Thailand: National City-Wide Slum Upgrading Program

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Thipparat Noppaladadarom
Community Organizations Development Institute (Public Organization)
Ministry of Social Development & Human Security
COMMUNITY ORGANIZATIONS DEVELOPMENT INSTITUTE (CODI)
THE MERGER OF 2 ORGANIZATIONS IN 2000

UBRAN COMMUNITY DEVELOPMENT OFFICE (UCDO)
$61 million
(2,156.69 MB.)

RURAL DEVELOPMENT FUND (RDF)
$21 million
(743.04 MB.)

CODI
$83 million
(2,899.73 MB.)
Context and Rationale:
SLUM AND SQUATTER SETTLEMENTS IN THAILAND

- 5,500 urban low-income communities in 300 cities, population 8.25 million
- 3,700 communities with insecure land
  - 65% land rental with no secure contact
  - 35% squatting
  - 445 communities having threat of eviction
- 70-80% cannot afford housing in market & public system
Location of Slums and Squatter Communities in Bangkok
CODI’s city–wide slum upgrading “Baan Mankong” (secure housing) program

- Launched in 2003
- Goal: solving housing and land insecurity of slum dwellers on a city-wide scale.
- Target set by govt:
  - Initial: 200,015 housing units, 1 mill people
  - New target: 700,000 units
- Approach: Community-led
  - local authorities coordinate.
MAIN TOOLS OF BAAN MANKONG

• Flexible finance
• Collaboration
• Saving groups
• Collective
• Horizontal support
• Technical support
Process and linkages of local housing development partnership “Baan Mankong”

Find various solutions suitable for all communities in city

City-wide survey / joint planning, search for solutions together

Academics

Community

Municipality

Other dev. agencies

On-site Upgrading

Land-sharing & reconstruction

Reblocking & readjustment

Resettlements

Row-house

Flat

Detach house

Flat

Row-housing

Mixed approach
Financial Framework

1) Upgrading of Infrastructure and Social Facilities 25,000 – 45,000 Bht. x No. of Families

2) 5% of 1) for Local Management

3) Support for Community Exchange, Capacity Building, Seminars, Coordinator

Total Subsidy per family/unit 80,000 Bhts.

Loans

From CODI Revolving Fund

Interest 4%

Communities

(Max 15 yr.
Max. 300,000 Bht./unit)

(1us $ ~ 35 Bht.)
On-site upgrading

Nearby Relocation
- Land lease
- Purchase new land

Development Approach

CHUMPHHAE

KHONKAEN
WAT PHOTHI WARARAM COMMUNITY

BEFORE

AFTER
Housing Model: by Community
PU-POH : PATTANI
SAMAKKI RUAMJAI COMMUNITY

BEFORE

AFTER

Detail Land Sharing
BANGBUA (AFTER IMPROVEMENT)
Bon kai Sub-group System

Sub-group system
- Group guarantee
- Collaborative work
- Land rent and loan repayment collection

Sub-group management system
- Sub-group funding
- Daily money collection
- Monthly meeting
- Deliver the collected money to the Cooperative

Community Credit Union on lend to members at 4% interest using margin for community development, management and welfare

Interest Rate 2% per year
Baan Mankong-Performance since 2004

- Implementation in 71 (of 77) provinces, 300 cities
- 850+ projects approved, covering 1,660 communities and 96,000 families
- Loan granted is about US$3000-7000/family, average US$5000/family
- Total government upgrading subsidy granted about US$150 mil (about $2500/family)
- US$185 mil granted in loans from CODI revolving Fund (4% interest). Repayment 97.5%!
Input: Government subsidy 2,000 $

- Loan for land/housing average 4,500 $ (to be repaid)
- Community contribution 500 $
- Other contribution 500 $

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

Urban poor housing development is an investment, rather than a social expense.
Impacts: Building a New and Secure 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 meetings
- Collective management
- Active citizens, closer and regular link with local authority
Challenges

- Building code & standard were too high = unaffordable
- Getting access to land: CODI negotiated with public and private landowners
- Finance: CODI needs to get more funds to grant loans. Difficult to work with the banking system.
Thank You
Urbanization & housing gap

- Urbanization started in 1960s, intensified 80s
- Today 65% rural 35% urban
- National Housing Authority set up 1973
  - Construction flats and
  - Complete houses since 1970s
  - Sites & services 1977-1980s
  - Slum upgrading by govt.
    1977-2000s
- Housing is not generally responsibilities of Local Authority
- Urban Community Development office set up 1992
  - Community Development Fund
- Community Organizations Development Institute (CODI) set up 2002
  - to empower community Organization
(Development on Public Land)

ที่ดินสาธารณะประโยชน์ ที่สามารถรองรับโครงการ

1 โนนหัวดับเต่า
   พื้นที่ 85 ไร่ 2 งาน 27 ตารางวา

2 หนองอีเลิง
   พื้นที่ 10 ไร่

3 บ้านนาโพธิ์
   พื้นที่ 29 ไร่ 80 ตารางวา

4 หนองใส
   พื้นที่ 10 ไร่ 2 งาน

5 แซ่งกระเทิบ
   พื้นที่ 119 ไร่ 3 งาน