

# ACHR

## e-news

News from groups around Asia about what's happening in the region . . .

Asian Coalition for Housing Rights

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**NOVEMBER - DECEMBER 2008**

- Community savings update from Mongolia
- ACHR at the 4th World Urban Forum in Nanjing
- New Homeless Bank launched in Chiang Mai
- New sources of housing finance for the poor
- UN's Slum Upgrading Facility (SUF) visits Thailand
- New housing rights network launched in East Timor
- Two awards for post-tsunami reconstruction
- The passing away of Peter Swan

### COMMUNITY SAVINGS UPDATE from MONGOLIA :



The Center for Housing Rights and Development (CHRD) is another NGO in Mongolia which has been working to improve the livelihoods and living conditions of poor households in urban and rural areas. The CHRD has been working since 2004. Although its focus has been mostly on promoting awareness of human, social and housing rights among the country's poor communities, the organization has in recent years been working to promote more active, practical and self-help strategies for realizing those rights through community-based savings and credit groups and housing and infrastructure upgrading activities in poor communities around the country - especially in provincial areas.

Community savings is still fairly new in Mongolia. But in a context where poverty is on the rise, where the old socialist support systems are fast disappearing and being replaced by capitalist style

development model, and where the rural poor are migrating into towns and cities like never before, the savings groups have proven to be a popular and powerful new tool to help the country's poor communities deal with a variety of problems themselves. The first community savings groups were set up in Mongolia in September 2005, with support from ACHR, a group of community savings leaders from Thailand, CODI and the UN-ESCAP. The CHRD went on to help establish four savings groups in Hanguang District, which very soon were giving small loans to their members for income generation projects.

Since 2006, CHRD has been busy organizing ongoing sessions in different provinces to train community members to help start and manage savings and credit groups. Urna, from CHRD, writes that the savings groups are getting bigger and greater in number, and their members are increasingly capable of solving their local problems themselves, through the simple mechanisms of collective savings and small loans, and through the stronger community collaboration the savings groups build. It used to be that the formation of new savings groups required a good deal of technical support from CHRD staff, but now the savings group leaders are helping new groups to form and spreading out the savings process without any help from CHRD at all. There are now about 200 CHRD-supported savings groups in at least 11 cities and provinces around the country.



Besides giving loans for small business enterprises and income-generating projects to their members, these savings groups are using loans from the savings groups to build toilets, build new houses or upgrade existing houses. For more information on CHRD's work, please contact Ms. Urantsooj Gombosuren ("Urna") at CHRD : [chrd@mongolnet.mn](mailto:chrd@mongolnet.mn) or [urantsooj@mongolnet.mn](mailto:urantsooj@mongolnet.mn), or visit their website : [www.chrd.org.mn](http://www.chrd.org.mn)

## WORLD URBAN FORUM in NANJING :

The big ACHR news for November was the fourth World Urban Forum in Nanjing, China. Because this was the first time for one of these global jamborees to be held in Asia (in our own back yard, so to speak), a lot of friends encouraged us to make a presence at the meeting, which was organized loosely around the theme of "Harmonious Urbanization." So with a little help from IIED, we managed to reserve a slot in the crowded schedule of seminars and networking events before the deadline, to book a booth in the exhibition hall and to bring along with us a team of about 24 disaster survivors and their supporters from nine Asian countries - and from New Orleans USA! A few quick highlights from the trip to China :

**Our seminar on poor communities and disasters :** The two-hour seminar we organized was held on November 3, on the subject of "Communities as key actors in disaster rehabilitation," and the idea was not only to bring out the people-driven disaster rehabilitation processes that have been going on in many Asian countries, but to re-emphasize in this big, international forum that making communities the key actors should be an important principle in all kinds of development work which involves the poor and poor communities – *not only disasters*. The seminar was also a chance for the group which plays the most vital and primary role in working out lasting solutions to Asia's most urgent problems of poverty and housing – *the poor themselves* - to meet each other, to speak about their experiences and to be heard. So this little seminar was organized a bit differently, and it was our attempt to bring the people - who represent the real army of development workers after any disaster, and who should be the real owners of any development or rehabilitation process - to present their experiences and their ideas themselves, in their own way.



**The ACHR booth :** The double-wide booth we booked was right in the middle of the exhibition hall, and in a very good neighborhood, right next to Homeless International, right behind the space SDI borrowed from Cities Alliance, and right across from the Swedish booth (with free butter cookies) and the ADB booth (with catered hors d'oeuvres). The ACHR booth was so bursting with piles of publications and colorful posters that we had to borrow wall space at the back of Cities Alliance to put up posters which showcased many of the disaster reconstruction experiences discussed in the seminar - and also the work of community savings, community funds, settlement upgrading, housing and land tenure as well. They say these big international meetings are a kind of marketplace, in which ideas, concepts and alternative visions of development are presented, haggled over, bought and sold. If that's the case, sales at the ACHR booth of a "community-driven development model" were reassuringly brisk! The booth ended up being a lively place of almost constant discussions, impromptu negotiations, informal meetings and gatherings of old friends in the midst of the gigantism of the expo center venue.

**The city of Nanjing :** The brand new International Expo Center where the meeting was held is far from everything, in the middle of a vast "redevelopment area" which the Chinese displays proudly show us as having previously been occupied by run-down neighborhoods and small agricultural plots to the southwest of the old city - all swept away to make way for the broad avenues, skyscrapers and modernist monuments going up there now. It's not certain quite how "harmonious" this development process was, or how many people had to be evicted to make way for this glorious new urban vision, but it was sure an adventure getting there and around the city - by taxi, subway and bus - always showing our WUF4 name-tags, which entitled us to free travel on public transport. Though we had to spend most of our time at the expo center, we did get a few chances to sneak off and explore some of the sights and tastes of Nanjing, which is a city of great age (2,000 years old!) and great beauty in parts, with its tree-lined streets, its parks, its walled old city center, its ancient monuments and its population of about 6 million friendly, energetic, red-cheeked, bicycle-riding, non-English-speaking Nanjingers.



ACHR has prepared a detailed, illustrated report about our seminar, and if you haven't gotten it yet in the e-mail, it can be downloaded from the ACHR website : [www.achr.net](http://www.achr.net)

## NEW HOMELESS BANK LAUNCHED IN CHIANG MAI :

On October 17, a big group of homeless people from Chiang Mai and Bangkok gathered in the main square in front of Chiang Mai's Tha Phae Gate. Tourists passing by looked inquiringly at the awning that had been set up, where an exhibition of posters about the situation and the activities of homeless groups in Chiang Mai and Bangkok had been hung, and where support groups were providing services for homeless people: free medical checks, free haircuts, box lunches and second-hand clothes. A few of the nosier ones ventured inside to listen to the discussions going on, in this first-ever forum for Chiang Mai's homeless community.

One of the leaders from the Chiang Mai Homeless Network explained that their purpose in holding this event was to show the public the progress of their our network's work: their efforts to establish a better understanding between the poor homeless and the government, their savings group, their new homeless bank, their organization of free health checks and hair-cutting today and their negotiations with the municipality for land to build their own homeless center in the city. "We are trying to do many things ourselves and we want the government to understand," he said. "We started saving in July 2008, and even though we don't earn very much, we have very good savings. We don't want to be rich, we just want to earn enough money to survive. When we link together as a network, we are still free, but we have friends and can help each other."



**Chiang Mai Homeless Bank (CHB) is officially launched today :** The Chiang Mai Homeless Network began their savings and loan activities in April 2008, but today was the official opening, and they got strong support from the Homeless Network in Bangkok, and from the Human Settlements Foundation - an NGO with a long history of supporting Thailand's homeless groups. This new Homeless Bank will be mobile! The special CHB cart will be here every Monday to collect people's savings and give loans and transact repayments for homeless savings members. "Rich people have a fixed bank branch. We also have our bank branch, but our branch moves!" So every Monday, all the homeless will come to meet each other, save their money and use that fixed gathering place to coordinate health checks, link with support groups and plan activities.

### **Negotiating to set up a homeless center in Chiang Mai, which homeless people will manage themselves :**

In the late afternoon, a group of about 25 homeless people from Chiang Mai and Bangkok went over to City Hall, where they spent almost an hour giving the city's receptive young mayor, Ms. Duentemduang na Chiangmai, a crash-course on the hows and whys of being homeless in Chiang Mai. One young homeless guy named Tommy explained, "I like to be free. I don't like to be tied down to one place or one job. When we began to link together as a group, I found many others like me." And someone else explained that homeless people face many problems: no place to sleep, no place to take a shower, no safe place to keep their belongings. And homeless people get harassed in different ways by the police and social welfare workers and thugs who steal their money, if they have any to steal. Another older homeless man said, "I have been caught by the Social Welfare Department and taken to their shelter sixteen times. And sixteen times I have escaped from that place. Yes, they gave me a bed and food, but I felt like a prisoner there. We like to work and do as we like with our lives. We like to be free. So we have a solution that is very simple and easy and cheap: we are looking to set up a shelter which we make and we run ourselves, according to our own needs."



**There are now three homeless centers in Bangkok, all of them managed by homeless groups themselves.** The largest one, at Bangkok Noi, was built entirely by Bangkok's Homeless Network, with a construction grant of 2.3 million Baht (US\$ 66,000) from CODI, and now provides safe, clean housing - *with freedom!* - to 100 homeless people. The other two centers are at Taling Chan and Morchit, and at all of them, they have their own savings group, their own welfare fund and income generation activities as well.

**So the group put a proposition to the Mayor:** If the city could provide them with a small piece of land to use, for free or for a very small rent, somewhere fairly close to the city center, the homeless network will design, build and manage their own homeless center there, for the 60 or so homeless people they've so far surveyed, and by doing so help the city to solve a serious social welfare problem. CODI sweetened the deal by offering to provide the budget to build the house for the homeless, with support from the Bangkok Homeless Network and the Human Settlements Foundation.

**An idea becomes a reality in two months flat :** Within a month, the Mayor found a small piece of municipal land in the center of the city, in a deserted graveyard, and offered it to the network. The Homeless Network then made a proposal to CODI for a 1.2 million Baht (US\$ 34,000) grant to build their homeless center there. In November, their 1.2 million Baht grant was approved by the CODI board, and the design and construction process is now underway, with continuing support from the Bangkok Homeless People's Network and the Human Settlements Foundation. *For more information about homeless groups in Thailand, please contact ACHR.*

## HOUSING FINANCE FOR THE POOR FROM COMMERCIAL BANKS ?

**Getting more money into the CODI fund :** A national survey carried out last year in Thailand found that there are 6,300 slum communities in Thailand's towns and cities, with about 1.7 million people living in them. 70 - 80% of these people cannot afford any housing available on the market. Although the national Baan Mankong community upgrading program is one of the largest-scale government-supported housing upgrading programs in the region, in the five years since it was launched it has been able to reach only 10 - 15% of these slum communities! There is still a lot of work to do - for CODI (the public organization which implements the program), for various government agencies and for poor communities and their networks around the country.



The political upheavals and fast-changing governments in Thailand in recent years have certainly helped to slow down this popular and effective upgrading program, but another problem has been the difficulty accessing capital for housing loans. After financing upgrading projects in about 1,250 communities, in 240 towns and cities around the country, the CODI fund (which has only about US\$ 80 million) is now almost empty. To refresh the fund's capital and enable it to give more housing loans, CODI has been experimenting with two strategies for accessing private-sector finance :

**1. Selling some of the best-performing community loans to the Government Housing Bank (GHB) :** One idea is to allow CODI to deal with new loans and with all the irregularities and problems that usually come up at the beginning. And then when things stabilize and the communities are managing the repayment well, that's when loans can be sold to the bank. The experiment with this system has just begun. So far, 500 million Baht (US\$ 14 million) worth of CODI's community loan contracts (covering 40 - 50 housing projects) have been sold to the GHB. But there have been lots of headaches with this attempt to bridge the formal systems of the GHB and the highly informal and highly flexible community loan systems. Commercial banks - even a semi-public bank like the GHB - are clearly not designed for dealing with the poor. Even at a time when rich people and big companies around the world are defaulting on their loans left and right, the banks want to check everything to make sure it is super secure, they want all kinds of guarantees, and they want this and that. As part of the experiment, CODI has had to agree to deposit some of its dwindling funds as a guarantee fund in the bank, with a very low interest rate, in order for the bank to agree to cross-subsidize the loans to the poor, which had to be kept at the original 4%.



**2. Getting housing finance from the World Bank's International Finance Corporation (IFC) :** The IFC usually channels loans to private-sector banks, which are supposed to on-lend that money to the poor. But the evidence is mounting that most of that money never reaches the poor at all. And so the IFC is trying a new experiment in channeling finance for the poor through established finance institutions and development projects that have a good track record of lending to the poor for housing and other purposes. CODI, which has a 95% repayment rate on its housing and land loans to poor community cooperatives, is on their list. At first, they proposed loaning CODI \$50 million, but after some discussion, CODI decided to first test this new system with only \$10 million and see how it goes. One glitch in the negotiations has been the interest rate: the loan from IFC is to come to CODI at 5.5%, which is a little high, since CODI's housing and land loans all go to community cooperatives at 4%.

The Rockefeller Foundation has been assisting this process by helping in various ways to soften the difficulties in bridging these two very different systems (the formal international banking systems and poor communities' housing systems), to lessen some of the expenses, to build capacities on both sides and to make sure that the lessons that are being learned are spread around.

If this experiment with the IFC works, it should be possible to try the same thing in other countries with more serious housing finance problems, and become an important new source of possible finance for low-income housing and other kinds of community development. In October, Somsook went to Washington D.C. to discuss this pilot financing option with the IFC. For more information, please contact CODI: [codi@codi.or.th](mailto:codi@codi.or.th)

## UN's SLUM UPGRADING FACILITY (SUF) VISITS THAILAND :



The **Slum Upgrading Facility** at UN-Habitat was set up to increase access by slum dwellers and their local governments to formal credit from local capital markets and commercial banks for their slum upgrading projects. SUF provides technical assistance and seed capital (US\$ 6 million from UN-Habitat) to test the potential for increasing access to formal credit for slum dweller's organizations and enabling them to implement slum upgrading projects over a period of 3 year pilot program, which began in 2006. SUF works on the premise that slums can be upgraded successfully when existing slum dwellers are involved in the planning and design of upgrading projects. SUF works with local actors to make slum upgrading projects 'bankable' meaning, making the projects attractive to retail banks, housing finance and micro finance institutions in the same country.

SUF has pilot projects in four countries, where various approaches are being tested to get local finance to support upgrading. In these four countries, the SUF is working with governments, slum communities and local financial institutions to mobilize investments for slum upgrading. Its objective is to develop, test and apply new and innovative means of financing pro-poor urban development with a strong emphasis on the mobilization of domestic capital.

- **In Ghana**, city-wide slum upgrading funds have been established in two small cities, Sekondi Takoradi and Tema.
- **In Sri Lanka**, the Moratuwa Municipal Council is collaborating with the Women's Development Bank Federation (WDBF) and Slum Dwellers International (SDI) and SUF to upgrade three slums in the city.
- **In Indonesia**, SUF is working with the Ministry of Housing and the Ministry of Public works to introduce some city-based upgrading projects, starting in Yogyakarta.
- **In Tanzania**, a pilot credit guarantee scheme with women's housing cooperatives has been started.

Between September 20th and 25th, a team of 14 SUF officials from these four countries visited CODI to learn more about the national Baan Mankong Community Upgrading Program, which is being financed entirely by Thai government funds. The SUF team was headed by Ruth McLeod, an old friend from Homeless International who is just coming to the end of her three-year term as an advisor in slum upgrading financing to SUF. At one point during the visit, the discussions came around to commercial interest rates and the role they are playing in hindering the progress of SUF, and the progress of financing low-income housing and upgrading in general in the four pilot countries. In Thailand, commercial banks loan at 8 - 10%, while loans from the CODI fund for housing go to communities at 4%. Compare that to these whopping commercial interest rates in SUF's pilot countries :



- **In Ghana**, commercial interest rates started at 50% per year ten years ago, and have now come down to 30% or 25%!
- **In Sri Lanka**, banks loan at 22 - 23%.
- **In Indonesia**, banks loan at 20 - 24%
- **In Tanzania**, banks loan at 19 - 20%

In all these contexts, it's pretty clear that government is not putting money in to make interest rates affordable to just about anyone, but especially to low-income households. The idea of SUF is to set up a small fund to counter these high interest practices and start a few pilot projects.

**ACHR has prepared a special illustrated report on a lively discussion on upgrading that took place between the SUF team and the community residents in the newly-upgraded in the Bang Bua community in Bangkok. Contact ACHR for a PDF copy. And for more information on SUF, you can visit the UN-Habitat website : [www.unhabitat.org](http://www.unhabitat.org)**

## COMMUNITY-BASED RECYCLING IN JAPAN :

D.G.J. Premakumara ("*Kumara*" for short) is a Sri Lankan architect who for many years worked with great enthusiasm and commitment with Sri Lanka's urban poor communities on issues of land, housing, upgrading, infrastructure, community savings, community contracting and solid waste management, with the Colombo-based NGO Sevanatha. For the past few years, Kumara has been in Japan and very busy, first working on his Ph.D. with Professor Hosaka (at Nihon Fukushi University) and later doing some research work with another university in Nagoya. In Nagoya, Kumara writes that he has been studying some very interesting community-based recycling and solid-waste management processes, some of them managed by organized groups of homeless people who earn their living collecting and sorting recyclable materials in Nagoya. For a copy of Kumara's paper on these processes, please contact him by e-mail: [kumar885@hotmail.com](mailto:kumar885@hotmail.com)



## NEW NETWORK IN EAST TIMOR :

ACHR's involvement in Asia's newest, poorest and smallest country, East Timor, began soon after it won its independence in 2000. At that time, the country emerged from 500 years of domination - first by the Portuguese, then by the Japanese, and most recently by the Indonesians. ACHR's involvement in East Timor began with making contact with UN-ESCAP and with groups working in the country, sharing information about community-driven development alternatives in other Asian countries, and later helping to promote the establishment of community savings and credit groups and the central involvement of communities in the upgrading of the country's severely ruined communities through a series of seminal exchange visits both to and from East Timor. After 2005, though, this growing partnership slowed down considerably as the country slid back into civil strife and increasing political upheaval and violence.



In October, we got an e-mail from Daniel Pereira, who was one of the team from East Timor on a 2004 exchange visit to Thailand, where they visited community savings groups and community-managed upgrading projects supported by the Thai community networks and CODI.

Daniel writes, "After I returned to East Timor, I wanted to start some activities such as community organizing, starting with some kind of a community survey program. But unfortunately, East Timor was again descending into ethnic and military conflict. The time has gone slowly, but I believe the ideas we learned on that trip have never gone.

I'd just like to inform all of you that here in East Timor, my NGO (called KSI) and my study club (called FORSANE) have been involved actively in facilitating the establishment of a new Housing Rights Network, which we call in the local Tetum language, *Rede Direitu Ba Uma (RDU-TL)*. This organization was launched during a housing rights workshop facilitated by COHRE, KSI and the UN's Human Rights Unit in 2007."

For more information, please contact Daniel at : [laho\\_siak@yahoo.com](mailto:laho_siak@yahoo.com)

## TWO AWARDS FOR PEOPLE-DRIVEN TSUNAMI RECONSTRUCTION :

### 1. Prize for the UPLINK Network's work in Aceh, Indonesia :

Urban Poor Linkage (UPLINK) is a network of poor community groups, professionals and NGOs in 14 Indonesian cities, working to establish strong, independent city-level and national networks of urban poor communities which can develop and promote just and pro-poor alternative social, economic and cultural systems in Indonesian cities. The network is coordinated by the Jakarta-based NGO *Urban Poor Consortium (UPC)*. After the tsunami in December 2004, UPC began working in Aceh, the most devastated area in all of Asia. At first they organized urban poor groups from across the country to contribute cash, clothing, food and tools, and mobilized volunteers to come help in the relief efforts. They soon began working more closely with a group of 25 villages along the devastated west coast of Banda Aceh, to support an extraordinary process by which these communities used the process of rebuilding their ruined houses and communities to begin a long term process of rebuilding their lives and livelihoods.

In November, UPLINK was awarded the 2008 Dubai International Award for Best Practices to Improve the Living Environment (DIABP) for its work in Aceh. The award was established by the late Sheikh Maktoum Bin Rashid Al Maktoum in 1995, and reflects the commitment of Dubai Government and the United Arab Emirates towards sustainable development of human settlements and protection of the environment on the basis of mutual international cooperation. "Best Practices" are outstanding and successful initiatives to improve the living environment which have a demonstrable and tangible impact on improving people's quality of life, are socially, culturally, economically and environmentally sustainable, and can be promoted by the United Nations and the international community as a means of improving public policy based on *what actually works*. For more information on UPLINK's work in Aceh, please contact Wardah or Dian at: [upc@urbanpoor.or.id](mailto:upc@urbanpoor.or.id) (Below: BEFORE and AFTER shots of the rebuilt UPLINK area)



### 2. Prize for Help-O's work in Galle, Sri Lanka :

When the tsunami hit the lovely historic port city of Galle, on Sri Lanka's southwestern coast, the magnificent forts and colonial buildings of this UNESCO World Heritage town were mostly spared, but the city's poor coastal neighborhoods and fishing communities were devastated. Help-O (*Human and Environmental Links Progressive Organization*) is a small NGO which had been working in Galle since 1993 on community development (especially savings and credit) and urban environmental issues. After the tsunami, besides helping deliver emergency relief materials to poor communities, Help-O worked with donors first to coordinate the clearing of rubble along Galle's ruined coastline and then to begin collecting data on affected communities. With support from ACHR, Women's Bank and the Colombo-based NGO Sevanatha, Help-O began to set up community organizations in these battered communities and to establish from scratch a network of tsunami-affected communities in Galle and Matara District. The idea was to find ways to make the tsunami rehabilitation process in Galle more community-centered, and to help people tackle their enormous problems of land, housing and livelihood collectively, as a city-wide process, rather than in isolation. In the years since, Help-o has helped communities to set up savings and credit groups, develop housing and livelihood revival projects, and build much-needed toilets. Help-O has also been doing some pioneering work in developing community-based alternative fuel sources from bio-gas.



On November 18th, Help-O received the 21st International Year of Shelter for Homeless (IYSH) Memorial Prize for 2008, awarded by the Japanese Housing Association, for its work after the tsunami in Galle. Chathura Welivitiya, who leads Help-O, has announced that the prize money will be handed over to the people's movement in Galle to establish a revolving housing loan fund for tsunami victims who are still homeless. For more information on Help-O's work, and for electronic copies of their newsletters, please contact Chathura at: [helpogn@wow.lk](mailto:helpogn@wow.lk)

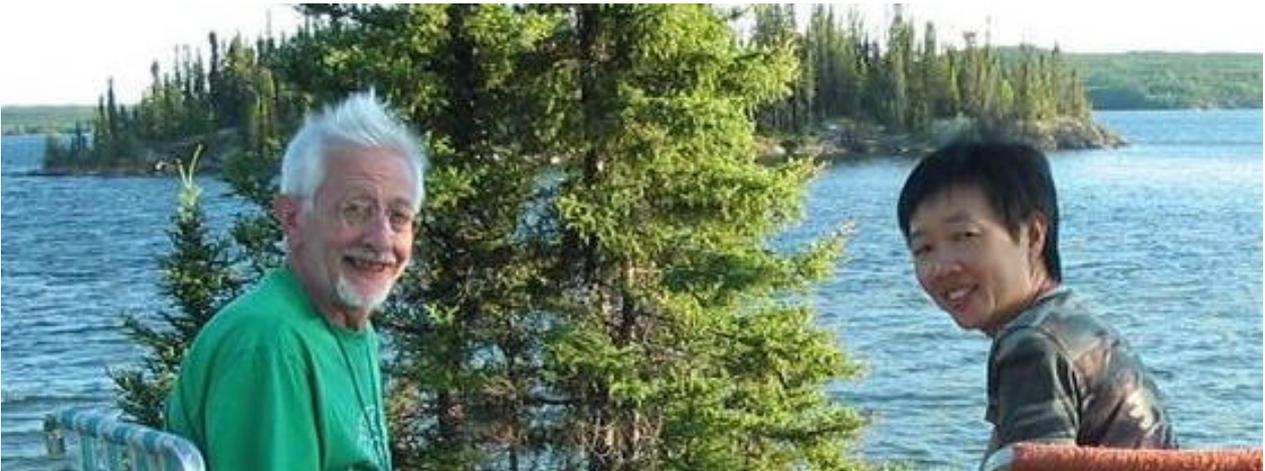
## THE LOSS OF OUR FRIEND PETER SWAN :



We close this e-news bulletin with the sad, the unbelievable news that our good friend and colleague, Peter Swan, died of a sudden heart attack on Sunday evening, Nov. 23, 2008, at the age of 62. For many years, Peter has worked closely with ACHR, in several different capacities. As a film-maker, he has given generously of his time to help us develop documentary videos about community-driven housing, savings, exchange and development processes in Sri Lanka, Cambodia and Thailand. Peter produced a set of films which tell the story of Asian communities rebuilding their houses and lives after the 2004 Asian tsunami, and another about the exchange of experiences which took place between tsunami-hit communities in Indonesia and Thailand with survivors of Hurricane Katrina in New Orleans, USA. Peter also managed several important UN projects in Vietnam and Southeast Asia which helped support community savings and self-help movements and took care to link those projects with the ACHR network so that the work could continue after the projects ended.

Another ACHR friend, Kenneth Fernandes, had these words to say about Peter: "It is hard to believe Peter's gone, since I just heard from him. He sometimes commented on the articles I circulated. He had a wonderful sense of humor and was an avid reader. I enjoyed working with him and looked forward to his visits when I was living in Cambodia. He was a man of great love and compassion. He knew how to use the system to benefit the poor. I still remember his remarking once, "What use is my position and my power if I cannot benefit the poor?" This was reflected in the many films he made too. His big, generous heart gave way, and I know his life generated many merits and his next life will lead him closer to nirvana."

And Maurice writes, "For those of us who knew Peter, this will be a great loss of friendship, humor, intellect, life and humanity. Our sympathies go out to Peter's wife Marasee at this sad time. We will surely miss you so much, Peter."



If you'd like to visit a web-page tribute to Peter, please follow the link below :  
[http://web.me.com/mauriceleonhardt/And\\_so\\_it\\_goes/Blog/Entries/2008/12/6\\_sad\\_news\\_on\\_peter\\_swan.html](http://web.me.com/mauriceleonhardt/And_so_it_goes/Blog/Entries/2008/12/6_sad_news_on_peter_swan.html)