to you and will see what resources, what technical assistance, professional skills and regional experience we can bring to you. We will help you, but it is you who have to decide that you want your city's poor to live decently and with dignity. That is your job. *Thank you.*

## **Who joined the Sri Lanka assessment trip :**

### **FROM PAKISTAN :**

1. Ms. Tahira Bachal (Community leader, women's savings group, Karachi)
2. Mr. Ali Ashraf Khan (Community leader, manager of youth mapping team, Karachi)
3. Ms. Salma Parveen (Orangi Pilot Project Research and Training Institute - OPP-RTI NGO)

### **FROM INDIA :**

4. Ms. Dharbai Ramji Harijan (Community leader, Women's Savings Federation in Bhuj)
5. Ms. Vrunda Vaghela (Architect, Hunnarshala Foundation NGO in Bhuj)
6. Ms. Alka Chandulal Jani (KMVS Women's Savings and Empowerment NGO in Bhuj)
7. Ms. Meera Bapat (independent researcher and activist, based in Pune)
8. Mr. Kirtee Shah (architect, Ahmedabad Study Action Group NGO, in Ahmedabad)

### **FROM BANGLADESH :**

9. Ms. Suvashini Baroi Rita (Community savings leader, CDC Cluster 1, in Gopalganj)
10. Ms. Mahmuda Hossain Jharna (Community savings leader, CDC Cluster 2, in Gopalganj)
11. Ms. Sheuli Khanam (Community savings leader, CDC Cluster 3, in Gopalganj)
12. Mr. Mohammad Washim Akhter (Urban Planner with the UPPR-UNDP Project in Gopalganj)

### **FROM BURMA :**

13. Ms. Gaw Lu Htoi Ra ("Ah-bu") (from the Aungzabu Foundation NGO, based in Yangon)

### **FROM CAMBODIA :**

14. Mr. Somsak Phonphakdee (Urban Poor Development Fund - UPDF)

### **FROM VIET NAM :**

15. Ms. Le Dieu Anh (National ACCA coordinator, Association of Cities in Viet Nam - ACVN)

### **FROM THE PHILIPPINES :**

16. Ms. Ruby Papeleras (Community leader, Homeless People's Federation Philippines, Quezon City)
17. Ms. Edna Sernada (Community leader, Homeless People's Federation Philippines, Davao)
18. Fr. Norberto Carcellar (PACSII NGO, Philippines)

### **FROM KOREA :**

19. Mr. Hyo Woo Na (Asian Bridge NGO, based in Seoul)
20. Ms. Boram Kim (Architect, Asian Bridge NGO in Seoul)

### **FROM the ACHR SECRETARIAT and IIED :**

21. Ms. Somsook Boonyabancha (ACHR, Bangkok)
22. Ms. Diane Archer (ACHR, Bangkok)
23. Mr. Thomas Kerr (ACHR, Bangkok)
24. Mr. Chawanad Luansang (Coordinator of ACHR's regional community architects program)
25. Mr. Gordon McGranahan (International Institute for Environment and Development, London, UK)

### **FROM SRI LANKA :**

#### **Women's Co-op (57 participants)**

26. Mr. Nandasiri Gamage, General Manager, Colombo
27. Ms. K.V. Rupa Manel, President, Colombo
28. Ms. Anoma Lalani, Vice President, Colombo
29. Ms. Lalitha Padmini, Executive member, Gampaha
30. Ms. A. Padmajothi, Executive Member, Colombo
31. Ms. Kamala Pdmalatha, Executive Member, Kaluthara
32. Ms. Sunethra Kumari, Kaluthara
33. Ms. Piyangani Sewicrama, Executive Member, Colombo
34. Ms. Deepika Nilangani, Executive Member, Colombo
35. Ms. Kamala Rupasingha, Executive Member, Colombo
36. Mr. Dya Waleboda, Finance Manager, Colombo
37. Ms. Nirosha Langani, Auditor, Colombo
38. Ms. Chandra Siriyalatha, Colombo
39. Ms. Manel Samarsekara, Matale
40. Ms. Jayantha Gannewage, Matale
41. Ms. N. Amudha, Batticaloa
42. Ms. R Anjalina, Batticaloa
43. Ms. S Mekala, Batticaloa
44. Ms. K. Kalawathi, Batticaloa
45. Ms. K. Indra Devi, Batticaloa
46. Ms. T. Dyalini, Batticaloa

47. Ms. Padma. Kaluthara
48. Ms. Vijitha, Kaluthara
49. Ms. Nayaomi, Kaluthara
50. Ms. G.P. Wasanthamala, Moratuwa
51. Ms. D. Sujatha Kumudini Perera, Moratuwa
52. Ms. K. Dilushika Dilrukshi, Moratuwa
53. Ms. P. Kalyani Fernando, Moratuwa
54. Ms. U.S. Chandrani de Silva, Moratuwa
55. Ms. J.G. Padma Irangani, Moratuwa
56. Ms. K.G. Chathurani Dinesha, Moratuwa
57. Ms. P. Sudarshi Senarathna, Moratuwa
58. Ms. S.M.C. Sandiya Kumari, Moratuwa
59. Ms. H.A. Dipika Sudumenike, Moratuwa
60. Ms. A.G. Kanthi Surangika, Moratuwa
61. Ms. W.A. Mangalika, Moratuwa
62. Ms. I.M. Thusitha Sandamali, Moratuwa
63. Ms. A.M. Kalyanawathi, Moratuwa
64. Ms. T.M. Chithrangani Perera, Moratuwa
65. Ms. E. Suwarnalatha, Moratuwa
66. Ms. K. Sriyani Fonseka, Moratuwa
67. Ms. W. Vajira, Moratuwa
68. Ms. A.H. Chandrani, Moratuwa
69. Ms. A.M. Samudra, Moratuwa
70. Ms. S.M.C. Fernando, Moratuwa
71. Ms. Sunitha Manel, Moratuwa
72. Ms. Nishanthi Perera, Moratuwa
73. Ms. I.D. Sิริyalatha, Moratuwa
74. Ms. Shriyani Fernando, Moratuwa
75. Ms. Vinodani Samaranayaka, Moratuwa
76. Ms. H.A. Swarnalatha, Moratuwa
77. Ms. V. Krishnakumari, Nuwara Eliya
78. M3s. Rose Vergine Ranasinghe, Nuwara Eliya
79. Ms. H.G.D. Jayanthimala, Nuwara Eliya
80. Ms. Nirmaladevi, Ratmalana
81. Ms. Fathima Ramliyo, Modara

**People's Company and Help-o NGO in Galle (7 participants)**

82. Ms. K. Chandra Latha, Community leader, People's Company, Galle
83. Ms. Venitha Aponsu, Community leader, People's Company, Galle.
84. Ms. Sandiya Sudarshani Karunarathna, Community leader, People's Company, Galle
85. Ms. W. Dulmini, Community leader, People's Company, Galle
86. Mr. Chathura Welivitiya, Director of Help-O NGO, Galle.
87. Ms. T.M Ayoma Thennakoon, Help-O NGO, Galle
88. Mr. Sampath Athukorala, Help-O, Galle

**Sevanatha NGO Staff : (19 participants)**

89. Mr. K.A. Jayaratne, President
90. Mr. Ranjith Samarasingha, Vice President
91. Mr. S.P.J. Pathirana, Secretary
92. Mr. Saman Rathnayaka, Treasurer
93. Mr. Athula Ranasingha, Executive Member
94. Mr. H.M.U. Chularathna, Executive Director
95. Mr. Ranjith Wicrmaarachchi, Accountant
96. Mr. K.G.S. Sumanasekara, Administrative Officer
97. Mr. Vipulasena, Technical Officer
98. Mr. U.G. Ekanayake, Program Coordinator
99. Mr. Sumith Waragammana, Project Officer working in Moratuwa
100. Mr. Lasitha Udaya Kumara, Project Manager
101. Mr. Nalinda Karunarathne, Project Officer working in Nuwara Eliya
102. Mr. M.V. Thushara Akila, Community Mobilizer
103. Mr. M.L.M.F. Fazmil, Community Mobilizer
104. Ms. Iromi Chandrarathna, Project Officer
105. Mr. W.G. W. Gnanatheepan, Project Officer
106. Ms. Nayani Suriya Arachchi, Finance Assistant
107. Ms. N.I Gunawardana, Finance Assistant