

Notes on a visit to ACCA projects in **Lao PDR**

November 21 - 26, 2011



Schedule of visits : *These are Tom's rough notes, traveling with Somsak, Kanthone, Phan, Ms. Maikam (young community architect), Mr. Vong (young WCEP staff, economics) and Ms. Vanaree (video person).*

22 Nov. (in Vientiane Prefecture)

- Morning: Observe quarterly meeting of WCEP Committee (chaired by Khun Sirikit)
- Chantaburi District: Thung Khan Kham - Zone 3 (to be evicted, private land)
- Sikothabong District: Baan Huay Hom (small project - water supply)

23 Nov. (in Vientiane Prefecture)

- Had Xaifong District: Baan Na Hai (small project road + drainage)
- Had Xaifong District: Baan Som Sanouk (small project road + drainage)
- Chantaburi District: Baan Hai Sok (small project road)
- Chantaburi District: Thung Khan Kham - Zones 1 & 2 (big ACCA housing project)
- Sikothabong District: Nong Duang Tung (big ACCA housing project)
- Naxay Thong District: Baan Nong Khan Kheo (small project water supply)
- Sikothabong District: Baan Nong Kaew (small project road + drainage)

24 Nov. (in Luang Prabang Province)

- Morning: meeting with LWU, local officials and CDF committee members at the Luang Prabang District office
- Luang Prabang District: Baan Poo Sang Kam (ACCA big housing project)
- Luang Prabang District: Baan Noon Sawath (small project water supply in teak wood village)
- Pak Ou District: Baan Teen (small project water supply in lemon farming village)

25 Nov. (in Luang Prabang Province)

- Nambak District: Baan Huay Yen (small project toilets)
- Nambak District: Nayang Tai (small project toilets)
- Muang Ngoy District: Buam Nalay (Big ACCA housing project)

- *Khop Jai* = thank you
- *Sabai Dee* = good day
- *Kit eng, tam eng*: Think ourselves, do ourselves
- *paa-sin or paa-tung* = the silk sarongs worn by women in Lao ("Sarong" is only for men)
- *keetchakam* = activities
- *Kua-kai* = community network
- *Ton ngun* = savings group

The tea leaves in hot water: very strong and bitter, and drunk from the glass without being filtered, so the leaves get in your teeth!

Things to feature in the Lao ACCA Newsletter :

- How they manage the \$7,000 per district, for small projects.
- Using ACCA to strengthen the CDFs, and bring infrastructure and housing issues into the savings groups work.
- Community networks to take over the process of coordinating the Lao savings / CDF / ACCA process, since WCEP funding from ACHR is now over and will close.
- Indochina network support in Lao

EXCHANGE RATE : 8,000 Kip = US\$1

ACCA in Lao PDR (as of after Penang meeting)						
Lao PDR	District	Total approved	Big projects	small projects	city process	
(22 districts in 5 provinces)	1. Pak Ngum District, Vientiane Prefecture	8,000	--	7,000 (3)	1,000	
	2. Sangthong District, Vientiane Prefecture	8,000	40,000	7,000 (3)	1,000	
	3. Naxaythong District, Vientiane Prefecture	8,000	--	7,000 (3)	1,000	
	4. Srisatthanat District, Vientiane Prefecture	8,000	--	7,000 (3)	1,000	
	- 8 big projects	5. Chanthaburi District, Vientiane Prefecture	49,000	40,000	7,000 (3)	2,000
		6. Sikothabong Dist, Vientiane Prefecture	49,000	40,000	7,000 (3)	2,000
	- 85 small projects	7. Hadxayfong District, Vientiane Prefecture	8,000	--	7,000 (3)	1,000
		8. Muang Kong District, Champasak Province	16,000	--	15,000 (5)	1,000
		9. Pakse District, Champasak Province	48,000	40,000	7,000 (4)	1,000
		10. Chana Somboon District, Champasak Province	8,000	--	7,000 (4)	1,000
		11. Luang Prabang District, Luang Prabang Province	48,000	40,000	7,000 (4)	1,000
		12. Muang Ngoy District, Luang Prabang Province	8,000	40,000	7,000 (4)	1,000
		13. Nambak District, Luang Prabang Province	8,000	--	7,000 (4)	1,000
		14. Pak Ou District, Luang Prabang Province	8,000	--	7,000 (4)	1,000
		15. Huayxay District, Bokeo Province	8,000	--	7,000 (4)	1,000
		16. Tonpheung District, Bokeo Province	8,000	--	7,000 (4)	1,000
		17. Paktha District, Bokeo Province	8,000	--	7,000 (4)	1,000
		18. Boonneue District, Phongsaly Province	8,000	--	7,000 (4)	1,000
		19. Yod-Ou District, Phongsaly Province	8,000	40,000	7,000 (4)	1,000
		20. Phongsaly District, Phongsaly Province	8,000	40,000	7,000 (4)	1,000
		21. Buntay District, Phongsaly Province	8,000	--	7,000 (4)	1,000
		21. Muang Khwua District, Phongsaly Province	8,000	--	7,000 (4)	1,000

Somsook speaking about Lao PDR in the Penang ACCA meeting :

They have now developed this community fund and upgrading in 22 districts in Lao PDR. They use the ACCA funds a little differently and spread it out much wider than in other countries: they share the total budget so that each district gets \$7,000 for small projects, which they put into their district funds, which the savings groups then borrow (all loans, no grants!) for their small upgrading projects. With this \$7,000, each

district then implements about 3 or 4 projects, and when the money revolves back in the CDF, it will support another round of small projects. So we can see a big, big number of small projects being implemented by groups, through the mechanism of these district funds and the extensive network of these community savings groups which they link together. All the ACCA projects in Lao are working through this already-established mechanism.

Then four big housing projects have been approved so far. In Vientiane, the city is now going to celebrate the 450th anniversary of the city, and to prepare for this and beautify the city, there are plans to evict most of the urban poor communities - they have no knowledge and no idea what else to do! So our first ACCA big housing project in the Nong Duang Tung Community (an on-site upgrading of an old squatter settlement, on government land, with long-term lease) is an important milestone for the city and for the whole country, because it shows an alternative way to deal with urban upgrading, in which the people can stay and improve their settlement on-site, instead of being evicted. Now there is a second project in Vientiane, and these two projects bring into Lao the knowledge of how the communities themselves can fix the problems - and it's quite simple and easy! Then from the first two big projects in Vientiane, two more projects in Champasak and Luang Prabang.

Decentralizing the coordination of the national savings process to the community networks : For some time, we have been trying to propose to institutionalize this national women's savings process under the Lao Women's Union (LWU). But this hasn't gone that easily. So finally the network of the communities in different districts agreed that they would like to link together as a network and register themselves as an association, and will take over this kind of facilitating and coordinating work in Lao. And hopefully the national fund (which is now managed by the LWU) will transfer its capital to the various district-level CDFs. So like Cambodia, it will also be a decentralizing direction, with the communities taking over! And we hope that eventually, ACCA can link directly with this community network association.

Somsook : We are now talking about the whole country! In some ways, it is clear now that some of the groups have a vision of making change at the country level now. Of course we start at the city level with our city-wide upgrading, but then when people start moving and negotiating in their cities, they link with other cities, and start developing a vision of change across the country. I think this is very important, because we are not just doing projects, but using the implementation of concrete projects to be tools for change: tools to link people, tools to go up into another level, tools to change policy, tools to negotiate. We can see this change very clearly in the process that we have implemented in the last two and a half years.

- **Most of the countries are now working at the scale of cities**, and also trying to get the national government involved. This requires a new set of support. We've started with a little bit of finance to help people wake up and start working. But we need more of this in order to make a stronger change, a policy change, a national change. And we need another set of advocacy - we are doing that, but it may not be sufficient.

WCEP Quarterly Steering Committee Meeting (held in the Chantaburi District office)

Who attended: (about 30 people, mostly women)

- WCEP staff: Kanthone, Phan, Ms. Maikam (young architect), and Mr. Vong (young staff)
- Chantaburi District officers
- Community leaders from the various districts / CDFs
- Women's union staff
- the meeting is chaired by Khun Sirikit Bhupa (Lao Women's Union)

This committee meets every 3 months.

The women all so neat and pretty, in their tailored blouses and *paa-sins* (which many women weave themselves) and hair pulled back in buns, with a jewel or two sparkling on their fingers, perhaps a string of pearls for the higher-up ladies, and everyone with manicured nails!

Central Fund : The central fund was set up in (DATE?), with the idea of injecting a little extra loan capital into the district-level CDFs to boost their savings membership and lending capacity. First loan of \$5,000 went to Pak Ngum District CDF, which onlent to its member savings groups, and when the money was repaid it became this central fund, and immediately recycled in another loan to Naxaithong District.

- **Example of Sangthong District:** The community savings started with 43 million Kip (\$5,375), but after a small loan from the central fund to the district CDF, the savings quickly increased to 100 million Kip (\$12,500), with more savings members saving more and more.

- **The ACCA budget all goes through the central fund also**, with \$7,000 per district (for small projects) and \$1,000 per district (for city process activities) = total \$8,000 per district (total 22 districts).
- **Decent poor funds also go through the Central Fund.**
- **District CDFs can then propose loans from the central fund, up to about 600 million Kip (\$75,000).**
- **Loans to district CDFs to cover silk weaving, fisheries, income generation, agriculture, animal raising, all kinds of loans.**
- National fund loan capital is still quite small, but there are lots and lots of proposals for loans from all the districts, since the district level CDFs have so little money so far. So they have loan ceilings of 50 million Kip (\$6,250) per district and 5 million Kip (\$625) per family. But even so, th

Compare Cambodia with Lao : In Cambodia, we started with the national fund and structure first, and then used the UPDF to start savings groups and community processes around the country. But here in Lao you started with the ground first, and got to the national level much later, after the ground was already very strong and large scale! Different vectors. Also Thailand, with strong central fund.

District Level CDFs :

- **Many began with the \$8,000 funds from ACCA** (like Chantaburi), and the CDFs link the local authority with the local communities in that district.
- But the CDFs in Pak Ngum and 3 other districts in Vientiane Prefecture started in 2002 (?), under the MOU with CODI.
- **In each district, there are three sources of funds:** 1) community savings (usually 10-12 savings groups in each district), 2) loan interest (used for welfare fund) and 3) ACCA funds.
- Now, part of the interest generated on loans + the ACCA funds are put together into the district CDFs.
- Pak Ngum puts all these together into the CDF, but Chantaburi still keeps the ACCA funds specifically to each community - not yet put together into the CDF. Still working on trying to make the people in Chantaburi feel that the Thung Khan Kham project belongs to the whole district, and it's our district's money..."
- **In most districts, the District Governors (all men!) act as chairman of the CDF committee.** But four districts have women deputy governors (like in Pak Ngum, Sangthong and Naxaithong) who are active in the CDF process. In the Lao government system, district governors are not elected, but appointed by the central government. But the district and village committees are elected from local people.
- Every year, each district organizes a meeting of all the savings members in that district, when they elect their committee members for the District level CDF.

Savings process :

National Savings totals for Lao PDR :

- **Now a total of about 100,000 savings members, in 22 districts (in 5 provinces)**
- **Total savings of 140.6 billion Kip (US\$ 17.6 million), most of it circulating in loans**
- **Paa Somay: Before, savings was just an "activity" in Lao, now it's policy!**

- **Good point:** All districts have good auditing and management systems now:
- **Weak point:** some savings members still don't agree to adjust their savings and lending regulations to fit the standard.
- **Purpose of loans in savings groups:** income generation, agriculture, animal raising, small trading, environmental conservation projects, fisheries, community forestry, even training on organic fertilizer, etc.

The culture of the community is still very strong in Lao PDR! Also "service mind" and taking care of the environment, conserving the forests, fisheries, soil, making security by making friends and working together - *not only money!* Many ceremonies still celebrated, according to the season.

WCEP (Women and Community Empowering Project) - this is the NGO which was specifically set up to support the community savings process in Lao PDR, with support from ACHR. Now there is no more funding to support and WCEP will be finished in a couple of months, when the funds run out.

- **Kanthone: How to continue to support so that the community process can stand on its own legs?** We can find money for the communities, but not for administration. So we try to find a new way to support the community process

Cities or districts? The term in Lao for all these districts is "City", But in fact, some districts are very urban, some are completely rural, and some are in the peripheral areas in between urban and rural. So for purposes of this newsletter, we'll use the word "district", which is probably more readily understood by outsiders as an administrative unit (containing many villages or communities) which can be either urban or rural.

Khun Sirikit speaks : All these projects have been done by women power! Big and small upgrading projects, savings, environment, agriculture, fisheries, markets, etc. After starting the savings groups, we can reduce the amount of loans people take from private money lenders, and improve houses better, etc. And these savings activities are building better cities and better communities and improving living conditions. These women's activities are very important to Lao's development as a country! So the Lao Women's Union agreed to support this savings process and try to collaborate with not only the women's savings groups, but with the district governors.

- **The \$40,000 support for housing from ACCA is very big for people**, but how to revolve this money so that it is paid back to the CDF and can help others make better houses?
- **Before, all the districts had different interest rates for housing loans** (some very high!), but now we've agreed that everyone will pay 6% annual interest rates for housing loans, to make it easier for people to repay their loans to the CDF.

Paa Sommay speaks :

- We want to strengthen the district-level CDF committees.
- Trying to make a standard set of rules and practices for the savings groups and CDFs - especially the regulations about giving and repaying loans. Need to follow up on regulations for the district-level savings groups and CDFs.
- **We made a set of guidelines a year ago, everyone agreed to them, and we put them together in a handbook.** These rules included maximum interest rates, maximum loans, etc. Some points can be standard, and many can be flexible, according to the district and the group. Includes But still, some districts are not following these regulations, still charging very high interest rates of 2% per month! We're trying to lower the interest rates to make it easier for women to repay.

Flexibility : Different repayment systems for different economic realities, accd. to group:

- City informal workers repay their loans daily
- rural farmers repay their loans seasonally
- workers on salaries repay monthly or weekly

Rules in common: Try to make some standard about how to use the dividend at the end of the year?

- how much return to members?
- how much goes into the welfare fund?
- how much used for admin?
- how much goes into the education fund?

Handbook of savings rules (summary from Kanthone)

- Want to make clear understanding between the district level and community level, same target, about savings (?)
- Why we support women as the key actors of the savings activities
- Guidelines and suggestions about roles and functions of the committees, how to elect members, advisors role, how to do
- How to share the benefits at the end of each year, between savings members, village committee and district level.
- How to support insurance welfare.

Lao Womens Union official from Chantaburi District speaks: There are three levels: community level, sub-district (khet) level, and district level. So when we get income from the interest earned on the savings and loan process, how to share it between these levels? LWU has officers at all these levels.

- **The savings groups have to give some money to the LWU?** I think the implication is that the community savings groups in Lao have to pay something from the interest earned on loans to support the LWU involvement in their process, at all these three levels - so it's somewhat backwards in Lao! Instead of the government supporting the people's process with budget, the people's process supports the government with budget! **IS THIS CORRECT?**

ACCA projects in Lao : All loans, no grants!

- **In Chantaburi district**, the small project funds from ACCA (\$7,000) are now 90% repaid, and already revolving in the CDF into new projects and loans.
- **This is a new direction for the savings process in Lao** - this city-wide upgrading process, and it's helping the communities to look around them at the larger scale of their districts. It's still a new concept, still not very clear to many: Why we do a city-wide survey and make priorities and set plans for district-wide upgrading?
- **Paa Sommay adds:** Now the challenge is to do city-wide upgrading. First, we started only in the village level... (?)

Very simple goal of all this work: better lives, better incomes, better communities and better living conditions - and we get all these things by using community finance and doing everything ourselves. (Paa Sommay)

1. SITE VISITS IN VIENTIANE PREFECTURE :

Vientiane Prefecture has 9 districts, of which 7 districts are involved in the savings / CDF process

Evictions for Big EU Meeting planned in Vientiane in December 2012: For which many riverside families have been evicted, where they are building a series of big new villas to house all the EU ministers who will come, near the Don Ja bridge. One villa per minister.

Small land compensation and high land prices : In the Vientiane Times Newspaper (Thursday Jan 5, 2012) On the front cover, there are two stories :

- **Nongtha wetland cleared for development** (74.85 HA), in which the people who had land within the project area (in Chantaburi District) were given compensation of US\$4 per square meter (the money comes from the developer, but is given to the people via the Lao government). The developer has got the land on a 50-year concession for the \$250 million project, which includes infrastructure, housing, hotels, restaurants, tourism facilities, commercial developments and a "leisure park."
- **Land prices in Vientiane soaring sharply :** In which they describe land in the city center now selling for US\$2,500 - \$3,000 per square meter, and in more peripheral land in other Vientiane districts, going for at least \$80 - 200 per square meter. All land sold by bid.

Six Development Slogans for Vientiane, to encourage people to help make the city one of the most beautiful and modern cities in the region : security, cleanliness, greenery, lighting, charm and civilization. (from *Vientiane Times*, Jan 5, 2012)

Lao becoming known as "Asia's Battery" for all the dams it is building on its rivers to sell hydro power to its richer neighbors in Thailand, Vietnam and Cambodia, while more than half of the country's inhabitants don't have access to electricity at all, and millions are being displaced from their villages, farms and houses by these dams, and impoverished in the process.

HUGE CHINESE INVESTMENT IN LAO PDR NOW! In Vientiane, there are now 1 million Chinese people doing various kinds of businesses, many of them don't even speak Lao. All the shopping malls, big shops and hotels and business investment is mostly by Chinese.

Chantaburi District (Vientiane Prefecture) :

- **Lots of slums around the Chantaburi District Office**, tucked into bits of land here and there, with families from Lao, Vietnam, Thailand and Cambodia.
- Now 80 squatter families (**or renting?**) on private land right behind the District Office are facing eviction. Now negotiating to get nearby relocation for them, 2-4 kms away, with 15mx15m plots, which the landowner will give for free, as a kind of land-swap. (Is this Thung Khan Kham zone 1?)
- **In Chantaburi district**, the small project funds from ACCA (\$7,000) are now 90% repaid, and already revolving in the CDF.

Visit SMALL ACCA Project at Baan Hai Sok (Road improvement)

This is a prosperous inner-city community, right next to the Haisok Pagoda. **Total 214 households in community.** Mix of middle class and poorer families, with some restaurants and businesses also. Before, serious problems with flooding on this inner lane in the community. ACCA project to raise the level and

concrete pave 130 meters long road x 4m wide (in 2 parts), with concrete paving. No sign of any poor houses or poor people here! All very big, nice houses and restaurants and shops along this concrete road!

- **Savings group in Baan Hai Sok has 92 members**, with 60 million kip (\$7,500) in collective savings. They started savings in 2005. All the money is circulating in loans for health, school books, small businesses, etc. Monthly interest rates for loans from the savings group: 1% for health and school, 2% for education and 3% for businesses.
- **Ms. Davone Rattana (with the big hair-do)** is chairperson of the savings group and also chief of the village level LWU and a Chantaburi District government official. She explains the project (*no other community members were there*).
- **Road project:** There are a total of 9 internal lanes in the Baan Hai Sok Community. 7 of these lanes were upgraded and paved since 2001, under an urban infrastructure upgrading program of the ADB and government, in which ADB provided 70% of the road upgrading costs, and the government and people provided the remaining 30%. But there were still two lanes that had not been improved, and which had bad flooding problems. This ACCA supported project has enabled the community to upgrade and pave these last two lanes (total 130m), with concrete paving and side drains. It took the people only 3 days to construct the road. The concrete was delivered from a pre-mixed truck.
- **Budget:** 36 million Kip from ACCA CDF (loan at 5%) + contributions from the temple and from the 9 households which face this improved part of the roads = 5 million kip. This 36 million kip loan from the CDF (at 5%) was shared between two tasks: the road (30 million kip loan to the Hai Sok savings group) and some handicraft income generation loans (6 million kip to another community savings group). So total road budget = 30 + 5 = 35 million kip (\$4,375)
- **QUESTION: This concrete road goes in front of 11 houses that are all very big and rich - but poor savings group members are paying for it?** Ms. Davone answers: 9 of these 11 houses are savings group members, and the savings group here is a mix of poor and non-poor families. She explains that in these inner city communities, they used to be all very poor and conditions were bad, but everyone here has land security, and now a lot of families have done well and now things are much improved and its mixed. The savings group has helped.

Thung Khan Kham Big project: (Chantaburi District)

This large informal settlement is located immediately behind the Chantaburi District office, in an area with lots of informal settlements. The community is divided into three zones:

- **Zone 1 = 74 households** (on government land - doing on-site reblocking)
- **Zone 2 - 64 households** (on government land - doing on-site reblocking)
- **Zone 3 = 46 households** (land rental on private land, paying about 50,000 Kip - US\$6.25 - per year per HH. Now the land has been sold to another investor and the people are being evicted, negotiating relocation)
- **TOTAL = 184 households** (138 in 1 and 2 + 46 in Zone 3)

WCEP's Original ACCA Proposal for Thung Khan Kham: Thungkhankham is the one communities in core area of Vientiane. The settlement is located partly on gov land and partly on private land - both of which have insecure status. Since the private owner sold the land to an investor (in part of the settlement), the community people need to move out to new prepared land by the next month. The rest of the settlement is on Gov. land, but they are also worrying about their insecure status while the land value has been going up.

- **Inspired by the breakthrough at Nong Duang Thung project nearby (the first on-site slum redevelopment project in Lao).** The process so far: WCEP has organized the ThungKhankham people and local authority to visit and share an experience with Nongduangthung community of Srikotthabong District, about how to start housing security project.

Important project strategy: start with the road improvement first, to get people involved on a common project and help build confidence in the process, then improve the houses later! The project started with the road improvement, and only after the road was straightened and improved, did we start with the housing improvements. Many very quickly started to improve their houses, without any loans, once they got the new road and the secure land tenure! Still constructing houses. And in both zones 1 and 2, the house improvements is happening VERY quickly, as soon as the new road was begun! With or without ACCA loan support! (Same strategy in Nong Duang Tung)

- **Why start with the road first?** (Chantaburi District Governor answers) Both on-site upgrading and some already have decent houses. But the road was very bad, floods, mucky, bad image, slummy, narrow. Only motorcycles can pass through. So we start with the road. After the road, so much activity starts with the houses, most by itself, even without any ACCA loans!

- **Paa Sommay adds:** Why walkway is important, because it is for the whole community, not only one family. So the road improvement becomes an important common activity for everyone in the community. And this activity gives strength to the community to start something by themselves, right away, and then work out the clear loan details and terms.
- **The road was low-lying and mucky, had to raise the level, add drains,** and widen and straighten the road a bit, so there was a little reblocking required. Before, the roads here were very narrow, sometimes not even wide enough for a single person to walk straight - have to walk sideways!
- **Road construction done 100% by people and contributed extra cash also,** with good participation from whole community. The \$10,000 from ACCA (grant) was not sufficient, so community people chipped in extra. All labor by people free.
- **Staggered working times:** In Block 1, they mostly worked on the road in the evenings (6-9 PM), since most people are day workers, but in Block 2, they worked on the road in the morning (8-12 AM), since most are vendors who need to go out to sell in the afternoon and evening.
- **4 - 5 houses had to be move a little to make way for the wider, straighter road.** They just moved a little, but had to reconstruct part of all of their house.
- **Reblocking negotiation assistance from the District Governor :** Everyone agreed to move a little to make a straight road, but two families didn't agree to move their houses - both very poor. Finally, the district governor helped to negotiate with them and persuade them to move. Important role of the district governor!

ACCA Budget : They agreed that \$10,000 from the \$40,000 ACCA budget would be used to do the road improvements first, in Zone 1 and 2, and the remaining \$30,000 will be for housing improvement loans, through the CDF.

- **Not everyone gets housing loans, and loans for maximum 50% of the house cost :** In Block 2, only 18 families have proposed for housing loans, with 6 families in the first batch.
- **One house example of improvements :** Mrs. Vieng shows us one example, which cost 5.6 million Kip (\$700), of which 3.6 million Kip (\$450) came as a loan from ACCA/CDF and the remaining 2 million Kip (250) came from the family's savings.
- **Land tenure in Zones 1 and 2 is more secure,** but they don't yet have land title.

Mrs. Vieng is the very active savings group leader in Zone 2. She is a very poor widow, who sells balloons on the street to support her family. Her husband was a molam actor. She has visited Thailand. She went to Luang Prabang and Pakse on exposure visits to understand very clearly the ACCA process. Her house is made of mostly recycled wood and tin sheets, but the bricks and columns are new. She is making her new house incrementally, as many of her neighbors are, with the new columns put up, but still living in a shack in the center.

Visit to Zone 3 (46 households) : This community has been here for 50 years. Most of the residents were born here. Before, this land was all a big lake near a prison, and the only way to get into the community was by a wooden bridge. First some settlers came, and then other joined. At first, they were squatters, but now all pay rent to the private land-owner who claimed to own the land at some point. Each family pays 50,000 - 100,000 Kip (US\$6 - 12) per year per house. The residents here mostly have small businesses selling vegetables and snacks and small goods from push-carts, also several construction workers and artisans.

- The families here share water supply systems and metered electricity, in small sub-groups, and seem quite well organized.
- **Eviction and proposed relocation:** Now the land has been sold to another investor and the people are being evicted. There is a plan to move them to another place, 4 kms away, where the new land-owner will provide them with 10x15m plots, and each family will get 55 pieces of zinc roofing sheets, with wood and 12 columns to help them make a kind of starter house. But this relocation deal is not clear.
- **Land-ownership not clear, but perhaps on-site upgrading still possible:** If it was a lake and a prison before, this land should all be public land, but in the last 50 years, somebody has claimed this land as private land, even while it was being occupied by this community. Suggestion to challenge this ownership, and use this challenge to strengthen their negotiation to be allowed to stay, or to get a better relocation deal. Somsak suggests asking the Deputy District Governor to help challenge this land ownership.
- **No savings group here yet, no community planning yet - lots of work to do!** But they do have a community group. Somsak proposes that they start savings, survey their settlement, develop their own plan together, as part of the city-wide upgrading, and propose the plan to the district and the land-owner.
- **Khun Mo (lady) -** her family has 17 members, and very poor quality house. Husband sells grilled squid from a cart. She pays 100,000 Kip (\$12.50) per year, per family, rent for her land.

World Bank Land Titling Program in Lao PDR : This large project tries to get land title to individual families and also land concessions to foreigners for different kinds of investment. The program makes it easier for families to sell their land, and bring foreign investment into the country, makes conditions easier for investors wanting to enter into Lao. **CHECK THIS OUT!**

Sikhottabong District (Vientiane Prefecture)

This district lies along the Mekong River, to the north of the Vientiane City, on the way to the Friendship Bridge that crosses to Nongkai in Thailand. This district is still mostly rural, but it is developing very fast, with the connection to Thailand, which is just across the river. The red-soil road we travel along goes parallel to the river, and is very bumpy and dusty, even though we're told that Thailand has given a grant to improve this road

Visit to Baan Huay Hom (Small ACCA Project water supply).

This village has 177 houses, and most families grow vegetables on the vacant land down beside the river (which they have to rent) and sell the aubergines and produce in town. 10 landless families rent land here, on the edge of the village.

- **All women leaders in this village!**
- **Savings: Started saving over 2 years ago.** 100 savings members, with total savings of 135 million Kip (\$16,875), and all the savings is almost constantly revolving in loans to members, mostly for agriculture and vegetable growing. Most loans are repaid after the harvest, rather than in monthly installments. But there are also loans for emergencies and accidents, for which they keep 1-2 million kip in cash ready for these emergencies. The savings group meets monthly to save, and to discuss and issue new loans, and to send their monthly savings report to the Sikhottabong District CDF level. The village chief sends weekly reports about various village issues to the district level, also.
- **3% monthly interest rate charged on loans from the savings group:** They charge 3% per month for all kinds of loans from the savings group. But the women tell us this is very low interest, compared to the 20% per month charged by informal money-lenders here! Their plan is to reduce this rate later, when they have more funds in their village savings fund. In the mean time, the women all seem perfectly happy with this high interest rate.
- **Earnings about \$1,250 per family per year:** Each family takes in about 30 million Kip (\$3,750) per year (net) from selling their vegetables, and from that earns a profit of about 10 million Kip (\$1,250), after all the expenses. One lady tells us that is sufficient for survival.
- **Big improvements in people's lives since the savings group started :** For a village like this, where almost everyone survives by growing vegetables, the savings group has become a real survival system. Before, some families here very poor. Now living conditions much improved. Many members have borrowed to make small improvements to their houses, kitchens and build toilets.

Baan Huay Hom Small ACCA project water supply system for 78 Households: The project involved the construction of 2 water supply systems in two parts of the higher land part of the village, where people had no water supply system - each with a pump, a well and an overhead tank (a 3,000 liter stainless steel tank set on a concrete frame tower), which feeds a network of supply pipes to the houses in that area. One set serves 46 households, and the other set serves 32 houses, total 78 households served by the systems. The other 80 families already had their own wells or lived close enough to use the river water, so this project filled a gap in the village serves those who didn't have a workable water supply.

- **It took them only 15 days to construct the two water supply systems, with 10 people working per day. The people did all the work themselves, but the district government provided some technical support,**
- The water is used for cooking, washing and bathing, but has to be boiled for drinking. Most still buy their drinking water in big jars.
- **System for managing the water supply:** They have regulations for how to use the water. Each family is allowed to fill one 200-liter drum of water, per day. Which is sufficient for one family's use.
- **Total cost of the 2 water supply systems was 72.8 million Kip (\$9,100).** They borrowed this full amount from CDF (ACCA) (at 6% per year) to build the system, and will repay the ACCA loan in 2 years. Each of the 78 households pays 45,000 Kip (\$5,63) per month, to repay the loan. When the ACCA loan to the CDF is repaid in 2 years, they will reduce the payment for water to 10,000 kip/mo/HH (\$1.25)
- **Before expensive water:** Before, they had to buy their water from private sector suppliers, paying at least 100,000 - 200,000 Kip (\$12 - 25) per month per family. After the project, they pay only 45,000 Kip (\$6) per month per family, for the 2 years while they repay the ACCA loan to the CDF.

- **NEXT PLAN:** The now want to build a new school in the village. Someone asks, Why doesn't the government provide schools here? Answer: oh, the government is very poor!

Talk to young woman Nongkhaan Sitisena. She is a savings member, with about 500,000 kip (\$62) in savings in the group. 5 members in her family. 2 story house. She is one of the families with the new water point. Before, she paid about 200,000 Kip (\$25) per month for water, which she had to buy @ 10,000 kip per small jar. Now she pays each month 45,000 Kip (for the ACCA loan) + 2,000 for her share of the shared electricity, so full services only 47,000 Kip per month. She earns her income by sorting and boxing sweet tamarind from China, for which she earns about \$6 per day (her house is totally empty inside, only piles of tamarind!). She took a loan from the savings group to build a toilet in her house. She says of the savings group, "Very convenient! We never lose any money, and trust the leaders 100%!"

The savings groups have agreed to the guidelines, they meet monthly.

Nong Duang Tung - BIG ACCA housing project :

Families who took housing loans from the CDF repay daily, 5,000 Kip (US\$ 75 cents) per family per day - which makes it easier for families who earn their living as vendors and daily wage workers.

Strategy of starting with the road improvement first :

- **Main road as public space :** Paved road, with side drains that have been designed to be sitting places and places to put potted plants, to make the road into a lively public space. When we visit, this road is so lively and busy, with vendors and little shops and people hanging around, we all agree that Nad would be very happy! (*But a lot of garbage everywhere, and the drains are broken down a bit here and there - maintenance not too good*)
- **A little reblocking to widen and straighten the road :** Only 6 families had to move a little to make way for the road widening. The first batch of housing improvement loans from the CDF (ACCA) went to these six families to help them rebuild their houses.
- **ACCA Budget = \$40,000.** Spent only \$10,000 on the infrastructure (mostly the road improvement) and
- **The other \$30,000 from ACCA is being used for housing improvement loans through the CDF.** First phase 6 families (those families who had to move for reblocking = 6 families x \$625 = \$3,750) proposed for housing improvement loans, and 32 families proposed in the second phase (32 families x \$625 = 20,000). No applicants for the third phase yet.
- **What kind of improvements do people make with these loans?** New toilets, making concrete floors, new roofs, adding a room, etc.
- **Principal of insufficiency:** The 5 million kip (\$625) loan ceiling for housing improvement loans is *not enough* for rebuilding a house! Everyone knows this, and they use the loans to start a process of incremental improvements, maybe starting with a foundation and column structure, and live in the old shack in the middle, then later fill in the floor add wall in one room.
- **Most families improved their houses on their own, without any loans from the CDF.** The road improvement and secure tenure unleashed a storm of housing improvements and investments in housing all over the settlement, very quickly!
- **Terms of the housing loans from CDF :** Loan ceiling is 5 million Kip (US\$625), repayable in 2 years at 8% annual interest (of which 4% stays in the community savings group and 4% goes back to the district CDF for the district level welfare fund and to increase the lending capital in the CDF). Because most of the Nong Duang Tung residents are vendors and daily wage laborers, they use a daily repayment system for the housing loans, to make it easier to repay, in which borrowers repay 15,000 Kip (about \$1.85) per day. Some members have already paid back their full loans already!
- **House improvement example 1:** One lady who has a good business to make handicrafts. She has spent 24 million Kip (\$3,000) so far to rebuild her big 2-story house, starting with a 5 million Kip (\$625) loan from the CDF. She has already repaid her CDF loan, in just a year. Still needs to plaster outside and do finishes.
- **House improvement example 2:** One guy is a carpenter and loves old wooden houses. He has kept the wood from his demolished old house, and salvaged other wood beams and columns from elsewhere and is collecting it to build a proper traditional stilt wooden house eventually, on his big back corner lot. He's got all the columns now for a big house, and they are in place. His big family is now camping out in a big earth-floored space, with a roof over the top.
- **House improvement example 3:** Another old man is still living in his bamboo stilt shack, and is collecting materials to build a better house - with big piles of blocks and some pre-fab concrete columns in front. He's waiting for an auspicious day to start the new construction.

Baan Non Keo - small ACCA project road + drains

Big village of 659 households (population 3,580 people).

- **Savings** : We are joined by Mrs. Kamkeo, who is the chairperson of the Kao Leo Subdistrict, which has 7 villages in it, including Baan Non Keo. All 7 of these villages have savings groups, with total 4,230 members, and total savings of 758 million Kip (\$94,750).
- **ACCA road Project** : 407m x 3m road - raised the road level with land-fill, topped it with red soil and dug side drains. Started work in July 2010 (but had to slow down for rainy season). All labor free from community members.
- **Road project budget** : 20 million Kip (\$2,500) loan from ACCA + 10.4 million Kip (\$1,300) cash contribution from the people.

Hadxaifong District (Vientiane Prefecture)

This is one of the more peripheral districts in Vientiane Prefecture, also close to the Mekong River.

Visit to Baan Na Hai (Small ACCA Project, road + drainage):

First we meet in the Baan Na Hai village office, where the village chief is a woman. Baan Na Hai is officially a "Developing village", in which there are five points which villages have to achieve, in order to become a "Developing" village. 650 families in this village: farmers (growing vegetables along the Mekong), construction workers, factory workers (many factories nearby)

There are two loan funds in this village:

- **A village fund** with about 10 million Kip in capital (in which all 650 villagers are members, and all have to save 5,000 Kip per month, and which gives loans and has welfare program).
- **The community savings group** (linked to LWU), which started in 2010, and there are now 100 members (families) out of total 650 hh in the village. Total savings is 130 million Kip (\$16,250)

ACCA Road project in Baan Na Hai : 5m wide x 2.5 kilometers long (3 separate lines), red-earth surface with drains on both sides. This is an important road, which connects the village to other districts. Used to be very low-lying and turns into a mucky swamp for 6 months of the year, in the rains.

- **Road budget** : Total cost of the project was 108 million Kip (\$13,500), of which 20 million Kip (\$2,500) came as a loan (at 5%) from ACCA through the CDF, and 53.6 million Kip (US\$6,700) came from cash contributions from all 650 families in the community (all 650 families!) and 34.5 million Kip (\$4,312) came from the local government in the form of 343 loads of soil from a nearby lake for land-fill to raise the level of the road (not cash).
- **Very strong participation of the community in building the road**, which links all the houses. It took the community 15 days to build the road, and each block of 50-meters was built by a group of 20 people, working every day for 15 days.
- **Road finished in November 2010**. Started collecting the extra money a month earlier.
- **20 million Kip loan from the CDF for the road (ACCA)**. When this loan is repaid, they plan to revolve the money to give more loans, mostly for farming-related employment (buying fertilizers, seeds, starting small businesses).
- **GET PHOTOS FROM SOMSAK!**

QUESTION: Why should people have to construct and pay for building a public road like this? 1,000 families use this road every day. The government has had a plan to build a new black-topped road on the other side, but year after year we wait and wait and it never gets built! In the mean time, very difficult to come and go from our houses during most of the year, when the road is either flooded or very muddy. So after we started our savings group, we decided to contribute our own money - with a little loan from the CDF (ACCA) and do the road ourselves. Next plan is to develop the drains along both sides of the road better, and now that we have the road finished, we are negotiating to get government funds to do this.

Car gossip: Socialism in Lao PDR: Poor villagers build and pay for their own roads, water supply systems, while the government officials in their gaudy mansions sell off the country to the Chinese!

- **Watching patriotic videos in the van:** happy peasants in ethnic dress threshing the grain, dancing and singing the national song. Generals shaking hands with other smiling generals to the lively beat of the music.

Baan Som Sanook : (We don't have time to visit this project, which is just getting started)

- **ACCA Small project to improve road.** Will be 3 or 4 kms long. Same as Na Hai, with land-fill and red soil on top, to raise the level of the road above flooding level, and add drains at the side. 20 years ago, they built this road together, now it has deteriorated.
- Budget: Three actors will contribute to the road: the people, the CDF (ACCA) and the local government) They have already collected money (100,000 Kip = \$12 per family) from each family in the village.
- The project will be managed by the savings group, in which the village chief is a member.
- But we got big money (**HOW MUCH?**) from the local government, to make this 4 kilometers road!

The genuine culture of doing things collectively and solving common problems together is still strong in Lao: They build the road together and will now improve that road together, they cook together, work together. This "city" idea has come only very recently, *"That is the government's responsibility to do that, not mine. I'm busy and won't work."*

Naxay Thong District (Vientiane Prefecture)

Baan Nong Khan Kheo : Small ACCA project - Water supply.

This small village has 134 households (total population 600 people). Most families here are farmers and many also weave beautiful baskets for sticky rice, which they sell along the main road, and also send into the markets in Vientiane.

- **Strong savings group in this village:** Started savings group here in 2007. Now 200 members (100% of households are savings members, some several members in one hh!). Total savings is about 200 million Kip (\$25,000). Most of the savings is constantly circulating in loans, mostly for income generation. Before savings group, no source of credit in the village except from money lenders at very high interest! Leader tells us the savings group has made a dramatic difference in the village, where most are farmers, with better life and better income.
- **The ACCA project includes the construction of a concrete frame tower,** with a 3,000-liter stainless steel water tank on top, a pump, a well and an underground pipe network which connects the water to 27 households. Water is OK for washing and cooking, but not for drinking. Each family has a meter, and they pay collectively for both water and electricity. One of the village members donated the land for the well and water tank. Each family now pays 31,000 Kip (\$3.90) per family per month (for water), and 5,000 Kip (\$ 60 cents) per month per family (for electricity). Most of this fee for water is used to repay the CDF loan, but some kept for repairs and maintenance. They have a monthly meeting of users to discuss problems and deal with loan repayments and maintenance issues. After they repay the CDF loan in 2 years, their water payments will be much less!
- **Budget from ACCA = 22 million Kip (\$2,750)** (which comes as a loan to the savings group from the district CDF, repayable in 2 years @ 6%). All labor free from the community. No money from the local government, but they supported with "the idea."
- **Project finished July 2010.**
- **Next plans:** Will take the next loan from the CDF to expand the water supply system to other households (with new tanks and pumps), and have plan to make a water filtering system, to make the water drinkable. (they still have to buy drinking water from outside, since the water supply is not clean enough to drink).

Sangthong District (Vientiane Prefecture)

WE DIDN'T VISIT THIS PLACE

BIG ACCA Housing project: PLACE NAME? Total 83 households. Migrants from other areas, most are farmers. Government provides free land (20m x 30m plots). Government made the site layout plan, not people. On-site upgrading, but with a little readjustment. This district is 60 kms from Vientiane city. Now starting to do materials survey to see what kind of building materials people have and can salvage from their old houses, and how many families need to take housing loans. The district governor has agreed to the action plan. Total budget from ACCA = \$40,000, of which maximum \$10,000 will be used as a grant to develop the infrastructure, and the rest will be used for housing loans, through the CDF (at 6%). Loan repayments will probably be scheduled to coincide with the harvest, since most are farmers, and can repay only after harvesting their fields.

- Drinking water project - because water from well is not clean

Some big development project had a budget of 87,000 Euros for environmental improvements in the Sangthong district. The people wanted to put this money into their CDF, which they considered as their own district-level development finance mechanism. But the donors wouldn't agree. This is always a problem when donors refuse to allow local people to put together and integrate all these different and scattered development projects and budgets.

2. SITE VISITS IN LUANG PRABANG PROVINCE

Luang Prabang District (Luang Prabang Province) :

Lots of NGOs and international professionals here: This beautiful heritage city makes a very attractive place for many agencies to set up their headquarters, and the city is full of beautiful cafes where expats go for their power breakfasts and white land-rovers with do-gooders behind the wheels! JICA, UN, ADB, GTZ, students. All the issues are covered by these organizations: heritage, environment, dams, forestry, minorities, fisheries, mines, energy.

Many evictions in rural Lao (especially in minority areas, where the communities are perceived as being easier to push out) are happening for dams and foreign investments in mines and huge forestry and agriculture projects - rubber plantations, bananas, etc. Typically, the land for these projects is given by the central government to foreign companies or investors (many from China especially, also Korea, Thailand, Vietnam) on long-term concession (for 30 - 70 years). Huge tracts of land given away this way, as much as 10,000 hectares, much of it already used by villagers.

- **Thailand a big investor** in hydro power and dams in Lao, along the Mekong and other rivers, with Nam Teum 1, Nam Teum 2, Pak Ngum etc.
- **A lot of these dams are causing terrible floods and problems with the river system and fisheries** - this year terrible floods in Bokeo, from the dams. .

Somsak : Our idea is Don't wait for the government plans, which come like a shaft out of heaven! Usually, people don't know what the government is planning, or what land is being concessioned away. Our idea is to help people in these vulnerable rural communities to make their own plans first, and use these plans to discuss with the local and national government.

- **Somsak believes the government is trying to support these communities, but doesn't know how to do that.**
- **Public media is very important** - not only to fight against these government plans to sell off the country, but to show that people are strong and can plan and guide their own local development. And to show that people's participation in these big issues is a good thing -
- **"Positive thinking"** rather than focussing on all the terrible things happening in Lao now. Somsak keeps coming back to this idea of finding "positive" ways to deal with this stuff.

City-wide slum survey in Luang Prabang District : In March 2011, the community network conducted a quick, 3-day survey, with the local authority, with Somsak. They found 33 communities in 6 districts, many of which have serious problems of water-supply and drainage - even in a "World Heritage City" like this! Five of these communities are under threat of eviction - including the Baan Huadernbin community (more than 300 households), which is being impacted by the expansion of the airport (*big project below*).

Somsook : Luang Prabang is one of the most beautiful cities. But being a heritage city, as usual, there is a lot of attention from the government and tourist sector to develop the city, and land is more expensive. So the development indirectly leads to the problem of eviction of city's poor people who still don't have land security. So Somsak worked with the savings network and started with the survey, because this is what the savings groups have not yet done in these Lao cities. The savings groups always start with whoever is ready to start saving. But the city-wide process has to start with getting and understanding all the information about the whole city. And then try to see how to solve the problems on a city-wide scale, and use the savings groups can help be the backbone to expand the process. During the survey, they found several insecure and eviction situations, and one the big housing project will start in one evicted community which has already been allocated land from the government. And hopefully, from this first experiment, it will move into other communities.

The truth about Luang Prabang city: Luang Prabang City is divided up into three "rings" or zones, with the old historic center occupying the inner ring. The next ring is kind of a buffer zone with some protections, and the third ring also, before the river. But beyond that, it's a mess! A beautiful old city center, with historic buildings and great trees and oodles of charm. But this tiny core is surrounded by the usual ugly, dusty, unplanned sprawl and environmental degradation and poverty and exploitation we see everywhere else. Just cross the bridge and the magic turns very quickly into ugliness and dirt!

- **Headline: *Historic Luang Prabang: No red plastic buckets allowed!***
- **Luang Prabang was the capitol of Lao for 1,000 years (??),** but 450 years ago, they moved the capitol to Vientiane. City or temples are 800 years old (**CHECK THIS**)
- **Luang Prabang : A Doomed (Quaint?) relic in a vast sea of voracious Asian development.**
- **The beautiful public hospital, in a colonial building, that was sold off and turned into a posh hotel!** (clippings and photos in file). The whole story of how the city is being commercialized is contained in this single project. Where do the poor go now for health care?

Somsak: "Just start!" There are so many problems, everywhere we look, so much to do! No need to make any big plan, just start anywhere!

Meeting at Luang Prabang District Office

Meeting with LWU, and community CDF leaders (Ms. Suporn, Ms. Sumporn, and Mr. Pet). There are many micro-credit and credit unions in Lao PDR!

This is the headquarters of the CDF for Luang Prabang District, which is a partnership between the local community savings groups, the local authority and the LWU, with some good links with local NGOs and universities.

Lack of viable sources of credit in Lao :

- **Lack of formal finance available to middle class or private sector businesses in Lao :** That is why it is difficult for Lao people to compete with the Chinese and Vietnamese businessmen, who come with their own capital.
- **And no finance for the poor at all! Informal money Lenders in Luang Prabang charged 50% per month!** In 2006, informal money lenders (mostly from Vietnam) charged 50% per month for loans, and collected the repayments daily. Used to be the only source of credit in emergencies, so huge problems of debt, among the poor!
- **That is partly why so many organizations and NGOs run micro-finance programs in Lao,** all over the place. But none of these micro-finance schemes are run by the poor - all by outsiders.
- **So the community savings / CDF movement is trying to make a new financial system that is managed by the poor themselves.**

Savings in Luang Prabang District started in 2005.

- **There are total 118 villages in Luang Prabang District,** of which 29 villages have savings groups.
- **Savings figures for entire district:** 29 savings groups, 4,977 member families (25,887 people) and total savings of 2,321 million Kip (\$290,000). 80% of the members are women. *"Women are the members, but men support us"*
- **Savings groups divided into 2 zones:** Zone 1 (14 savings groups), and zone 2 (15 savings groups).
- **Savings groups all meet monthly.**
- **Two kinds of loans from the savings groups:** (1) loans for emergencies and day-to-day needs, and (2) loans for income generation.

District CDF : Revolving CDF fund has 90 million Kip (\$11,250) now, and has earned 19 million Kip (\$2,375) in interest on loans so far. The interest earned on loans from the CDF is used to operate the community network (?).

- **CDF capital so far comes from three sources :** (1) Funds from ACCA (\$7,000?), (2) funds borrowed from the central fund and (3) interest earned on loans from the CDF. (all the savings groups keep their village savings in the group - no savings are kept in the CDF)
- **CDF managed by a committee which is 100% women.**
- **Income generation loans from CDF at 18%:** When savings groups borrow from the CDF, the CDF uses money which it borrows from the Central Fund. CDF charges 18% annual interest on income gen loans to savings groups (for buying and selling and vendors in urban areas, and for agriculture and animal raising in rural areas, mostly).

- **All 29 villages with savings groups are part of the Luang Prabang District community network, and part of the CDF.**
- **The network meets once every 3 months with the LWU, and the savings groups meet monthly.**

QUESTION: How does the LWU support the savings / CDF process here? The Lao Women Union (District level) is the key actor to act "as a middle man between the government and the communities in the district." and "supports about policy." LWU helped to set up a lot of these savings groups and helps people understand about the savings process.

Poo Sang Kham Community - Big ACCA housing project (airport relocation):

Background : The central government is expanding the runway of the Luang Prabang airport (loan from China), so that 747s can land there. In April 2010, 300 households living on land adjacent to the airport were evicted for that project, in several scattered villages and clusters of houses which all fall under the name of *Baan Huadernbin* (which means "airport village" in Lao). Most of these families had house registration, though, and were given compensation and relocation plots nearby, some with houses.

- **But 52 of the evicted families from 4 or 5 scattered airport settlements had no land or registration** (most are ethnic minorities, are very poor and have no citizenship papers: "illegal people" who had moved down from the mountains looking for economic opportunities and etc.) and were not given relocation or compensation. These families, who were already very poor, spent over a year camping out in scattered clusters, in government tents, beside the road and on pieces of private land near their demolished homes, in terrible conditions, without basic services, through flooding and rains, waiting for some decision from the government. They were scattered. In June 2010, WCEP staff first met with them.
- **This community was included in the WCEP's March 2011 "city-wide" survey**, and identified as one of the most vulnerable communities in the city, having faced eviction and squatting now on temporary land now.
- **Free government land nearby :** On March 23, 2011, the WCEP and community savings network in Luang Prabang organized a meeting with the vice mayor and key departments in the city to present their survey findings and introduce the ACCA program. In the meeting, the government agreed to provide new land very close to the existing community. The land is raw hillside land. Land will be provided free (with individual title).
- **Had to negotiate for any infrastructure:** The government said the people have to move to the new land immediately in April 2011. But the people said no roads, no electricity or water, can't live there - it's just raw land! So the people proposed the government to make the roads and at least basic electricity before they move. So government built some rough roads, but no electricity yet. Had to make their own water supply system, with ACCA funds.
- **2 plot sizes :** It was agreed that both structure owners and renters will get plots in the relocation site. The 25 families who were included in the last census will get 450m² plots (15x30m) and the 27 families who were renters and not in the census will get 150m² (10x15m) plots.
- **The next step** is for the Luang Prabang savings network to help start a savings group here, and to start working with the people to develop their layout plans and house designs, with help from the community architects. There may still be some negotiation to convince the local government to allow the people to design the site layout themselves, rather than Municipal engineers.
- **Use this first project to strengthen the CDF to be a city-wide housing support mechanism**, not just to throw the money at one project at a time. The CDF will be jointly managed by the community savings network and the local authority together. They will start with housing loans to about 100 households who are now living in tents on the airport relocation site, with a loan ceiling of maximum \$1,000 per family, at 6% annual interest (of which 3% will stay in the city CDF and 3% will go into the national fund), repay in weekly payments in 5 years.

This project at Poo Sang Khan (Baan Huadernbin) was the third BIG ACCA project in Lao PDR, the third community-driven urban poor housing development project in the whole country, and the third case where the government has given free land to squatters!

- **This is an important pilot case, because there are many cases like this in Lao PDR, where people without any papers or registration or citizenship are being evicted for development projects, and left in a kind of limbo, because they aren't considered "legal" and entitled to compensation or relocation. So this project shows how**

Housing conditions now : Most living in temporary houses made quickly of boards, bamboo, tin sheets and thatch. These houses are simple, but still cost 1 - 3 million Kip (\$125 - \$375)

- **New land on a steeply-sloping hilly area** : Each family got 10x15 plots, but the layout was drawn by the government engineers on a stupid grid on the computer! (no community architects involved here yet), without any attention to the dramatic topography, so some family's plots have much less land than that, because of the hill slope. Many families have bulldozed the sloping parts, to make more flat area, and this is causing other parts to erode dangerously!
- **Nobody has toilets yet** : Plan to build toilets in clusters, to share a septic tank. Someone proposes community toilets, but the people had bad experiences with those and want to go for individual toilets, but can cut costs by sharing the septic tanks.
- **Electricity** : No formal electric supply yet. People buy informally from nearby houses. Idea is proposed to develop an electricity plan and take it to the Provincial Governor, and ask the province to share 50% of the cost with the community, or 70-30, as part of their "poverty reduction" policy.
- **Water supply project** : The \$10,000 from ACCA was used to build a well, pump, tank and piped water supply system, which now brings piped water to 32 of the 52 families (others not yet, but many plots nobody has moved in yet). Made a well at the top of the hill in June 2011. It took them only 18 days to finish the work on this water supply system, which was finished at the end of October 2011 (all labor free - about 4 men working all day). Still have to boil the water for drinking, though.
- **ACCA Housing loans** : Some families are taking loans from the ACCA/CDF for housing. Max 5 million Kip (\$625) for housing loans. So far, 26 families have proposed housing loans from the CDF, @ 8%, repayable in 2 years, every six months. (1% stays in the community savings group, 3% goes to the district level CDF, 2% goes to the community network, and 2% goes to the national CDF). So far, 13 loans have already been disbursed. The rule is that you have to move to the site to get the housing loan, not earlier! The 5 million is never given as cash - but only in the form of materials, or if someone wants to buy materials, they go with the committee and the committee buys the materials. The 5 million Kip is enough only to at least get a house started. Ms. Nong Hurlee's house was built with a 5 million Kip loan from ACCA. The loan was enough to lay a proper foundation and put up 9 concrete columns and a tin-sheet roof on a light timber structure. She will have to use old materials or thatch and bamboo for walls. Only a starter house.
- **Somsak proposes idea of higher loans of about 6.5 million Kip (\$812)** so that families have enough for the starter house plus a simple toilet. To be repayable in 3 years, instead of 2 years.
- **Community management in the housing construction** : The community has a 6-person construction committee, which helps people with their house construction. They also have a project to cut raw wood into planks, make blocks together, and bend steel for the foundations. Most of the building materials are bought together.
- **Lots of building and earth-moving going on now!**
- **Land tenure at new Poo Sang Kam Village**: Nobody has any formal land tenure yet. They have only a paper of occupancy. After they finish their houses, they will have to pay a fee to get the land title @ 600 kip per m2. So a family with a 150m2 plot will have to pay about \$11.25 to the Land Management Department for the land title fee. (they say that the guy from the Land Management Dept. has been a good friend during the project and very helpful)
- **Plan to organize a ribbon-cutting ceremony in December 2011, for the new year.**
- **Somsak proposes that when the ACCA Assessment trip comes to Lao in February or March 2012, they visit this project and have a ceremony!**

ACCA Budget: Same as in other BIG ACCA projects: \$10,000 used for infrastructure development (as a grant) and \$30,000 used for small housing loans (of about max \$625) to those members who propose for them.

Savings group: Before, there was no savings group here. Started only after the eviction, in July 2011. Now 35 households are savings members, with 29 million Kip (\$3,625) in total savings, all of it in circulation in loans to the first 7 loan recipients (mostly loans to upgrade their houses so far, not including the ACCA loans). Each family saves 30,000 Kip (\$3.75) per month, with everyone saving on the first day of each month - come to the committee members house to save, all that day. The village chief has been invited to join the savings group, but he's not on the committees.

People's jobs: daily laborers, construction workers, selling things in the market, tourist guides, samlor drivers.

6 people's committees to manage the housing project :

- **Construction committee**
- **Savings committee (all women)**
- **3 committees for each of the 3 ethnic groups**
- **Equipment committee**

- **Auditing committee** : keeps careful ledgers of all expenses and payments, and buy materials together.

Speaking to Ms. Mee Taw who makes slippers to sell in the night market : She is 45 years old and has 4 kids, and supports her family by stitching slippers. Several families here earn by making handicrafts, which they carry in baskets each day into town, to sell in the night bazaar. She buys the cloth and the stuffing, and cuts and stitches on her sewing machine herself, with all the kids helping out. She sells about 60 pairs of slippers a month (\$3,75 for adult slippers and \$1,85 for children's slippers), and for an investment of 200,000 kip in materials, she can sell slippers worth 600,000 kip, for a profit of 400,000 Kip (\$50). She says it's much more profitable if you have a machine and can make the slippers yourself. If you make the slippers on a piece-work basis for other people, they pay only 30,000 kip (\$3.75) for making 9 sets.

3 ethnic groups here: Hmong, Khamu and Lao Loum. Before, they didn't know each other or have anything to do with each other. Now working together on their new community.

Leader speaks: They only tried to move us from the airport because we were weak! Lots of difficulties since that time - staying in tents for a full year, and many problems of the rain coming inside the tents, then being so hot in the dry season we can't stay in there. But now we are much happier than before: Now we have secure land, we have our savings group, we have the project to support the water supply, and we have loans to improve our houses.

Ban Noun Sawath - SMALL ACCA Project water supply

There are 143 households in this village, which is located along the Namkaan River.

- **"Teakwood village"** In the colonial times, the French cut down the old-growth teakwood forests to export the timber to France, and the logs were floated down the Mekong to various ports in Cambodia and Lao. More recently, the national government has promoted the growing of teakwood "orchards" to grow and sell, as an important export and foreign exchange earner. A good-sized teak tree can sell for at least US\$1,000, but it takes 50 years for the tree to reach that maturity. Each family in this village is now planting teak saplings in 1-2 hectares of land, so their children (or perhaps grandchildren) will benefit from the trees. Most of the families here grow and sell Mai Sak (teakwood) to Thailand. Under the Thaksin government, the market was very good, but Abhisit stopped the import and export of this endangered wood, because of deforestation issues. Now they are exporting teak to Thailand again.
- **Affluent village** : It seems to be a lucrative business, because Somsak notices that most of the houses have been very expensively upgraded in the past year since he last came here - so he hardly recognizes the village!

Savings group: Started in 2008, now has 137 members, with total savings of 108 million Kip (\$13,500). Everyone saves once a month. All savings circulating in loans for agriculture, animal raising, teakwood plantation and small trading businesses. Interest charged on loans from the savings group is 3% per month (36% annual interest). Loan amounts max 5 million Kip (\$625).

Water supply project: They have a good natural underground spring, with 2 sources within the village. The ACCA project was used to repair the existing system, which had broken down. Includes 2 big tanks, with a pump, and an underground network of pipes, which now connects 114 of the 143 families in the village with piped water from that underground spring, available 24 hours. But during the summer season (April May), the spring dries up, so they may have to develop a back-up system to pipe the river-water to the village, with a water tank and filter. Earlier, many used the river water, but since they built a big dam upstream, the river water is now dirty and people cannot drink, have to boil the water first. Project completed in Dec 2010.

- **Budget** : ACCA loan of 60 million Kip (\$7,500) for the system. Or 2 million Kip? (\$250) **NOT CLEAR BUDGET!**

Pak Ou District (Luang Prabang Province)

Total 10 villages have savings groups and are part of the Pak Ou District CDF (out of a total of 49 villages in the district). Those other villages have savings groups with other NGOs, but the LWU linked savings groups only in 10 villages.

Pak Ou District CDF has a total capital of about 116 million Kip (\$14,500) Includes :

- **56 million Kip (\$7,000) from ACCA** (only for infrastructure loans, made at 6%, to be repaid in max 2 years. So far three ACCA loans only)
- **60 million Kip (\$7,500) from central fund for animal raising loans in 3 villages.** (repayable in 1 year at 12% annual interest, of which 3% goes back to the central fund, 7% stays in the district CDF and ?)

Next plans: After these first 3 project repay their loans, plan a second round of ACCA loans for 3 more :

- **to Baan Huay-Loo (to repair water system and make toilets)**
- **to Baan Hat Kaam (to repair bridges)**

Baan Teen - Small ACCA project water supply + road repair

Many families in this village grow lemons, or grow vegetables, sell in Luang Prabang. Total 73 households in the village. Beautiful temple in this village, which we visited in the early evening, while the monks were white-washing one of the little chedis. Beautiful hilly area with forests and very green!

- **Savings:** Started in 2010, now has 108 members, with 35 million Kip (\$4,375) in total savings. Loans given for farming, buying seeds, etc. Loans repaid in 3 months @ 3% per month. Loan amounts 100,000 Kip to 1 million Kip (\$12.50 - \$125). Repay monthly, or according to the farming harvest.

ACCA project : 20 million Kip (\$2,500) from CDF/ACCA to do two things:

- **Water supply system (6 million Kip - \$750) 73 families benefit.** Each family repays 5,000 kip (\$ 60 cents) per month for one year, to completely repay the ACCA loan.
- **Repair 1 km of road (14 million Kip - \$1,750)** Got soil from the river for land-filling, and each family contributed free labor for 3 days.

Wonderful hospitality + papaya! We sit on tables outside one of the houses, with the women leaders of the savings group and the chairperson of the district CDF. With the beautiful golden light of dusk, and are fed mountains of papaya and bananas, which the women keep cutting up (very delicately, without ever touching the flesh) and offering to us. Never tasted such delicious papayas, which are very big and have a yellow-colored flesh.

Baan Sio - Small ACCA project to improve bridge (DIDN'T HAVE TIME TO VISIT)

12 million Kip (\$1,500) loan from ACCA to repair bridge. 44 households. Used the loan to buy cement and steel. Villagers provided wood and all the free labor, plus some cash contribution.

- **Savings: 35 members, with 10 million Kip (\$1,200) total savings.**

Baan Kok - Small ACCA project to repair water supply system (DIDN'T HAVE TIME TO VISIT)

42 families in village.

- **ACCA project :** Took ACCA loan of 12 million Kip (\$1,500) to repair the village water supply system. All labor provided by community members. ACCA loan at 6%, repaid in 14 months.
- **Savings: 37 members.**

Nam Bak District (Luang Prabang Province)

- **Dinner of roasted grass-hoppers, river-fish in a ho-moke (with thousands of tiny bones!)**
- **Stay overnight in a very simple guest house, with rooms for about \$7 per night.** The old man who runs the guest house takes to Somsak and hugs him goodbye the next morning like a long-lost son!

Minority group market : In the early morning, before 7:00 AM, Somsak and I go out from the simple guesthouse looking for some coffee. We see lots of women walking along the highway, carrying baskets on their backs, and follow them, to a little make-shift fresh market. So many interesting things for sale! live grasshoppers stuffed into recycled water bottles (to roast later), tiny birds, sea-weed from the river, all sorts of strange vegetables, sweets made of bamboo. All the women living in the villages in the hills around here come in the morning to buy and sell their produce and wares, on a very small scale, in this informal market. Runs every day 4:30 - 7:00 AM. Each lady rents the space for 500 Kip per day, paid to the house-owner

who's front yard is used for the market. Somsak says that in these areas in northern Lao, with so many ethnic minorities, this is very common, these kinds of small local morning markets.

- **Kanthone says there are total 68 distinct ethnic minority groups in Lao (North and south).** And for most of these groups, the borders drawn between countries by colonial powers and modern governments have little meaning.

Beautiful forests and hill country! Driving through Nam Bak District : Beautiful hills cloaked in chilly mists, with forests of bamboo, teakwood and poinsettias. Banana and lemon plantations.

Nam Bak important area during Vietnam war: Nam Bak was the site of heavy fighting and bombing here during the American-Vietnam war (the "secret war" in Lao happened alongside Vietnam), and there was a big Lao military base here. Lots of caves in the mountains around here, where the Lao people and soldiers fled to hide from the bombs and fighting. Some caves also used as a hospital, when the Americans were bombing heavily in this area. **(LOOK THIS UP!)**

Lots of rubber plantations and hydro-power project being developed by the Chinese, in the last 5 years, on land concessions in this area. This is especially the case in ethnic minority areas like these, where many villagers don't have land papers (many have been forced to move down from the mountains), and where these minority groups are perceived as being much more docile and easy to push out.

Nam Bak District CDF : There are a total of 80 villages in Nam Bak District.

How many villages have savings groups?

Baan Huay Yen (Small ACCA project toilets)

There are 105 households (in 96 houses) in this beautiful village. Most of the people are from two minority groups: Lao Lung and Lao Kmoo. This is not an old village, but began in 1981, when families from different villages in the the mountainous areas of Nam Bak District moved down to be closer to the towns, so their children could go to school. Most are small subsistence farmers and quite poor.

- **Incomes :** Most earn their income through agriculture and animal raising - have land around the village.
- **Beautiful traditional houses :** Smallish houses but beautifully made of wood and bamboo mostly, on short stilts, with wonderful flat bamboo roof tiles.
- **Water supply problems also :** The Lao Red Cross and a Christian charity helped them to make a kind of community water supply system, but it's not too good, and the water quality is bad, can't drink.
- **Savings group:** Started saving in 2007 with 15 families, but now have 68 households members. 30 million Kip (\$3,750) in total savings. All circulating constantly in loans, mostly for agricultural income generation, like chicken raising, pig raising, markets, etc. They feel their own revolving fund is not enough, need more.
- **5 Points to be considered as a "100% Developed Village"** - a placque in front of this village informs everyone proudly that the village has achieved three of the five points (Health + Security + Community Fund/Savings group). Still need to get two more points (Family economic strength and income + Education) to be a 100% developed village. The toilets project was what got them the "HEALTH" certificate!
- **"We share everything here, very close with each other, very strong community spirit."**
- **Volunteer tutoring :** One 55-year old guy in the village, who was a soldier during the Vietnam war, runs an volunteer evening school in his little house, to help children in the village with their studies, 2 hours every evening, 15 students.
- **Village chief Mr. Kamla Sonmanee is 41 years old.** Another ex-soldier, who fought against the Americans **(but he's too young!? The vietnam war ended in 1973!),** and studied at the military school in Hanoi, lived in Vietnam a long time.
- **Good collaboration with local authority.** They send reports about their projects to the sub-district chief.

This is one of the very few strong villages that didn't agree to sell off their farmland to the Chinese! The Provincial Governor tried to get this village to sign away their land, on 50-year concession to a Chinese company, to develop rubber farms, and to become laborers on their own land, in exchange for a small share of the profits. But this is a strong village, and they said no, refused to sign any papers, as so many other villages are being tricked into doing, with promises of big profits from the rubber plantations. Most villages are tricked or cheated or convinced to sign away their land, and then lose everything. So now, 18 families have made their own rubber plantation on 70-hectares of their own land, instead of leasing it away to the

Chinese. If they were laborers on a Chinese concession, they would earn about 300,000 Kip (\$38) by clearing 1 hectare of land for rubber plantation, which takes 4-5 days.

ACCA Project to build individual toilets. 22 families have borrowed about 500,000 Kip (\$62) each to build simple pit latrines behind their houses. They make cement septic tanks, using a steel ring formwork (loaned from the local gov), based on a simple toilet model the local government helped them develop. Pits are 3.5m deep x 80cm wide, and need six rings to make that depth. The 500,000 Kip loan from ACCA is enough to build the pit and put a concrete platform and a squat toilet over it. Then people make the enclosures themselves. Some make a very simple enclosure of bamboo and timber (almost free, using local materials). Others put up a proper cement block enclosure with space for bathing (cost about 700,000 kip - \$87.)

- **Total ACCA budget 12.5 million Kip (\$1,562) for toilet loans.**
- **ACCA/CDF loans:** Toilet loans repayable in 1 year, at 2% (MONTHLY or YEARLY INTEREST??), with 1% going back to the Nam Bak District CDF, and 1% staying in the savings group, to increase their village loan fund. They don't repay monthly but organize the repayments according to people's earnings - all at once or when they harvest their crops.
- **They build the toilets together, in batches of 4 or 5 houses,** with all the materials being bought together and everyone helping (with the lower part - each family builds their own enclosure)

Baan Nayang Tai (Small ACCA Project toilets)

This fairy tale village has been here for 600 years, and many of the large wooden houses in it (built in the Lao-Loo style, for big joint families) are over 100-years old, built up on stilts made of massive hardwood timbers, with bamboo shingle roofs and kitchens that are separated a little from the main house. (the house we went inside has woven bamboo panels inside also, for insulation, and the upstairs room is very comfortable and cool, even in the hottest part of the afternoon!) The village is situated in a beautiful green valley, along a river, with big trees everywhere. Most of the houses have looms in the cool area under the house, where women sit weaving beautiful and complicated patterns in cotton, while babies sleep in swinging baskets hung from the timbers.

- **115 families (500 people) live here** (mostly Lao-Loo ethnic minority from Sipson Panna, with a few Hmong families), who follow their own animist religion, in which they pay respect to ghosts and spirits in the land and mountains, etc.
- **A cotton-weaving village :** Many households in the village raise cotton on their farm land, and then spin it, dye it (with indigo and other natural dyes) and weave it into beautiful bolts of patterned cloth, on wooden looms under all the houses. Some they use to make their own clothes, but most they sell in Luang Prabang, Vientiane and Chiang Mai.

A sad story of dispossession and con-jobs: 6 years ago, a Chinese company approached the Nam Bak District authorities to ask for help finding land for growing rubber commercially. The district went around trying to convince villagers to sign away their farmland on 40-year leases, to the company, with the promise that after 4-5 years, the rubber trees would start yielding, and the profits from the rubber would be shared between the villagers (70%) and the company (30%). It all sounded wonderful, and in this village, 40 or 50 villagers were talked into signing the papers (or the village chief, acting as middle-man, signed on their behalf), without really understanding what they were doing. In this way, 700 hectares of fertile farmland (much used to be cultivated for cotton) in this village alone was transferred to the Chinese company, and planted with rubber saplings. Now, six years later, nobody has yet seen any of the promised profits, but they have realized what a great mistake they have made. Besides having very little land left for their agriculture and cotton-raising, they are not allowed to graze their cattle on the rubber plantation land. They are very angry now, feel they have been cheated, that their leaders in the village and the provincial government didn't protect them from this cheating, and are not helping them now. They voted out that village chief who tricked them into signing away their land.

The whole complex cycle of survival is broken : Now that the villagers have leased out most of their land to the Chinese for these rubber farms, the villagers no longer have their common land and forests to graze their cattle, and have to pay the Chinese company to graze their cattle on the land that is now conessioned to the company. And because nobody can afford the grazing fees, a village which used to have 1,000 cows and buffaloes now has no cattle at all! And without cattle, they no longer have dung, which has always been their most valuable natural fertilizer for their fields, and without dung, they now have to buy expensive chemical fertilizers, and their farming methods have changed and their yields are less. The purchase of these chemicals is now driving the villagers deeper and deeper into debt, at the same time it is poisoning their soil, which for centuries has been farmed organically. Plus, the forests in the hills around the village used to be full of bamboo plantations, from which they got materials to make their houses, roofs, mats,

spinning wheels, looms, baskets, etc. Now it's all rubber and it's very hard to find any bamboo any more. And the rubber plantations are depleting the soil's fertility.

Traditional farming practices of "shifting cultivation" being replaced by "monoculture" farming, which is ruining the soil: In the past, most farming families in Lao had about 3 hectares of land, in small fields in different places. Instead of growing the same thing on all the land, all the time (monoculture), they practiced "shifting cultivation", where they would cultivate different things on different fields, and keep changing the crops, sometimes growing black sesame, sometimes rice, sometimes ginger, sometimes cucumbers or sweet potatoes or tobacco or cotton, sometimes leaving the field fallow for a season or two. This way, the fields were constantly fertilized and the soil constantly enriched, so it stayed fertile for hundreds of years. Now they all realize, rice is better for the land than rubber trees.

All over northern Lao, the same thing is happening, with slight variations - especially in minority areas like this one, where these groups are considered easier to move. The government is promoting this kind of rubber and cash crop plantation very aggressively. But instead of encouraging people to plant the rubber themselves (which is a new agricultural technology that most people know little about), on their own land, they are facilitating this kind of contract farming and land concessions to Chinese and Vietnamese companies. Sometimes the people are tricked into signing the land concession papers by being given a motorbike or a hand phone or a little money. In many villages where there is common land owned collectively by the whole village, village head man are sometimes paid off to sign away the land without anyone knowing. "They're always very friendly when they come looking for land, painting wonderful pictures of getting rich, or offering all sorts of rewards." In many cases, the village chief signs the papers for farmers who cannot read or write, without the farmer even knowing that his land is being taken away.

Savings Group : Started in 2009 with just 6 or 7 households, now have 60 members (all women, except for one man!). Total savings 17 million Kip (\$2,125)

ACCA Toilets : The Nam Bak District CDF has given toilet loans of 1 million Kip (\$125) each to families in the village.

- **Mr. Mai Koon Tawk** (3 in his family), built one of the toilets, with a loan from ACCA. He farms rice and tobacco, which he dries and sells, and his wife weaves cotton under the house. His toilet cost 1.5 million Kip (\$187) to build, of which 1 million Kip (\$125) came as a loan from the CDF, and 500,000 Kip (\$62) came from his own money. Built by himself. He is one of the families that lost most of their land to the Chinese company, but he kept one small part, which he still uses for growing a little cotton and vegetables. *He's very angry!*

IDEA : Possible project to make a "Crafts Village" or "Eco Village" and promoting tourism and home-stays here, as an alternative income. Since the village is so beautiful, so old, and most families have large wooden houses, the women still wear their own woven ethnic costumes, etc.

- **Somsak proposes this idea for ACCA support, and there is some discussion.** Just \$1,000 or \$2,000 would be enough to get something started, could be a small project loan from the CDF.
- **Somsak: Nobody can stop these investors coming in,** and can't fight against it. In Lao, Vietnam and China it's the same thing: these "communist" governments are not offering any protection at all from these capitalist forces! But how to use the economic power and village and network power to protect these villages from these forces, and give them more power in the negotiation process.
- **Crafts entrepreneur in the village - Mr. Jantaworn** (*keomanovong@hotmail.com*) is a young man who lives in the village and seems to be an important middle-man between the village's many cotton producers and weavers and the markets in Luang Prabang, Vientiane and Chiang Mai. His house is one of the biggest and most beautiful, 100 years old. Upstairs is like a warehouse with bolts of beautiful cotton cloth stacked up, ready to be sent out, all woven in the village, from scratch. He is the one male member of the savings group! Idea that he could be a good contact for the regional heritage network. (He speaks a little English and is good at internet, e-mail, etc.)

Muang Ngoy District (Luang Prabang Province)

A very remote, very poor district where not much development has reached! Only 30% of the villages in Muang Ngoy District can be reached by road (mostly very bad dirt roads). The other 70% can only be reached by boat or by walking along mountain pathways!

- **Lack of education :** There is only one secondary school in the whole district, in Nong Khiaw (for students above 8th grade). Mostly it is only men who study beyond that, while the women stay home.

Teachers don't want to go to these remote village schools, so the quality of teachers is very low. For the older schoolchildren from remote subdistricts in the mountains around Muang Ngoy, Nong Khiaw is where they have to come for school, as boarders, taking one of the rattling old buses home only at the weekends.

- **Dramatic effects of climate change:** Now the weather is hotter and dryer, so the yields of many farmers are getting lower and lower. It used to be that 1 hectare of land could produce 1/2 ton of rice. Now it's much less - 1/4 ton or less.
- **Lots of migration from this district to the cities:** Because of the lack of schools, and no health care, and these climate changes, many from the remote villages in this district are migrating to cities.

This is the kind of country where cars on the highways slow down for crossing chickens and chicks in the road!

- **A fine red dust settles on everything!** At the end of the day, this red dust is in your hair, your ears, your nose, your clothes!

Nong Khiaw is the district town, located at the foot of spectacular hills on the Nam Ou River. It's a breathtaking landscape of mountains, crags, rocks and chasms. This sleepy little town has the district government offices, and a few guest-houses scattered along the river for the adventurous tourists who find their way this far north.

- **Big changes coming to the Nam Ou River:** now the river cuts a dramatic swath through soaring mountains, and is lined with little terraces of cultivation, where villagers raise their crops. Plus the river is full of fish and famous for its fresh water giant shrimp - which are a delicacy during July and August every year. But the Chinese are planning to build 5 dams along this river, which will flood many riverside villages and many thousands of hectares of their farmland, causing many evictions.
- **Lunch at a little river-side eatery:** the good-natured lady who cooks and serves has cheeks as red as apples, and jokes with the customers, who sit in the middle of her out-door kitchen enjoying her roasted chicken, fried river fish (with so many tiny bones!) and soup with local greens in it.

Muang Ngoy District CDF : Ms. Jansuk is a representative from the Lao Women's Union in Muang Ngoy District, and she comes with us on the visit to the big housing project. She is the chairperson of the CDF. The CDF has a capital of 20 million Kip (\$2,500), which includes money from ACCA and money borrowed from the Central Fund. Most of the loans from the CDF go to savings groups for their members agriculture projects.

- **Loans from ACCA for building toilets** (36 families in Muang Ngoy District have so far borrowed 1 - 2 million Kip each) at 6% per year, repay in 2 years. Total 56 million Kip (\$7,000) loaned (?????)

Savings : There are 81 villages total in Muang Ngoy District. 13 villages have savings groups now, with 880 members (all women!), total.

Big housing project at Buam Nalay (relocation to free government land - 92 Households)

92 families from 3 villages (Mok Doo, Huang Khon and Juay Lan) have been evicted from their old river-side land, which will be submerged when the big new Chinese dams are built on the Nam Ou River (**IS THIS CORRECT?**). But what the government is planning for their old land is not clear to the people. In the old places, these people were all small-scale farmers, growing coconuts, vegetables, corn and raising animals. The government has given these 92 families plots in this relocation site at Buam Nalay. **Most of these families are from two ethnic minority groups - Lao Loo and Lao ??**

- **Very difficult to get here!** The Buam Nalay land is very remote - 7 kms from **Nong Khiaw** and 10-12 kms from the villages where these people were evicted from, and takes us almost an hour to reach, on a very bad, flooded and muddy dirt road, where we had to drive through two small rivers without bridges. (*our truck got stuck in the mud twice, both going in and coming back out, and we had to be dug out by friendly villagers!*)
- **Free land for housing plus a little space for vegetables and animals:** The government provided 16 HA of free land (near the Nuay Wau River), for this relocation. Each family gets a 300m² plot (15m x 20m) x 92 HH. Land is supposed to be enough for housing plus a little vegetable garden and some animals. But this plot is not big enough for the families to survive by farming, though! The government has also promised to provide land for farming elsewhere, but nothing yet.
- **Land Tenure terms:** All the families that move here get a land rights certificate, but it is a collective tenure, with certain rules and regulations that are set by the government's Land Management Department (for example, members are not allowed to sell the land).

- **In March 2011 the first batch of people moved here.** So far, 64 of the total 92 families have moved here (total 324 people living in the new community now).
- **Temporary houses :** The people had to build their own small temporary houses on the new site, mostly using bamboo and recycled timbers from their old houses. They built these temporary houses together, in groups. Each house cost about 1 million Kip (\$125). The government provided only 50 roofing sheets per family.
- **Very bad situation even now, 9 months later.** Children not dressed for the chilly air, lots of illness, bare feet, malnutrition. No services. Only 10 water points (pumps), which everyone shares. No toilets, no electricity. Only a few families have small batteries to operate a light at night and perhaps a radio. There are now 45 children here, but no school for them, no teacher - only some informal schools that the villagers are running themselves. World Vision (Christian charity) is working in 30 poor villages in Muang Ngoy District, and is now starting to work here).
- **Lots of animals!** Ducks, chickens, goats, dogs, cows and beautiful little black-colored pigs, with their delicate toes, wagging tails and curious snouts!
- **New land very far from their old farm land.** During this first year, the government is allowing them to keep farming on their original land, but to get to that land, they have to walk 10kms by a forest pathway, to and from, every day! It takes 2 - 3 hours to walk to the old farmland!
- **Relocation has clearly made poorer these already poor subsistence farmers.**
- **Savings group just got started,** with support from the LWU and CDF. No loans yet, though, even though people say they need loans for income generation and starting cultivation.
- **Itinerant vendors from Vietnam and China:** We meet a young man from Vietnam who is like a wandering department store all fixed to his motorbike! Somsak talks with him, and we learn that he is one of many roving vendors who are part of a network (maybe employed by some larger organizer) who go on motorbikes to these remote villages and sell clothing, kitchen implements, gadgets, etc. Another woman from Kun Ming in China also travels around selling all sorts of necessities (sewing needles and thread, scissors, reading glasses, fake gold chains, mirrors, knives, clothes pins, tape measurers, etc.)

ACCA BIG Project not started yet, still planning:

- **Have five plans for infrastructure development :** Road, electricity, toilets, school and a village office.

Phongsaly Province :

People in forestry zone, minority ethnic groups. Government gives space for farming and housing, and brings scattered people together. Grow poppies.

Notes on Lao ACCA Projects

(Talking with Somsak in ACHR office, looking at his photos, March 2012)

Savings process in Lao PDR :

- Started first in 3 districts in Vientiane Prefecture in 2002. In 2003, expanded to more provinces.
- Started with government policy for poverty reduction, which government set up with funds "CCD" in 47 districts around the country, with big money from outside the country. Followed the government policy.
- But the CDFs were started by people themselves. Start with small savings groups, so the savings money is much bigger.
- **District CDFs:** Are managed by elected committees, which include 1-3 community savings leaders, local authority, LWU from district level, WCEP and many districts have District Governor as honorary chairman,

VIENTIANE PREFECTURE

Pak Ngum District : 100% savings! All the villages in the district have savings groups, and many have 100% households saving.

- ACHR originally granted \$5,000 to the Pak Ngum CDF, as pilot capital (also gave to Sangthong and Naxaithong Districts)

Naxaithong District : 53 villages in the district, and 57 savings groups!

Pak Ngum District Small ACCA projects :

Baan Dan Tai : water supply. Big village with 232 households
CDF office: used \$2,500 from ACCA. District Government gave the land for the CDF office within the District Office compound. (Same like in Samrong, Cambodia). People worked 3 days a week, with all volunteers to build the office.

Sangthong District : BIG ACCA Project : Onsite-upgrading of 365 households, on free gov. land 25 kms from Sangthong City. These people are Lao Lom and Kamook minority people, who came from different parts of the central highlands and settled here 10 years ago, on new land. The government at that time had a policy to increase the population in that area, so they invited people to come. First group of 100 households, no problem, but then others came later, got crowded. Now 365 households.

- **Everyone is given 15x20m plots.**
- **ACCA housing loans:** About 5 million Kip per family. Some will build new houses and some make improvements to existing houses. Mai Kam, the young architect from WCEP, went there to support the housing planning process.
- **Infrastructure:** Clean water for drinking is not clear yet. Try to test the water and make a big filter system in the community.
- Project will start in April 2012.

Sangthong District SMALL ACCA projects :

- **Baan Hai Tai :** Made organic fertilizer (EM), built training / meeting center, show products from the community.
- **Baan Vang-Na:** Pumping well.

Srisattanat District : SMALL ACCA projects

- **Dony Phalan (?)** 2-3 kms road. Also worked with local authority. District chief and district governor supported the project. ACCA + Community + local authority.

BOKEO PROVINCE :

- Mostly toilets - CDF toilets!
- Huayway District: General photos from Somsak only, no community project visits or photos.

PHONGSALY PROVINCE :

Bun Nua District : Dirt roads and all rural areas.

- ACCA small projects mostly toilets.
- Loans 17 million Kip or 16 million Kip for 1 year (??)

Yod-Ou District : This district is 100 kms on a gravel road from Phongsaly City! Lots of goods from China, just 32kms to China boarder, many can speak Chinese. Yod-Ou District Town is very small town.

- **Small ACCA projects :** 4 villages. Take water from mountain source and provide pipes to bring to villages. People have to bring water from lakes and mountains and carry a long way! Most of the ACCA small projects involved upgrading the systems they already have - repairing broken tanks and upgrading the pipes.
- **Small project at Baan Nong Ngay :** Beautiful rice area, 20 kilometers from Yod-Ou city.. This is a Thai-yai ethnic village, they speak Thai. Small project is water supply.
- **Problem of \$7,000 ACCA small project funds have not yet been transferred to the CDF,** so they have planned, but no funds for the small projects! They have sent many official letters to WCEP, but Kanthone keeps saying, "They haven't given us a proper plan!":
- Have early morning hilltribe market.

Yod-Ou District BIG ACCA project : City-wide housing readjustment approach, rather than just one community: First quick survey of this very small town: Many problems in the district, with drainage, toilets, garbage, income, etc. Government has a plan to move the people. Use city-wide approach. Some families slightly relocate, some can do on-site upgrading. One group has to do some reblocking (to make room for a bus station, market, new commercial building). Used survey and city-wide planning to determine how many families can stay and upgrade *in-situ*, and how many have to move or readjust a little. Can start with just \$10,000, no need for a big money.

- **Very active CDF with all women!**

Phongsaly District : Big Project at Samaki Xai (distant relocation, 100 HH) : Hmong minority people from 2 communities (scattered) in mountains were relocated to this free government land together. The Hmong speak a different language - not Lao.

- **Tenure:** everyone has a "yellow paper" which is a certificate of living staying there - not quite as strong as land title. Somsak says the securing of tenure on government land like this is step by step, not all at once. Have to deal with the National Land Management Department, which system goes through the provincial gov.
- **New land is 32 kms from Phongsaly City,** and 6 kilos from the main road to the site. 15m x 20m plots, only for housing. New land for resettlement given free by Provincial Government, and the District Gov. all agree to the project.
- **Houses :** Use ACCA funds for housing loans through District CDF. Architect team hasn't helped them develop the house yet. Idea: everyone agrees to max. housing loan of 500 million Kip. Will use old materials, wood, beams, etc.
- **Gov. provides** free land for housing + land for farming + some infrastructure (school and drinking water) + some housing materials (including 20 zinc roofing sheets). Government gave some basic infrastructure, plus gave the people the already-worked out layout plan. Government also provides another site for farming (about 1 ha per family), nearby.
- **57 families already moved to site** and staying there, in houses they built themselves (no ACCA funds yet). Big problem: ACCA money for this project hasn't been sent to them yet! Others not moved in yet. Plan to finish for Lao New Year (April 2012).
- They have a strong savings group.
- Most raise pigs to eat and sell.

Phongsaly District: Small projects : Electricity, heritage zone. District governor is a woman!

LUANG PRABANG PROVINCE

Luang Prabang District : SMALL ACCA Projects

- **Phong Vaan :** This settlement is near a garbage dump, on the outskirts of the municipality. Small project to do vegetable growing. This settlement was identified during their 2-day quick settlement survey, in which they surveyed 40 settlements in L.P. District!
- **Baan Noun Sawath :** Started with savings activities. Then started community forest conservation. Then also fisheries conservation.

Mot Paa, Mot Naam: (in Lao: "If no forest, no water" - *Paa means forest, and Nam means water.*) This has been a big program or movement in the Lao savings process in many areas, where people's livelihood and survival depend very much on the rivers and forests. "*Mot Paa, Mot Naam*": = Conserve the forests and fisheries. Breeding fish in the rainy season, planting trees, rehabilitating the forest. This has been done in Luang Prabang, Champasak and Vientiane (Pak Ngum, Nasaithong, Sangthong)

Nambak District : Famous for oranges. Symbol of the district is oranges.

Muang Ngoy District : BIG Project: People are Khmu (**check this**) ethnic people. Have "tuk-tuk" transport to move. During meetings, they smoke a little opium, as a social grace. Started savings group after coming down from the mountains, and already giving small loans for income generation.

CHAMPASAK PROVINCE

Pakse District : BIG ACCA housing project (21 households. Nearby relocation to free gov. land)

They are mostly garbage collectors and very poor. These families have already been evicted and relocated twice: once for a school, and a second time for a reconstruction. 19 families are already staying on the new land.

- **Land :** New land is 6 - 7 kms from old settlement, just to the north of the city. Government provides the land for free. Somsak: the negotiation was to sneak in a little poor people's housing to this private sector development! This new land was provided by the Provincial Government, in a new 60-hectare redevelopment area they are calling Pakse's "Second City", in which all this public land was concessioned to Chinese private sector investors to develop. Each hh gets plot 15mx 20m, with "yellow certificate" - land use rights.

- **Infrastructure:** Land is hilly. Government has provided good road and electricity already. No water yet, though. So the ACCA project will start with some simple infrastructure. Can't wait for the government to provide. Pumping well, maximum \$2,000.
- **Houses:** The government has plans to build row-houses here (\$5,000 per unit!). Not sure if they are free or as a loan. They are surprised to get free houses, so no need to waste ACCA budget for housing loans! But so far, nothing. SO people start to build their own houses. Somsak says that if they can develop their own simple house model and build together, they can build their houses for \$600 - \$700 per house.

Muang Kong District : Small ACCA projects : Total \$15,000 from ACCA for small projects in this district.

- 9 villages did projects to make pumps and drinking water wells
- Total 100 wells dug

Chana Somboon District :

- **Baan Poong Small ACCA Project:** This area along the Mekong River, opposite Thailand (Ubon Ratchatani on the other side). Rural area, very rough road to get here! 4 villages, in which ALL village houses are savings members! Mostly fishermen and weaving sticky rice baskets./ Project to make water supply system: well + pump + elevated water tank + pipes to connect tank to each household, so each family gets a tap. They pay back the loan from the CDF together. 10,000 Kip per month per family, to repay the ACCA loan. After repaying the loan, they can reduce the monthly payment for the water. **(SOMSAK'S PHOTOS ONLY OF BAAN POONG)**