

City-wide community upgrading in Thailand and Asia

*Presentation at the
World Bank
06/12/11*

Slums and
squatte-
settlements
in third
world
countries
emerge
faster
than
solutions



India



Srilanka



Pakistan



Cambodia



Hongkong

Problems with supply driven approach does not match with demand side – the targetted urban poor

*Rethinking – How to make the demand side
Become main actors and drivers at the
realistic scale of the problems with support
from more friendly, efficient and accessible
finance*

Differences of supply-driven and demand-driven approaches

Supply-Driven

- Government or developers plan and implement and select or sale to buyers
- Govt. or developers control finance and implementation process
- Beneficiaries or buyers buy and own housing units individually
- Maintenance by hired companies

Demand-Driven

- Urban poor communities or needed people plan and implement together
- Community implement process and manage their finance
- Community own and manage the units and the projects together or collectively together with social and economic self development
- Maintenance by community

Thailand City-Wide Slum Upgrading

In 2003 Thai Government announced new policy of *one million houses* for urban poor all over Thai cities in 5 years with 2 approaches :

- 1. Constructing of new low- income housing by NHA**
- 2. Slum upgrading by CODI***

CODI receives budget from central government then pass the budget directly to communities according to the consent of city development partners especially Local Authority and community network in each city.

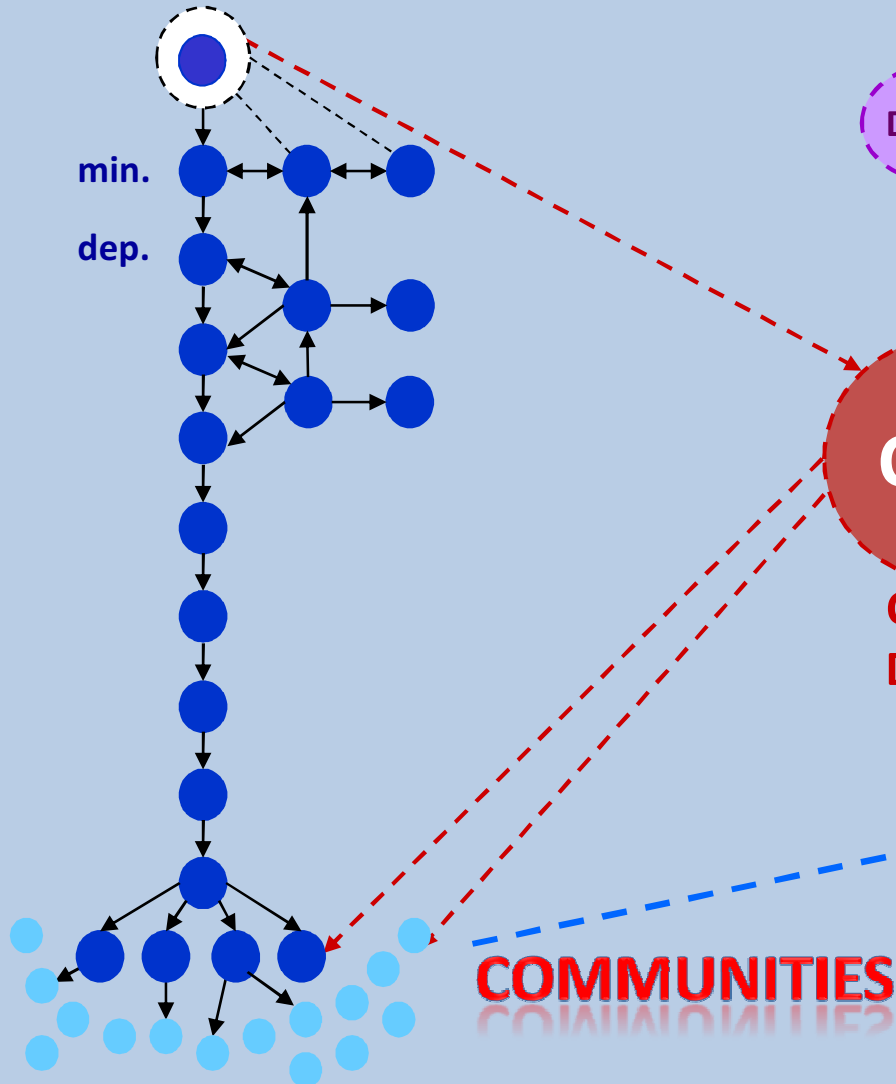
CODI target 5 years slum upgrading achieving city without slums program in 200 Thai cities covering 2,000 slum communities.

Community Organizations Development Institute

- A Public organization under Ministry of Social Development and Human Security (It was semi-independent unit under NHA from 1992-2000)
- Managing Community Development Fund for urban and rural communities
 - started with 40 million US\$ as revolving fund in 1992 as UCDO
 - merging with rural fund to be CODI in 2000 having total about 90 US\$ million
 - Government grant 100 US\$ million more as revolving fund loan for housing development in 2010
 - receiving government budget and subsidies each year for upgrading and other community projects such as welfare, environment, community strengthening, disasters, etc.,.

Community Organization Development Institute

1. Conventional govt, Fiscal budget, top-down system.



2. NGOs Service delivery.

Donors

CDF.

Community Development Fund

NGOs

proj.

proj.

Indi.

Com.

Conditions of first world.

Market.

Bank

Company.

Individual.

3. Private sector banking system.

The new paradigm shift

For housing development by people in action

1. Community organizations are the **owners** of projects
2. Change from supply driven to “*Demand Driven by communities*”
3. Change the approach from construction management to **flexible financial management** allowing community and local partners to work together
4. **Urban land reform** for urban poor housing by land survey and community negotiation
5. **holistic upgrading process** to build strong and secured community organization and managerial capacity as a collective group for integrated physical, economic and social improvement
6. **City-wide** development process covering all communities in the city

Community Survey all communities in districts and city

Community survey of all households
In the community and city carried out by
community people

การ



Community Saving Activities

***Saving people, saving money, saving group managerial capacity
And building community financial system
for long term sustainable community and housing development***



City-wide Survey in Samutprakarn Province



Bang Proang : Household Survey





Community planning process



นำบ้านจำลอง มาเรียงให้เห็นบรรยากาศชุมชนใหม่.....จากชุมชนใน
ฝัน เริ่มเข้าใกล้ความจริง!!

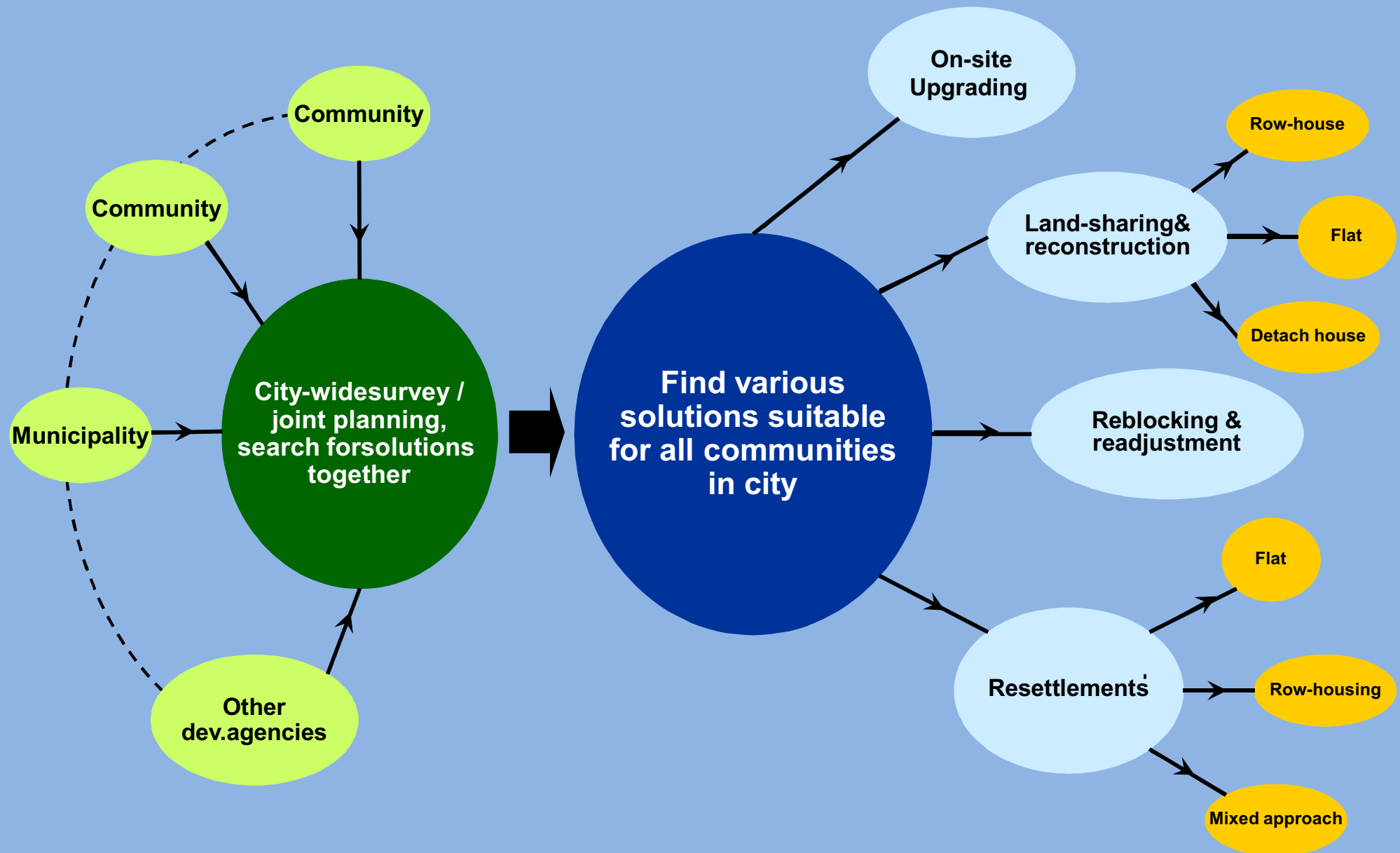
Working Together, build together

The actual price will be reduced

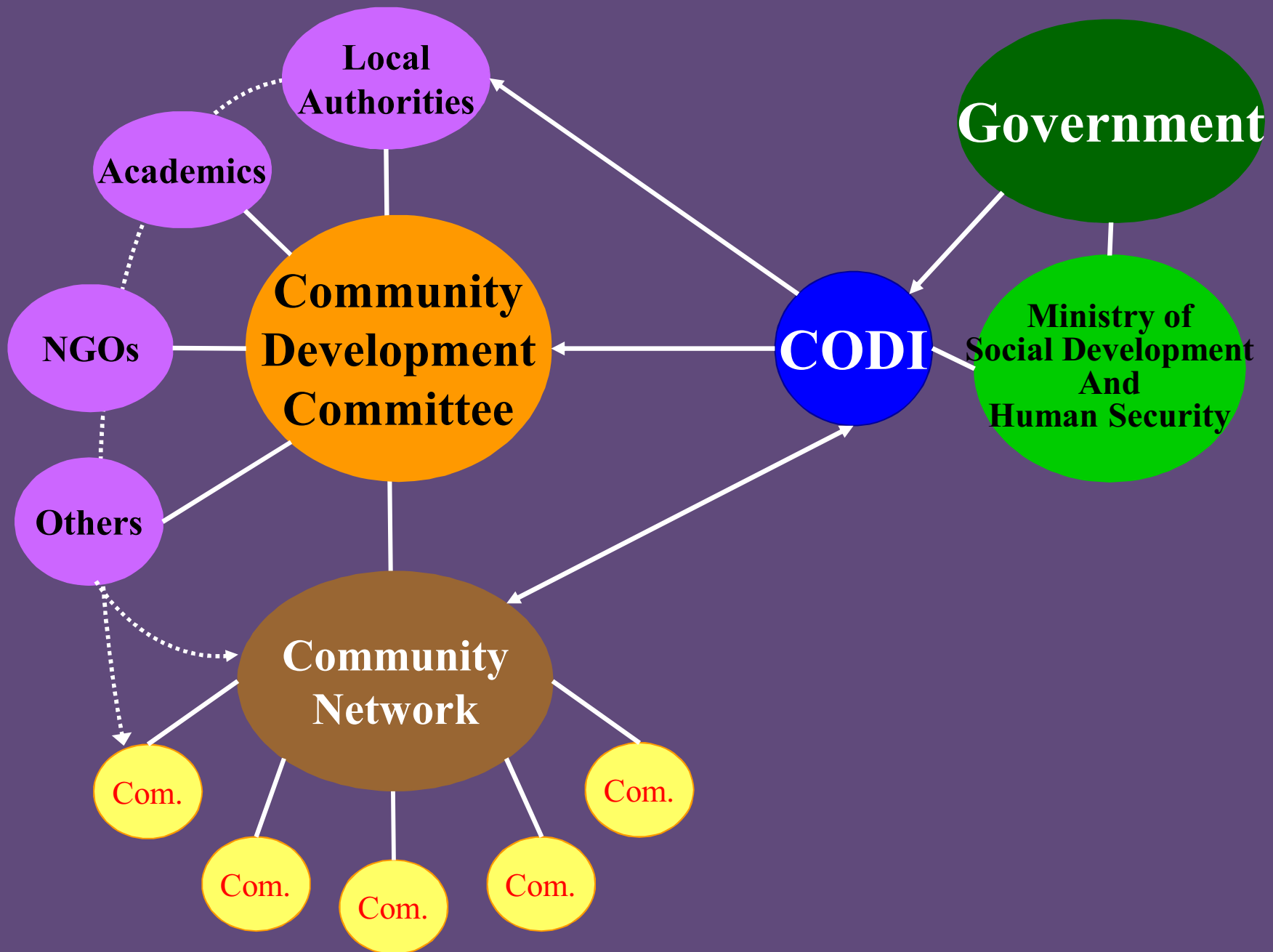
*construction cost
capital*



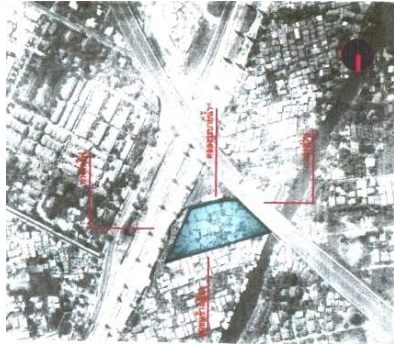
City-wide upgrading involving many possible city development actors and find various secured housing solutions for all communities in the city



Project Mechanism



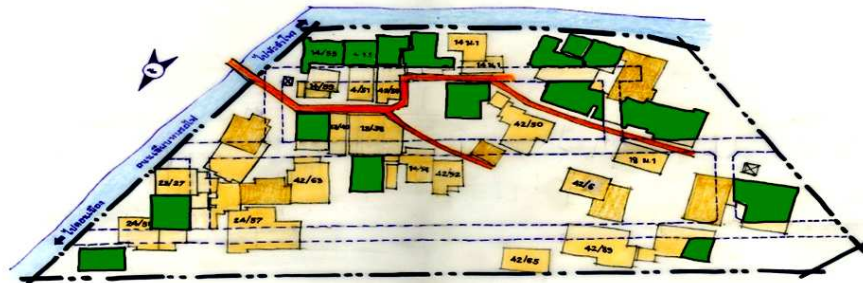
Charoenchai Nimitmai Reblocking Upgrading Community



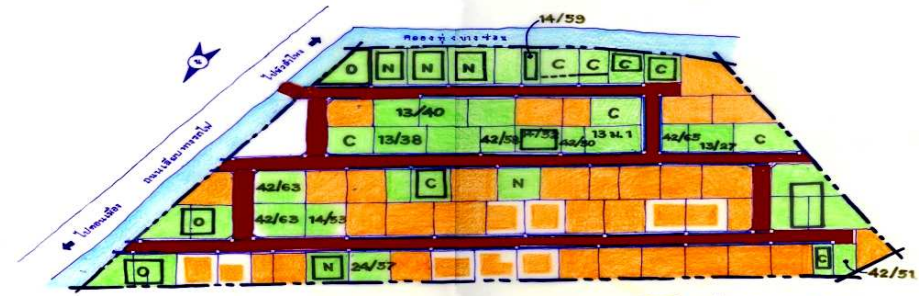
Location : **Bangkok**
 Land Owner : **Cooperative**
 Situation : **Eviction**
 Area size : **0.7 ha.**
 No. of Units : **81**
 improvement : **Reblocking**
 Size : **40-100 m**
 Repayment : **1,100-2,000 baht (27-50 U\$) per month**



Project opening ceremony



Before Upgrading

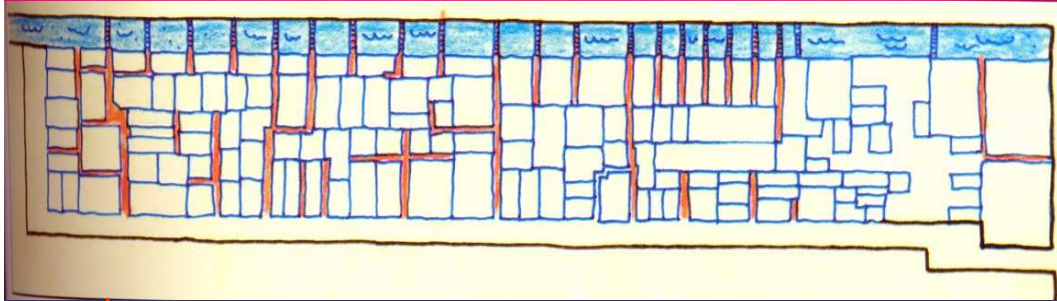


After Upgrading

สีเขียวเข้ม ป้ายระบุประเภท 10x
 สีเขียวอ่อน ครัวใหม่ → สี - ครัวใหม่และเดิม
 สี - โถงเดินเชื่อม
 สีเหลือง กำแพงจากบ้านเดิมที่ขายแล้วเดิม
 สีฟ้า กำแพงใหม่จากบ้านเดิมที่ขายแล้วเดิม
 สีเทา รั้วบ้านเดิม

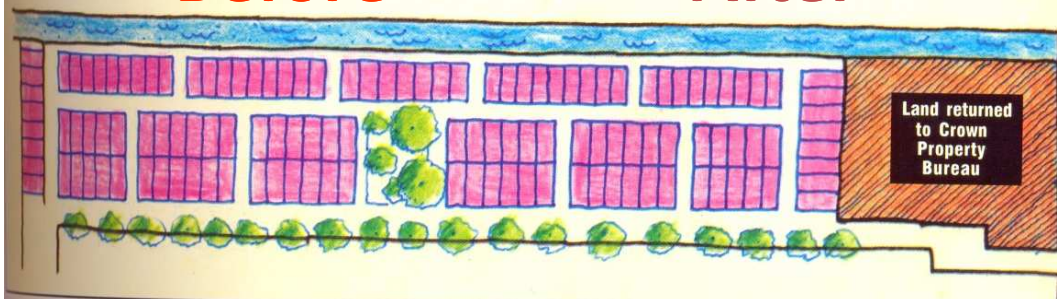


Ruam Samakki : Community Plan



▲ Before

After







**Every house has its own water treatment
and children/youth participation
in water clean up**

Community Welfare Activities

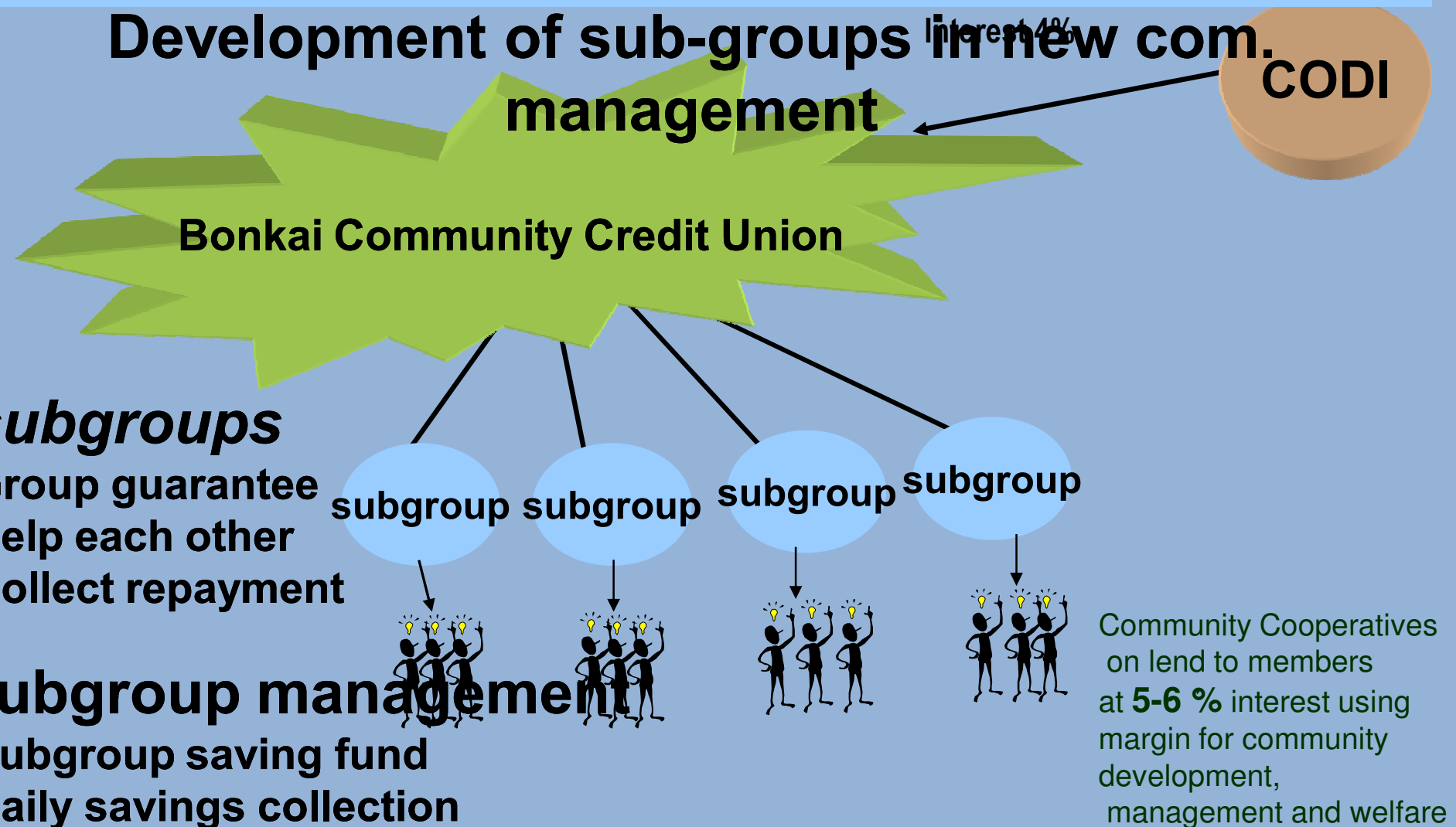


**City Event for MOU Signing on City Wide Slum Upgrading Agreement
Participating by all Development Actors in Udonthani City
And The Upgrading March Across the city participated by communities in 10 cities**



Whole sale loan from CODI to community cooperatives and

Development of sub-groups in new com. management



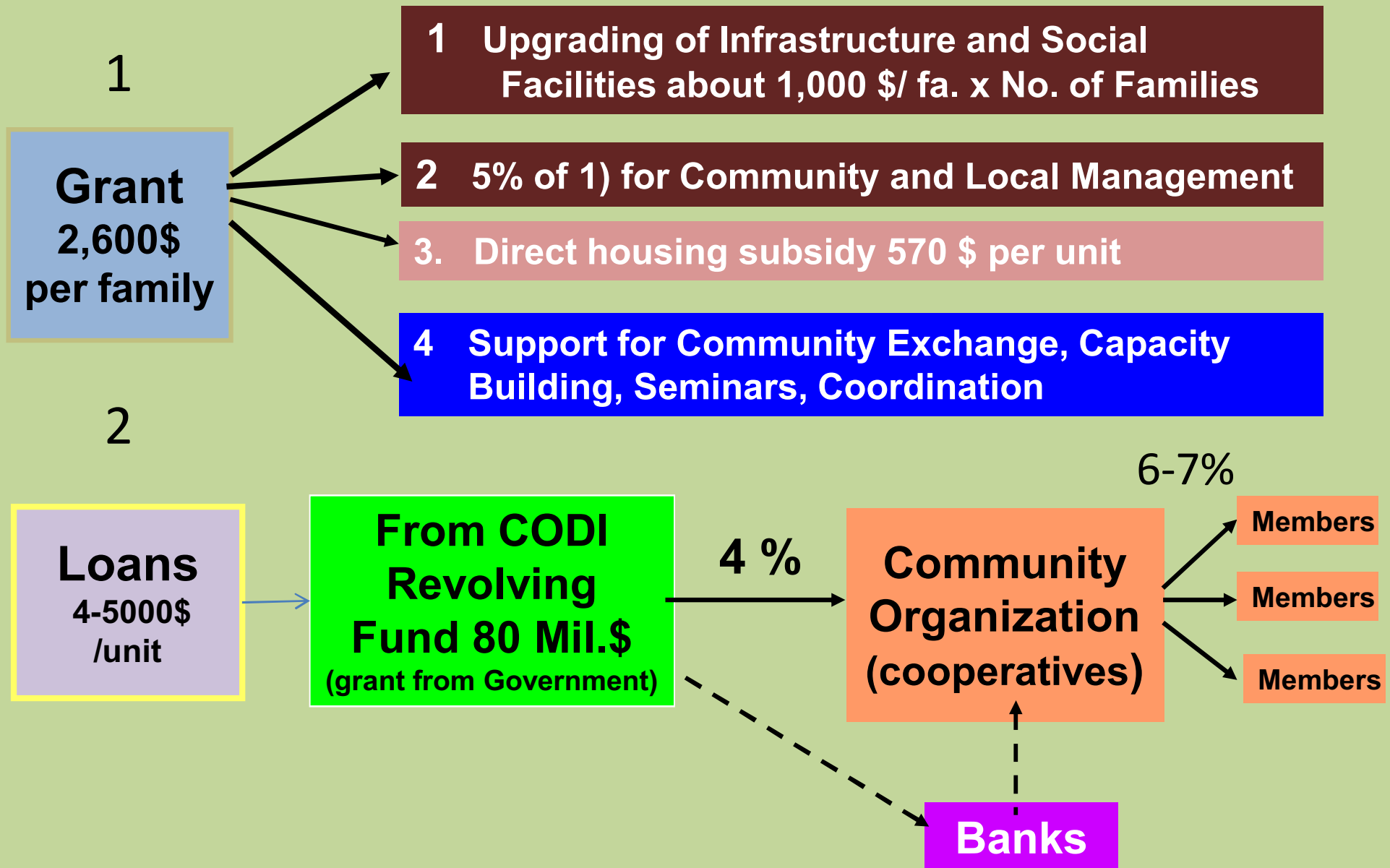
subgroups

- Group guarantee
- Help each other
- Collect repayment

Subgroup management

- Subgroup saving fund
- Daily savings collection
- Monthly meeting
- Help members who can't pay

Providing Flexible Financial Support for City-wide Upgrading by Communities



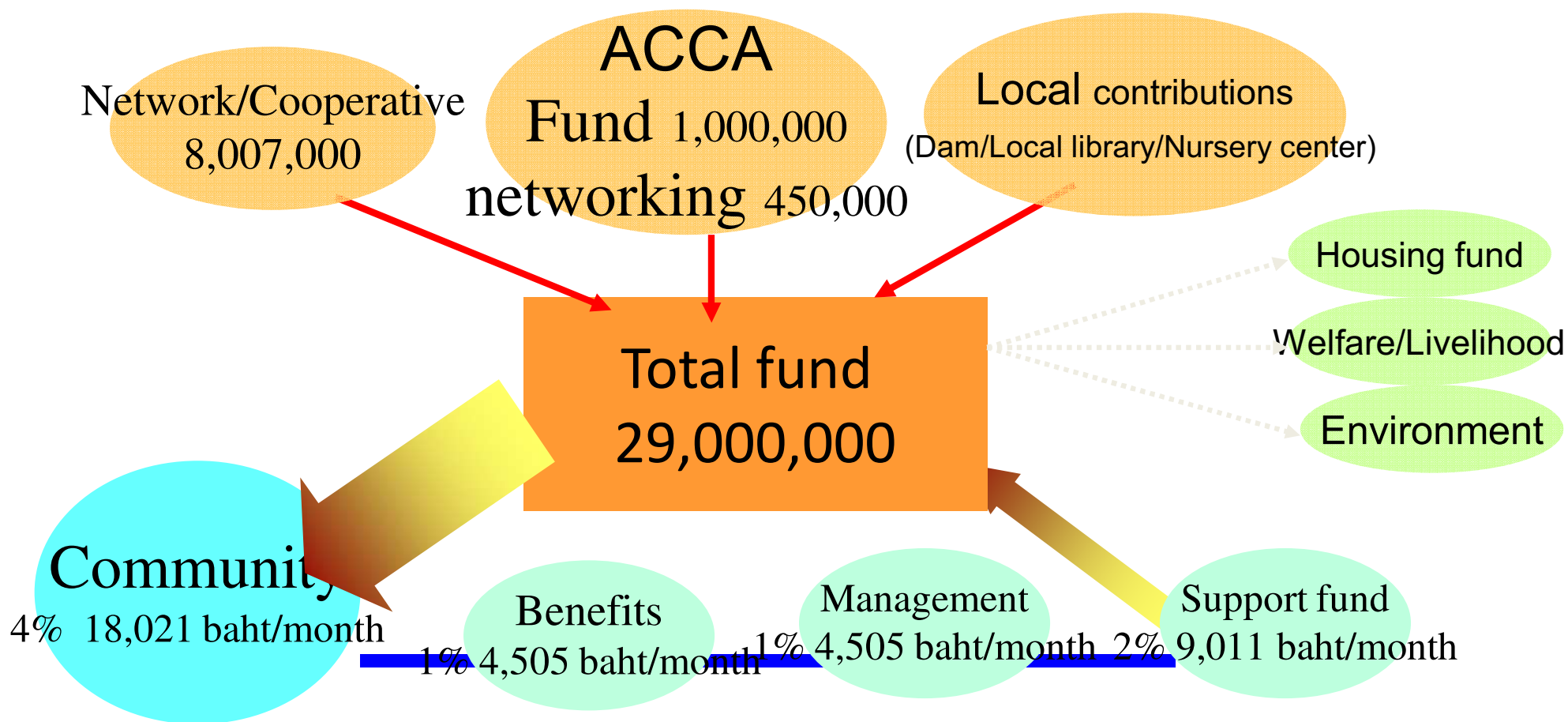
Building new secured community

- ***Collective land*** ownership, or lease
- ***Community savings and fund*** (acting as community bank)
- ***Welfare activities*** : scholarship, children, youth, elderly, sick and advantaged, dead
- Active linking with ***community network*** and city organizations and regular meeting
- ***Collective management***
- ***Active citizen***, closer or regular link with local authority

Some Achievement and Impact :

- Community upgrading and housing development 850 projects in 270 cities total 92,000 families
- Community organizations and networks in more than 300 cities with information and partnership with cities
- City Development Fund as alternative community finance organize in 205 cities with welfare funds, income generation, insurance and housing development
- Change in the regulation, lower standard, attitudes from policy, land owners, cities and the public

Community's City Development Fund



Condition – At present, the saving by 15 communities is 21,000,000 bath but there is no networking system. So, the mutual fund is established to support each other.



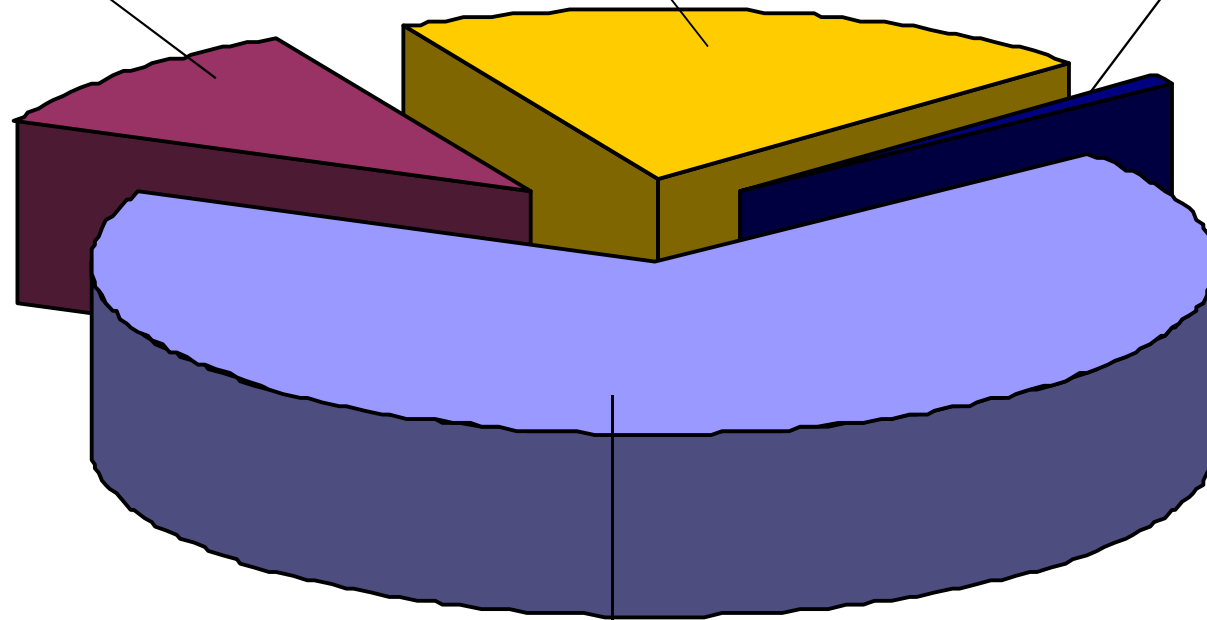
- There is system of assurance at all level; from the sub groups to local community and from the community to the city network.
- There is social welfare for members (birth / death), by collecting one bath per day from the members. There is also this welfare saving collected from community to the Bangkok district network.
- Collective community maintenance budget: 0.50 baht/ square wah ,0.50 baht for district

Type of upgrading

Nearby Relocation
4,418 families
(10.76%)

Relocation
8,436 families
(20.55%)

Shelter House for Homeless
393 families
(0.96%)



Upgrading/ Reconstruction
27,798 families
(67.73%)

Upgrading & Reconstruction
Relocation

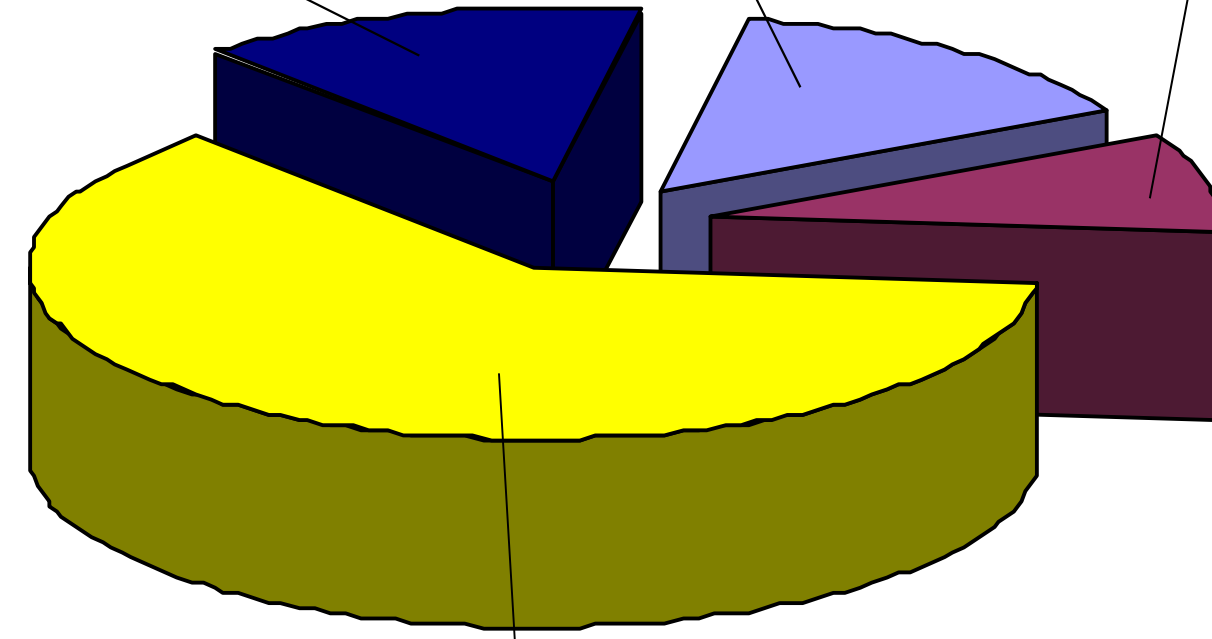
Nearby Relocation
Shelter House for Homeless

Status of Land Tenure Security Improvement

Cooperative ownership
15,383 families
(37.48%)

Permission to use land
4,302 families
(10.48%)

Short term security
2,762 families
(6.73%)



Long term tenure security 18,598 families (45.31%)

Permission to use land
Long term tenure security

Short term security
Cooperative ownership

Urban poor housing development is an investment, not only social expenses

Input :

- Government subsidy 2,000 \$
- Loan for land/housing average 4,500 \$ (to be repaid)
- Community contribution 500 \$
- Other contribution 500s

Total investment 7,500 \$ (govt. less than 30%)

Output : For urban poor family

1. *Economic Assets* for the urban poor family more than 15,000 USD
2. *Legitimacy* ,and security
3. Healthy environment
4. Community asset : Community organization ,welfare , better social cohesion
5. *Political asset* of active community network and participation

Government paid 2,000 \$ per family

will get more return by

- ***Vat 7% of 7,500 = 525 \$***
- ***Land lease, property tax = 500 \$***
- ***Tax, fees, income tax, etc. = 500 \$***
- ***Other contribution, indirect
gain from other relevant economic activities***
- ***Reduce expenses on health, other
poverty programs***
- ***Healthy and more active citizen and community***