About CODI

The Urban Community Development Office (UCDO) was established in 1992 with an initial grant of 1.25 billion Baht (US$ 34 million) from the Thai government, as a special revolving fund to support urban community development activities and to provide low-interest loans to community organizations for emergencies, housing and income generation. Though technically under the National Housing Authority umbrella, UCDO had it's own development process and a separate board of directors to allow the fullest flexibility.   This new fund was to be accessible to all urban poor groups who organized themselves to apply for loans for their development projects. Eight years later, over half of Thailand's 2,500 urban poor communities in 50 provinces were UCDO members, linked together into 103 networks through a broad range of community development activities, including housing, income generation, environmental improvement, community enterprise and welfare. On October 26, 2000, UCDO was officially merged with the Rural Development Fund to become the Community Organizations Development Institute (CODI). The royal decree which brought CODI into existence allows development activities launched under UCDO to continue, but greatly expands the organization's scope, and paves the way for some big changes in how the organization works and how it relates to the poor community organizations it supports. By making CODI an autonomous legal entity with the status of a public organization, the decree provides greater possibilities, greater resources, more flexibility and much-expanded possibilities for collaboration between urban and rural groups.

Writing a new set of rules for running a PUBLIC INSTITUTION . . .

After nine years of experience working throughout the country, CODI is still emphatically in the R & D mode, learning to learn from the strengths that poor people all over the country already possess, and to make tactical interventions which help that strength develop and grow, beyond mere "participation." CODI now supports community-driven development activities in 54 of Thailand's 75 provinces, where more than 1,000 community savings and credit groups have saved 500 million Baht and taken well over a billion Baht in various kinds of loans - over half of which have been repaid.

The statistics are encouraging, but it's not simply a matter of X number of poor people getting X number of loans to build houses or to start small businesses. The enormous problems faced by Thailand's poor go much, much deeper than lack of finance. The deep inequities and systemic exclusion which leave a third of the country's population without secure housing, basic services or jobs. Thailand's political system, like many others across Asia, is undergoing a lot of change these days, moving gradually and bumpily from feudal systems of patronage to more democratic, more capitalist systems. Thailand has a progressive new constitution and a new government which sailed in on a platform of bureaucratic reform. On official paper and official tongues, words like participation, decentralization, transparency and partnership have entered the mainstream.

But while the country's poor community organizations have been quick to take up the nascent opportunities these changes offer, state institutions are lagging far behind. Top-down efforts at reform continue to wither on the vine, while real power continues to flow in ways that are anything but democratic, ensuring the poor remain well out of discussions about how Thailand's cities and rural areas will develop, and how the countries resources will be managed. There isn't much hope that formal institutions, as they function today, will ever be able to solve the enormous problems of housing and poverty in Thailand's cities and villages.

Challenging these deeply entrenched systems calls for profound structural changes - changes which can only come about when there are strong, organized groups ready with new ideas and new energies to counterbalance this lopsided and undemocratic version of development. And what's also needed are new kinds of institutions which can create space for people and civic groups to change their own situations and give legitimacy to their efforts, while at the same time connecting with the formal institutions but keeping enough distance to maintain independence and flexibility. Navigating that delicate intermediary pathway has been UCDO's big task, and is now CODI's.

An independent development fund like CODI can play a powerful role in enabling poor people's organizations to access development resources directly, bypassing the bureaucracies which traditionally control those resources and decide on people's behalf what development activities will get funded. This approach allows communities to design all kinds of development activities by themselves - on a large scale - and later to link these efforts together into networks of learning and sharing of ideas. The most important aspect of the past few year's work at CODI has been the emergence of community networks as players in Thailand's development scene. As a means of moving from the isolation and powerlessness to collective strength, networking has become an important development mechanism in the country. Besides providing mutually-supporting means sharing ideas and pooling assets, networks open channels for individuals and communities to talk to their local development agencies, to plan local development activities in collaboration with those agencies and to build better local partnerships in development. Supporting the formation and strengthening of community networks, as the chief mechanism for channeling CODI's resources, has become CODI's most exciting project. More than 100 community networks have been set up, and as many have grown in size and strength and sophistication, they have become prominent players in their cities and provinces.

Decentralizing CODI's policy and decision-making to the people's process

There's a lot of talk in Thailand these days about bureaucratic reform, participation and decentralization, but so far, the government's record in those departments has been pretty shabby. Organized poor people can help Thailand decentralize better than the bureaucrats, and spark "bottom-up" changes in how Thailand is governed, in keeping with the spirit of the Thai constitution. And that calls for some decentralized institutional support also.

In the context of these political transformations, CODI's work becomes especially important. The big questions echoing across the communities and throughout CODI over the past year have been how to reorient the system and working culture, which UCDO had begun to develop, to make CODI the kind of organization which can actually translate those elusive concepts of decentralization and participation into day-to-day practice, so that people become the prime movers in a self-development movement among Thailand's poor communities. And how finance can be used as a tool to build stronger community organizations and more balanced and more productive working partnerships in Thai cities. Things are just getting started - a lot of new ideas are in the air and a lot of new structures are being set up on the ground and undergoing trial runs in practice. Here is a summary of the key structural developments at CODI :

1. **Mixed governing board :** Like UCDO, CODI is governed by a mixed board comprising representatives from poor communities, government, NGOs, academia and the private sector, and it institutionalizes the presence of community leaders at CODI's highest decision-making body. The strong position of people's representatives on the board is a crucial element in CODI's operating structure and symbolic of processes up and down the organization.

2. **Community Advisory Committee :** After intense discussions, it was agreed that the people themselves would select the three community representatives to sit on the CODI board, through a far-reaching search process which involved the participation of organizations across the country and the subsequent creation of a 25-member People's Forum. This forum includes five senior community leaders from each of Thailand's five regions, and from the very beginning was part of CODI's structural backbone. The forum's first job was to select the three CODI board members from among their members. Afterwards, it was formally agreed that this group would continue in it's advisory role as the Community Advisory Committee, linking CODI to community processes in each region. Whatever ideas are going to be proposed to the CODI board are first discussed among these 25 senior community leaders, who meet before each month's board meeting, to discuss important issues, community processes, government policies which affect communities in all the regions, to review CODI's performance and to make suggestions which then inform the board meeting.

3. **Decentralizing decisions to the provinces and regions :** In UCDO's earlier working system, it was always the staff who went around the country, carried news and doled-out budgets for various community activities. The process of decentralizing CODI's decision-making began by setting up coordinating teams in each region to take over a lot of these tasks. These teams were set up by regional leaders on the Community Advisory Committee, who invited friends from various sectors in their region to join - NGOs, local officials, professionals, academics, representatives from the Community Development Department or the Agriculture Ministry - whoever they feel is supportive of a people-driven direction. CODI offices have also been set up in each region, to give support to the regional coordinating teams, which have decision-making power. Similar mixed committees are being set up at provincial level also, to develop locally-specific ways of implementing whatever programs CODI is developing. Then whatever these provincial committee propose, Bangkok follows. This is the serious aspect of decentralizing decision power to the people process. As they develop, all these structures are being kept very loose and flexible, so each region and each province can develop processes which fit the particular character and political culture and meet the needs of that area. And in all these processes, the intention is that the agenda is being set and decisions are being made by the people, and CODI takes on the role of secretary of the people's movement.

First advice from the people's forum : *"Slow down!"*

Here's an example of how the Community Advisory Committee works. Early on, CODI received 500 million Baht from the former government for a new loan program in rural and urban areas along the lines of the Miyazawa Fund. Everyone in CODI was keen to get it going right away, but when the idea was put to the forum, their emphatic advice to CODI was "Slow down with the money!" Instead, they suggested taking at least three solid months to understand the wealth and experience which is already there - to get to know all these new groups, find out who's doing what and ask how they want CODI to support the work they're already doing. This advice was taken seriously, and a three-month period of intense learning, travel and discussion followed. The idea was clearly not to promote CODI - as an organization or as a fixed set of available services - but to look at how people were already working and to brainstorm about how CODI could strengthen that work and link it to other efforts at a wider scale in order to achieve people's aspirations - as people defined them themselves.

Six ways to look at CODI :

Sometimes a sympathetic visitor can bring a fresh perspective on work which to those deeply involved in its complexities, can sometimes get obscured. Last July, Sheela Patel, from the Mumbai-based NGO SPARC, was in Bangkok to visit CODI and look at some projects of the Thai community networks. Here's her take on CODI's role in Thailand:

1. Delivers public entitlements in innovative and efficient ways : These are all government development resources that are to be given to poor people. So instead of ten Baht being passed out to each person, through all the usual bureaucratic channels, CODI is looking at new structures and new mechanisms to give that money to people more directly, more efficiently, and in ways that bring new "value-addeds".

2. Gives communities incentives to push for changes in the system which they consider necessary : In a decentralizing environment, here is an institution that is providing incentives for local communities to organize themselves, reflect on what they want, explore what they want to do, test it out and scale it up. Instead of eliciting the usual knee-jerk response from communities, "We don't like this, we don't like that," CODI is creating systems by which people pro-actively put pressure on the system - at various levels - for changes which they consider necessary.

3. Gives people institutional backup in their negotiations with the state : CODI's institutional arrangements strengthen and support people's initiatives by putting its resources and its institutional muscle on people's side when they go to negotiate with their local, provincial or national governments.

4. Provides institutional support to help the poor enter the market system : People keep talking about how everybody should be able to participate in the market system, but poor communities lack the capacities and institutional arrangements to do that. So if they're pulled immediately into that market system, there are distortions: there are bad debts, loans aren't structured properly, money gets mismanaged or goes to the wrong hands. These systemic distortions can't be solved only by throwing more money at them, which is the market's answer. Here you are creating institutions which will support and strengthen what people do.

5. Works like a R & D unit for what people do: For poor people living right on the edge, trying something new can risk undermining fragile survival systems if those experiments go wrong. By providing communities and networks with an experimental cushion, wherein experiments are allowed to go wrong and still be supported, CODI helps test out and refine what people do.

6. Creates little pools of decentralized capital at many levels : The market system is designed in such a way that capital tends to accumulate on the top, so that banks or investors which put in the largest amount of money will make the most money. CODI's arrangements, on the other hand, are decentralizing development funds, creating little pools of capital at many different places - the communities have their little pools, the networks have their little pools, the city-level, provincial-level and regional networks have their little pools.

Job security : Changes in CODI staff's relations with their work . . .

As more organizing tasks which used to be managed by CODI staff are taken over by the community networks, field workers find themselves no longer working in single communities, in the old NGO style, but working in a more facilitating role with large networks of communities and balancing the often bumptious political forces in this process with judicious interventions. This is no easy thing to do: it calls for a whole new set of skills and a fundamental changes in the relationship between the institution and the people's process it supports. The communities have made this leap very quickly, but professionals - within CODI and in other allied organizations - have lagged behind.

In all the cities and rural areas alike, it's now the community networks and not CODI staff members which set up new savings groups, forge linkages between groups, choreograph exchange visits and set plans and budgets for various development activities. The whole thing is managed by people. Money is no longer carried around by the workers either - it's transferred now directly to accounts in the various regions which are managed by the committees there. There is even a new rule that whenever a CODI staff member goes to any province, it has been discussed in that forum before.

There have also been changes in the terms of people's employment with CODI. Everyone had to formally re-apply for their jobs, and in the new system, everyone on CODI's 140-member staff works on a 3-year contracts, with yearly assessment of their work. The idea of one's job performance having a direct bearing on one's job security is a feature of most private-sector jobs, but has never been a strong concept in public sector jobs in Thailand - to put it mildly. Most government jobs are permanent jobs, where a person can go on filling space at a desk for decades, without doing anything. Job security of this sort has served only to petrify the nation's bureaucracy and to fleece Thai taxpayers. But here is an entrepreneurial element to keep people on their toes, which ultimately provides a much deeper form of job security: as long a person finds ways to be very active in her work, her job will be very secure.

Finding new ways to support what people are doing, without calling the shots

"The CODI work is very important, as it is perhaps the only nationally-organized government-people partnership that I know that is free from pre-conceived planning notions. I hope that it will continue so that it can be consolidated." (Arif Hasan, from the Orangi Pilot Project in Pakistan, on a visit to CODI last year)

From the outset, UCDO was set up to be a revolving loan fund - the institution itself was never meant to be an implementing agency like the National Housing Authority or the Department of Welfare. The idea was that through this new fund, poor people could organize themselves, start savings groups, build their own systems of management, initiate their own development projects in housing, settlement improvement and income generation, and then receive support for these projects from the fund, in the form of loans. In the early 1990s, this was radical stuff. These kinds of institutional arrangements - in which poor communities did the deciding and the doing, and the fund supported that with finance - were new to everyone. It was a big breakthrough for Thailand and represented a first stab at decentralizing development resources from the development (albeit a small portion of them...) to a people's process.

But in those early years, UCDO worked directly with individual community organizations scattered across Thailand. As the work expanded into new cities and new areas, the demands posed by this direct, bilateral relationship between the institution and individual communities began to stretch UCDO's staff and resources very thin. When a savings group in Chiang Mai, for example, had a crisis, it would cost thousands of Baht to send a staff-member up there to help settle a problem of a few hundred Baht gone missing. UCDO was in danger of becoming a bottle-neck which stunt the people's process rather than helping it grow.

Then in 1997, the Asian economic crisis hit Thailand with a vengeance. Suddenly there was an explosion of big problems everywhere - loss of jobs, dwindling household incomes, non-repayment of loans, skyrocketing indebtedness to informal money lenders, crises in the savings groups. UCDO's already stressed-out workers could no longer even hope to keep track of all these problems, much less solve them. In the end, the crisis helped break this unsustainable bilateral relationship between the organization and the people's process and to bring Thailand's urban poor people much more strongly together. It was a time of soul-searching and restructuring for both the communities and for UCDO. And this was when the process really began of linking communities into larger networks of mutual help and mutual learning, as a means of tapping horizontal, rather than vertical storehouses of wisdom and assistance to groups in crisis. The two crisis-assistance programs (SIF and Miyazawa) were a big help in solidifying this networking process.

he merger with the Rural Fund and creation of CODI last year brought more opportunities to rethink, restructure and decentralize in creating new layers of collective management and decision-making at city, provincial and regional levels. Since the merger with the Rural Fund last year, the city folks on CODI's staff and in the urban community networks have gotten a crash course on a bewildering array of rural, agricultural and environmental concerns, which are outside the familiar themes of urban poverty. Suddenly, lots of people are talking about things like farmer debt, watershed management, the economics of chemical fertilizers, fisheries and forest management and coastline preservation.

With so many new issues and with the whole or rural and urban Thailand to deal with, it's become harder for CODI to focus on specific issues at all. The organization again found itself looking squarely at it's own limitations, and seeing decentralizing as an imperative. Everyone agrees that this has been a blessing in disguise, because it has steered CODI - by default - into deeper layers of institutional decentralization.

Since CODI's staff have neither the expertise, the capacity nor the numbers to focus on all these issues, it means the people have to. What CODI can do instead is to concentrate on the people and their processes, making sure they have the tools, the finance, and the institutional back-up they need to tackle these issues themselves. People's organizations - at community, city, provincial and regional levels - are now the ones setting up systems that are relevant to all the issues they feel are important. So you have many different community networks addressing these different problems in many different ways, all with the support of CODI and the various funds CODI manages behind them. And CODI's role becomes more strategic: how to balance different parties and different agendas, how to get the big agencies and big policy-making organizations interested in this issue or that, and get them involved in processes in which the people are the main actors.

BOX : "We're not so good at issues . . ." On a recent trip to southern Thailand, the leader of one group told Somsook, "We have a serious problem. We are a network of fishermen and we face many problems from the big fishing boats and from the government's policies which cause so many problems for our traditional ways of fishing. So what is CODI going to do about that?" Here is how she answered : "None of us have the answer to these problems! We're not very good with so many different issues, but what we are good at is linking people together, finding ways that people can discuss their problems together and find solutions together. We can provide backup, financial assistance or loans to help do that, link you with others who can offer assistance, provide some status which gives formal clout to whatever solutions you develop. That's what we're good at."

On the road with the community elders in Phetburi Province :

When you come to the provinces, there is a whole layer of richness in the people's process which comes out: local history and culture, a sense of place and vital local realities which are easy to pass over when you vaguely hear about them in faraway Bangkok. Seeing people in their own environment, eating their special dishes, and, most importantly, understanding what they are doing locally to tackle the problems they face locally - all this is another vital aspect of institutional decentralization.

Over the past year, CODI has been experimenting with holding some of the monthly board meetings in different parts of the country. The 11 board members, the 25 national leaders in the Community Advisory Committee , and representatives from each of the five regions all pile into a caravan of mini-vans and drive to a different province or city. These roving board meetings are another aspect of decentralizing CODI's work, and breaking the tendency to always do things in Bangkok by moving the spotlight onto the particular problems, activities and cast of characters, and gives the national leaders and board members a chance to learn about one corner of the country in much more detail. And besides, it allows a greater number of people in that place participate in the CODI board meeting and a chance to see the work of other groups. To ease the travel burden of busy community leaders who must voyage from the far-flung corners of the country, and to keep transport expenses down, these meetings have not roved too far beyond the central regions of Thailand. Last March, it was Phetburi Province's turn to host the CODI board meeting, held in Khao Yoy district, 30 kilometers inland of Phetburi city. Here are a few notes from that meeting's local presentations:

Thai Tong Dam Tribe Cultural Center :   The meeting's venue was the Thai Song Dam Tribal cultural center, where long tables were set up under the center's soaring roofs, proudly thatched in the traditional Thai Dam style. While people spoke, moist breezes blew in from the surrounding rice paddies, birds sang in the rafters and aromas of ginger and lemon grass wafted in from the back, where lunch was being cooked - a great treat for Bangkok noses more accustomed to smog and air conditioning! The second day of meetings were kept for regular CODI board matters, but the whole first day was given to community leaders, activists, professionals and officials from different parts of Phetburi province, who gathered to tell about what's going on in the province, and what kind of problems the poor face there.

Three million lemons a day :   Khun Planom, Khao Yoy Sub-district's chairman, sits on CODI's community advisory committee. He described how many of the people in the province were members of the Lao-speaking Thai Dam tribe, which had migrated from southern China long ago, and were now farmers with small holdings. Most of Thailand's lemons come from 6,000 small family-owned farms in Phetburi province, which yield a staggering 3 million lemons each day. But wholesale lemon prices (along with rice and eggs, other local products) have fallen in recent years to as little as 10 Baht per bag, and farmers have found themselves having to borrow to feed their families and keep their farms going. Spiraling poverty and indebtedness were forcing many to sell off farmland and to take low-paying jobs as laborers in the new factories coming up on land they used to farm.

The Network of Village Assemblies reported on their work preparing community plans to deal with these huge problems of farmers' indebtedness, and had begun with a province-wide survey. In one village, for example, they found 200 farmers locked into yearly expenditures totaling 15 million Baht, while their total debt had reached 13 million Baht. As part of their planning, the network was exploring collective means of reducing expenditure (like reducing use of expensive fertilizers) and increasing income (like developing and marketing "community products" such as banana chips and lemon powder) and putting aside 5% of their collective savings for community development work.

The Fishermen's Fish Conservation Network members described their struggle to preserve the clam and mussel fields from coastal pollution and big commercial fishing operations, whose over-fishing threatens their region's delicacy *hoi lot* (a small clam), with extinction. After studying the situation, they've set up systems for rotating their shell-fishing to give the clams time to regenerate, experimented with new ways of treating waste water and started youth groups to look after the sea coast for the next generation of fishermen.

Phetburi District's "Agriculture Parliament" There is a long, rich history of cooperative activities in the province. Phetburi's small farmers and fishermen have organized an Agriculture Parliament to represent their interests, negotiate with the government for policy-level solutions to their problems, to promote their products and to explore alternative crops and sources of income.

Credit Union League : The community savings and credit union movements in Phetburi province have deep roots. The province's 46 credit union leagues (with 60,000 members, from very poor to well-off) have their own network to help train and improve services. Credit unions in Phetburi province, a slightly more formal version of community savings and credit groups, focus on the welfare of their members, who have saved a staggering 130 million Baht and loaned twice that amount over the past 20 years, much to pay back debts to the national Agricultural and Cooperative Bank. Besides offering members low-interest loans, the leagues organize funeral service funds, and coordinate with other financial and non-financial organizations.

Network of rural savings groups : Another network of 153 rural savings groups, supported by the Department of Community Development, is 14 years old. One village group has saved 4 million Baht, given out 3 million in loans and kept a million in reserve, part of which they plan to divide to buy 20 cows!

A slightly sad note on thatched roofs : A while back, the pundits in Thailand's National Economic and Social Development Board (NESDB) decided that thatched roofs were "substandard" building materials, listed them as an indicator of poverty in their "Basic Needs Standard" and made them an important factor in determining national plans! Until very recently, most everyone in Phetburi, from poor fishermen to prosperous farmers, built their houses with beautifully-crafted pitched roofs, thatched in various traditional styles and capped with elaborate timber cross-pieces which look like eagles taking flight. These roofs, made from local materials, shed water well and made for cool rooms inside. But the stigma of living beneath a "poverty indicator" made short work of this thousands-year old building tradition. Today, asbestos, tin and tiles are the norm. At the meeting, there were more than a few jokes about this particular effect of centralized planning on local traditions.

Pulling out all the tools to become the "secretary" to the people's movement

CODI's relationship with the vast roster of community development processes which already exist across Thailand is extremely delicate and has to be clear to everyone. Nobody is proposing that suddenly all these diverse and independent processes be suddenly swept under CODI's official wing, which would be asking for trouble in a highly pluralistic place like Thailand. Instead, CODI is proposing to accept whatever people are already doing and to use all the mechanisms and tools at its disposal to support that, to strengthen it, to legitimize it, to give it a legal umbrella, and to link it into a larger movement towards self-determination and self-development. The important thing is that people have strength, financial capacities, information, linkages, status and experience on their side. For it is only when these diverse movements find common ground, and join together in movements of scale that change is possible. In these ways, CODI becomes a new resource available to all these groups - a new and potentially powerful tool - which they can use or not use as they see fit. There are, however, two crucial conditions for support from CODI, which everyone has agreed are most important :

- **the community has to be the key actor**
- **the process and activities should try to link with others**

This doesn't mean that CODI will no longer initiate programs, but with the built-in balancing mechanisms of the national and regional Community Advisory Committees to discuss and share ideas, any new programs will automatically go through the scrutiny and revision of many layers of people's control.   Besides all these new groups, new issues and new areas, the merger brings into CODI many new possibilities of urban-rural linkages, and greatly expands the possibilities of province-wide community networking, etc. (tell about setting up of provincial mechanisms recently...) This way, people in each region, each province and each city can devise systems for using CODI's resources which are relevant to their specific contexts and which deal with issues they feel are important. In this way, CODI as an institution takes on the role of secretary of the people's movement.

With this approach, any issue can be dealt with - welfare, indebtedness, income generation, housing, environment, education, agriculture - the sky's the limit. The fund can link to any issue, any problem, any point of need which people identify as being important. This approach is fundamentally different from the way most development interventions focus on specific issues or constituencies - not on a people's solution-finding process.

What being a "PUBLIC ORGANIZATION" actually means :

When the royal decree transformed UCDO into CODI last year, the organization also underwent an important change of status. As a special project under the NHA, UCDO had no legal status of its own, and all its regulations had to be under NHA. But as a public organization - a special new category of government institution created as part of bureaucracy reform efforts - CODI now has more opportunities, and more independence from the political storms of the government system.

There is plenty of evidence to support the stereotypical view of government as being something arrogant, bureaucratic, "top-down" and out of people's control, of NGO's as being intermediaries and of the poor as being at the bottom of the heap. In fact, these roles are not cast in stone, and it's possible that with vision and hard work, a new system of relationships can be created. Public organizations like CODI offer a new way of looking at how government in Thailand can work, as a process to address public needs.

As a public organization, CODI can now apply directly to the Budget Bureau for government funds as other government departments do. This is extremely important for Thailand's peoples' processes because it means CODI can direct these resources quickly and directly, straight down to the ground, without their trickling through dozens of departments and bureaucratic log-jams. CODI can also help coordinate or take subcontracts to operate other development projects being funded by government or by outside agencies. It is also possible now for CODI to channel government resources into new funds to address specific development issues such as children's welfare, forest management, community product promotion - any issue at all. These various funds and special projects add to a growing list of tools available to the community networks, to strengthen their collective capacities to develop solutions.

The decree also gives CODI the capacity to provide some formal status to the community organizations it supports. In the absence of laws governing their registration or recognition as legal entities, community organizations in Thailand have long found themselves beyond the pale of legitimacy. For the most part, this hasn't been a problem, but as community organizations and community enterprises take on greater roles in managing financial resources and forming working partnerships with other formal bodies, this kind of recognition may become useful. Debate on this delicate subject is lively and on-going.

BOX : Thais and meetings . . .

When Thais say, "There have been a lot of meetings" they're not speaking casually. The Thai genius for sitting together and deliberating, for hours and hours and hours, is not to be underestimated, and is truly one of the cultural wonders of Asia. When after four or five hours of meeting, foreign guests find themselves slumping forward in their chairs or hallucinating about the coffee break, the Thais are smilingly forging ahead with their deliberations, eyes bright, backs straight, happily turning over yet more flip-charts and enumerating more bubble diagrams. They tend to take their time, nobody is rushed, everyone gets a chance and nobody gets cut off. Themes are allowed to follow through to their natural conclusion. An immense tolerance for wandering asides and side points borders on the heroic. And for all this talking, there is a whole etiquette of nuance and face-saving which can blunt the corners of the hardest issue and turn conflict into a delicate minuet, played on soft-toned instruments. The very grammar of the Thai language is uncommonly rich in linguistic grace notes, honorifics, respectful particles and softening idioms.

This national characteristic can perhaps partially explain why the bargaining table holds little dread for the Thais, whether it means facing government officials, professionals or antagonistic groups. It's another chance to talk! It might also help explain why joint ventures, mixed committees, partnerships and cross-sectoral projects tend to be conceived and carried out with such relative smoothness here, where in many other countries close by, the various factions would be at it like cats ten minutes into the first meeting!

CODI begins with the richness of urban and rural networks already in place

Community networks are growing by leaps and bounds - in number, size, and capacity. Their emergence as players in Thailand's development scene has been one of the most important developments of these past turbulent years. As a structure which allows individual poor communities to move from isolation and powerlessness into collective strength and which helps them to develop solutions to the problems they face, the community network has become an important development mechanism in the country - a mechanism which belongs entirely to people. Besides providing a means of idea-sharing, asset-pooling and mutual support, networks have opened channels for communities to talk to their local development agencies and to undertake collaborative development activities of many sorts.

The networks have also brought a completely new dimension and development vision to the way CODI operates. Supporting the formation and strengthening of myriad forms of community networks has become CODI's primary development strategy and most exciting project. In order to strengthen poor communities' managerial capacities, CODI began by assisting various forms of community savings and credit organizations to be set up, then tried to find a process whereby these activities could be multiplied by the organizations themselves. From working with scattered community groups, CODI gradually moved towards linking groups which already had some kind of organization to come together and form networks, to get involved in the various credit programs, to strengthen their managerial capacities, to find ways of multiplying their activities and to begin working in partnership with other organizations in the same city. The next step was to find ways by which these networks could learn from each other and multiply themselves.

The "s" in networks is an emphatic plural. This is not one federation or one network, but a vast and constantly expanding amalgam of groups, and groups-of-groups who find that there are clear benefits in being together. Experience in Thailand has shown that trying to link all these groups together under one national federation, has only created lots of problems, so the politics of coming together overwhelms the reasons for coming together. But networks in the same city or province or region are constantly finding ways to link together, to meet, to discuss, to compare notes, to assist each other, and to collaborate on various projects - without having to work under anyone else's system, or under any prescribed CODI system. This is important, because each network stands on its own feet, as an independent organization, free to develop it's own working style, it's own agenda, it's own ways of working together. Each develops according to the interests and capabilities of the groups involved, and in response to the demands of its own context. The lack of sameness and absence of rules for membership are likewise emphatic. Networks have been organized in cities which link poor people and community groups around common development problems. There are rural networks, and networks which cross rural-urban lines. Networks have also been organized at national, regional, district and city levels, according to their constituencies. Each network conducts its own surveys, develops an understanding of its own area, its people, its housing conditions, its savings, its problems of housing, environment, basic services, welfare and employment.

NETWORKS : Strength in numbers . . .

The way most development work goes, one group does one thing, another group does something else, and different communities have no links with each other, only with the NGO. When people are scattered like this, they have no voice, no strength. Nice little projects in nice little communities may bring improvements to those isolated places, but rarely transform the lives of the poor at any significant scale. It's a question of micro and macro scales: micro communities cannot demand alone for resources which are super-macro. Plus, cities have neither the tools nor the inclination to deal with disempowered groups, and civil society institutions are themselves too marginalized to bring about change on behalf of people.

Poor communities start doing things together because of need - because the problems they face cannot resolve themselves individually. A network can negotiate on behalf of a community for things which that community may be unable to get, because it's too small. This speeds up the change process. The collectivity of networks is perhaps the most powerful element to push the community process beyond the activities of micro-credit and into the larger, structural issues which are the root causes of poverty. When poor communities link into networks, and when networks link together into movements at large scale, they move naturally into questions of urban governance. And when those numbers are backed up with the finance and institutional support which CODI provides, they can begin negotiating with the stakeholders in the city and bring their development ideas to the bargaining table - whether it is to deal with cleaning a canal, or relocating a slum or solving the city's garbage problems.

In the network model, individual communities are the smallest structural unit and represent the most local constituency, but once they link together into networks at city, provincial, regional or national levels, they become a political force. Without these two elements - the smaller individual units on the ground and the larger collective unit with the force of numbers - you can't hope to make structural change at any significant scale. More than 150 community networks have been set up in Thailand, and as these have grown in size, strength and sophistication, they have become increasingly prominent players in their cities and provinces. There are plenty of old-style politicians who see in this growing strength a threat to those tired old systems of patronage, which have allowed them to control and exploit the poor for their own purposes. And inevitably, this has led to some tensions in certain cities.

Why community networks?

As a platform for large scale development which involves a synergy of learning, experience-sharing, morale-boosting and mutual inspiration, community networks have given Thailand's poor enormous confidence and created a development mechanism which belongs entirely to them. Community networks have emerged at many levels and in many forms and have become the main community-driven development mechanism of CODI, in its work to develop a national-scale development process.

1. Networks as building collective capacities at scale : The sharing and learning which is at the core of the networks process creates a new culture of togetherness. And a very large version of togetherness is vital, because unless large numbers of people believe in the same thing and work together to achieve it, they can get no resources. Change can be a very slow processes - you need a lot of people looking for solutions, making a lot of experiments in different contexts to build scale - scale of options, scale of involvement, scale of confidence. The stronger status of networks makes it possible for the poor to deal with larger, structural issues related to their problems - issues that are beyond the capacity of isolated community organizations.   When large numbers of people are linked together, that critical mass breaks down the resistance to change, dissolves the barriers between poor people and resources.

2. Networks as learning platforms : As an information channel, networks allow people to learn from each other and to transform the experiences of a few into the learning of hundreds. Whenever one community has developed some alternative which works, all the others in the network - and in other linked networks - will learn about it as a matter of course. No need for a community worker or NGO to be sole agency to spread the news or tell people what they should do. Here, people have the freedom to learn as they want to learn, explore alternatives and make choices in ways that make sense to them.

3. Networks as openers-up of community processes : As the networks have grown, they've increasingly taken over management of their own movement, and all the planning and linking that that involves. Networks are now the chief promoters of new savings groups and administer their own funds which pay for many of their own network activities. When a network links several communities, or several small networks together, it creates a process with a life of its own, in which lots of people are involved, meeting all the time. undertaking a lot of different activities. More activities means more space for more people to get involved: somebody may be good with accounts, somebody else is interested in construction or management. Someone is interested in children and another is gung-ho on elderly welfare. Everybody has a potential to be a leader, and the network process is all about creating space for different people to get involved.

4. Networks as internal support systems for people's processes : Earlier, the primary links were between scattered community groups and CODI. When problems came up, it was up to each group to work it out themselves, or for the institution to intervene. The lack of horizontal linkages or mechanisms for communities to help each other left people dependent on the institution for help. When the huge loan repayment crisis hit, everyone could see this fragile system wasn't up to the task. Through all the meetings, workshops and exchanges that were organized to deal with the crisis, the networks emerged as a deep source of problem solving ideas and horizontal support. The networks have

given Thailand's poor groups confidence, negotiating power, information, and many more tools to deal with pressing problems around them.

5. Networks as internal checks and balances systems : The network system gives communities many tools to resolve internal problems and provides the checks and balances vital to sustaining a balanced, equitable community-driven development process. There is always the danger of community leaders taking advantage, monopolizing power and channeling benefits in corrupt and excluding ways. It's no different than in the larger political arena, where new dictators emerge all the time and have to be continually reined-in through a process of political balancing. In the past, if a community had a problem with a dictatorial leader, it tended to get stuck at that level. But the way networks operate now, people link together in so many ways, and these issues generally come out on a larger platform. When groups get to know each other and see each other all the time, there's naturally a lot of talk, and it's hard to hide things. That community and those leaders will ultimately face the heat of outside scrutiny. Opening up this way becomes a vital control mechanism in the network process, a way of balancing things, diffusing tensions and un-sticking problem situations. And people living in poor communities know how to approach these issues in very delicate, face-saving ways.

6. Networks as bridges with the formal system : Community networks have strengthened the negotiating status of poor communities in the city, and initiated all kinds of innovative collaborations with other urban actors in city, province and country-wide development projects which affect the poor. Networks have also joined forces with other civil groups to influence the broader directions of city development.   In these ways, networks are demonstrating ways of bridging the gap of understanding which exists between the urban poor and the formal system, and to help balance this crucial political relationship.

7. Networks as a platform for dealing with any issue :

The network system is an ideal platform for dealing with any development issue, because it draws together people and groups around any issue of importance to them. And when these networks connect with CODI's various credit and development grant funds, it gives a big boost to their capacity to tackle these issues, on their own terms, and gives them a bargaining when they go to negotiate with other actors and draw them into the process.   And, because the people's groups are the ones driving this process, CODI's role becomes very clearly to support these network activities with different kinds of funds.

Networks can be powerful mechanism for dealing with housing issues, for example. Behind the huge problems of eviction and insecure tenure in Thai cities lie deep, structural problems of land distribution and income disparities, which in turn come out of deeper macro economic realities in the country and region. These structural problems are too big, and too difficult for any single poor community to resolve alone. But when communities with specific kinds of housing and tenure problems link together across the city, or even across the country, they start examining the common conditions which create those problems, systematize them and start working on resolving them as a group. Hundreds of communities on State Railway land, for example, have formed a national network which has successfully negotiated alternatives to eviction, secured long-term leases for many railway settlements and developed a productive working relationship with the Railway authorities. None of this would have been possible if they were a few scattered communities.

But there are innumerable issues being dealt with very effectively through the network process. Community networks are dealing in many different ways with problems of environment and basic services, with eviction, with housing cooperative mechanisms, with savings and credit development, with community enterprise, with municipal labor subcontracts and with community welfare. And the list is just beginning.

Sweet, salty, sour and hot :
New tool supports networks in their rich variety

In many cultures, it is considered impolite to season dishes which have been prepared to taste correct. In Thailand, though, there are four condiments which are always served with every Thai dish, which enable you to adjust the taste to be saltier (fish sauce), sweeter (sugar), hotter (ground chilies) or more sour (vinegar), according to your own taste. Nobody will be put off if you add these things in any combination. This good-natured culinary pluralism, which accepts that different people have different tastes and should not be hindered from satisfying those tastes, finds a social equivalent in the way community networks operate in Thailand, and the way they are all free to either work together or work separately, and how they come together, etc.. There are now over 150 community networks. What they all have in common is that their large numbers make them a political and development force. It's different in each city and each province, but usually it takes a common problem or need to ignite a network, or some kind of crisis to rally around.

Good news for networks : New fund is set up to strengthen networks, community organizations and regional processes . . .

During the past few years, CODI has emphasized the formation, strengthening and linking of community networks in order to create a stronger platform for these community organizations to share ideas, to work together and to have a say. This 500 million Baht fund is another tool in these efforts. It channels government resources to community

networks in 4 ways to create space for people to come together, plan and implement their own development projects, from the bottom up. It's not government or CODI setting up the policy or planning the projects or activities. Using government funds through a combination of grants and loans as tools to broaden the community network process and help networks link together and set up their own development projects.

The consideration process : Networks in urban and rural areas invite provincial-level mixed committees to see their proposed ideas, Then it goes to the regional committee, then to the center, which links the 5 regions. In this way, the project consideration process itself becomes another tool to get people from different networks to work together. The 500 million Baht is now in people's hands in 30,000 rural and urban communities, in 74 provinces. Here is a brief rundown on the kinds of support the 500 million Baht fund extends to networks and community organizations and provincial linkages :

1. **Grants for network-based projects :** *(150 million Baht)* Offers small grants (up to 200,000 Baht) to urban and rural networks to fund network-wide projects : welfare, community planning, agriculture, community improvements. Offers small grants (up to 200,000 Baht) to urban and rural networks to fund network-wide projects : welfare, community planning, agriculture, community improvements.

2. **Loans to networks :** *(250 million Baht)* Loans up to 5 million Baht per network, at 1%, repayable in 5 years, for setting up saw mills, rice banks, paying off informal debts - anything! Only for networks with some experience managing funds. Loans up to 5 million Baht per network, at 1%, repayable in 5 years, for setting up saw mills, rice banks, paying off informal debts - anything!

3. **Partnership grants :** *(70 million Baht)* Used to support joint projects by communities, civic groups and NGOs: recycling, community infrastructure, welfare systems, livable cities project, young architects. No ceiling on grants.

4. **Provincial linking grants:** *(60 million Baht)* 800,000 Baht to each province (76 total) to make its own plan to link all the existing groups in the province together (rural and urban) through exchanges, seminars, meetings and committees.

Young architects : adding technical support and fresh ideas to the process

Of the thousands of houses and community improvements financed by CODI so far, the overwhelming majority have been entirely designed and built by community people themselves, or by local carpenters and masons hired on very small contracts. The hard work, economy, whimsy and team-work that goes into this housing process is one of the most visible, most delightful expressions of the resourcefulness that exists in Thailand's poor communities. But even in a housing process where communities are the prime movers, there's a great need for technical support: to feed communities with ideas about how to construct better, cheaper which make more efficient use of space, to provide technical drawings for official approval and to make spiffy models and presentations to help sell communities' ideas in negotiations for land and entitlements. The trouble is, most architects are by nature and by training control freaks who want everything to line up and think they know best. In the messy context of community work, they find themselves developing all kinds of skills they were never taught in school - learning to really listen and to open up new options for people without dictating solutions.

CODI's young professional program began in 1996 with help from Patama Roonrakwit, a young architect who began helping a poor community in Songkhla to redevelop their canal side settlement as part of their efforts to turn an eviction threat into a community revitalization process. Using big base maps, scaled cut-outs of houses and different colored tapes for water supply lines, walkways, trees and electricity, she was able to turn the technical process of planning infrastructure and layout into something everyone in the community could understand and take part in. A few years later, she and a small group of recent architecture grads had a chance to refine their participatory design techniques in Chiang Mai, this time using drawings and simple cardboard models to help an evicted community to plan their new resettlement site and to develop affordable house types which would make the most efficient use of small plots. Since then, through informal contacts and the development grapevine, several other enthusiastic young architects have joined the process. Students are also being drawn into community design processes through special seminars and workshops being organized to introduce them to the idea of community work.

There are now about twenty architects involved in helping communities around the country with house design and construction, layout planning and infrastructure development, all of them very busy. They all gather together once a month to fill each other in on the work they're doing, share ideas and strategize together. Though flung across the country's cities, the group is tightly knit, and everybody has each other's mobile phone numbers. Their very modest salaries and expenses are met from a portion of CODI's 500 million Baht Community Organization Strengthening Fund, and the Thai Community Foundation helps coordinate their efforts. Because the monetary rewards are far below what architects working commercially would earn, this kind of work isn't for everyone. Some have found ways of making ends meet by combining part-time practice with community work, while others have managed by living simply.

When most students complete their architecture studies, they move right into jobs with commercial firms where they design houses, office buildings and shopping malls. When students come along who are interested in using their skills to help their country's poorer citizens, most don't even know where to start. Last year, a group of students from Sripratum University in Bangkok arranged to spend some time with the community network in Ubon Ratchathani, working on some community housing and layout plans. The experiment turned out to be very useful for both the communities and the students, and so this year the Thai Community Foundation organized a much expanded version. In March, 2002, a group of about 70 third and fourth-year architecture students from seven universities around the country took part in a special "hands-on" workshop organized to expose them to community housing problems through actual projects in poor communities.

The workshop gave them a chance to test the waters of community architecture while earning university credit. The students were scattered across Thailand's five regions, placed wherever communities involved in housing or settlement planning had asked for some assistance - these were real situations, real people, real projects, not academic abstractions. For a full month, the students worked intensely with the community people and the local support groups on a variety of development projects. Many actually stayed in the informal communities they were studying. One of the students came to Uttaradit to help (Tuh), one of CODI's young architects, to prepare layout plans for a new community at Boong Kook. In Chiang Mai, ten students worked with the NGO POP to prepare scaled plans and a beautiful model of one layout option for a pilot redevelopment in one of the city's canal-side communities.

After the projects were finished, the students brought all their drawings, models and reports to Bangkok, where they were presented at a special public exhibition organized by the Association of Siamese Architects in April 2002. Through these links with universities and the Association of Siamese Architects, more and more young designers are being drawn into work with the community movement in Thailand and beating new career paths in community work.

Injecting a variety of credit into a comprehensive community development process

CODI takes the position that development is all about how resources are managed, and that if poor communities are to take charge of their own development, they need to learn how to manage both internal and external financial resources - as individual communities, as networks of communities and as larger groupings of networks. CODI uses finance as a tool to kick-start development by the people, by putting communities and networks in the role of initiator, organizer, planner, manager, and main actor in implementing development. Their systems for managing credit will gradually change the quality of their community organizations to become strong, independent development units, increasingly able to deal with other formal systems external to the community.

- **LOANS TO COMMUNITIES :** Since 1992, CODI has offered several kinds of credit to community organizations (not to individuals), which make all decisions about loans to members and manage repayment. Savings and credit is a first step in building a community's ability to manage money collectively and to take care of its own development needs, first on a small scale using their collective savings, later on a larger scale, as they tap external credit from CODI. Access to loans in increasing quantities helps communities tackle problems at increasing scale and becomes a means to build the group's strength and capacities.

- **LOANS TO NETWORKS :** Since 1998, CODI has given loans to networks, which develop their own systems for on-lending to community groups. First, communities prepare details of how much their members need to borrow and what for (housing, income generation, etc.). These proposals are then reviewed at network level, as a group, and always subject to network-wide ceilings which make it necessary for groups to weigh the urgency and prioritize proposals. In this process the needs, the management capacity and the savings record of each group is openly discussed, and the loan selection process becomes a tool which enables the larger network to discuss local problems and make the smaller group open up.

- **LOANS TO PROVINCIAL AND REGIONAL NETWORKS :** As part of its decentralization strategy, CODI has set up regional offices in Khon Kaen (northeast), Chiang Mai (North) and Patalung (South), and each region has formed its own mixed boards to manage these offices (which include community leaders from provinces in the region, NGOs, academics, CODI staff, etc.) and to set their own management structure. Provincial mechanisms have also been set up in all of Thailand's 76 provinces. Eventually, each of the 5 regions and each of the country's 76 provinces will have a certain amount of CODI funds under their control, up to a certain ceilings: ceilings for loans, for development activities budget and for management costs, within which they will have to manage.

- **LOANS TO RURAL GROUPS :** There are over 500 rural credit unions under the Credit Union League of Thailand, which save together and take loans from their collective savings for production, education, housing, etc. The philosophy and operation of these groups is very close to the urban savings groups. These rural groups borrowed external capital from the Rural Development Fund (RDF), as the urban savings groups got external capitol from UCDO. When UCDO and RDF merged to form CODI, it was decided that since CODI's experience was still overwhelmingly urban, the Government Savings Bank, which had been involved in managing RDF for years, would be subcontracted to manage the rural fund - at least for a year or two, until the means for joining the urban and rural funds can be studied more carefully.

CODI Loans :

Credit products currently on offer to poor communities through CODI :

People's lives, and the lives of the communities they live in, are complex and many-faceted. When communities talk about needing better incomes, better houses, access to secure land and access to credit for emergencies, they're talking about needs which are vital parts of an interconnected whole: each part affects the others. An effective community development strategy, then, has to find ways to deal with all these diverse needs. CODI offers a collection of discrete credit programs, each targeting specific aspects of that complex whole, each offering loans in particular ways, in direct response to those needs. The idea is that the parts add up to a broad-ranging (and continuously expanding) community development credit package.   Here's the current line-up of available credit :

1. Housing development loans : (3% or 8% annual interest, 15 years maximum term, repayable monthly)   Housing project loans are available to groups of families facing immediate shelter problems and involved in various kinds of collective housing processes. Loans can be used to purchase the land they occupy or land nearby, to build houses or basic infrastructure, or to participate in the NHA's "rent-to-own" housing schemes. 3% interest is charged on loans below 150,000 Baht, and 8% on loans above that.

2. House improvement loans : (8% annual interest, 15 years maximum term, repayable monthly) These housing loans are available to individual families who want to invest in their shelter, but are not part of a collective housing process. Loans cover house building, house repair and extension, installation or upgrading of infrastructure facilities.

3. Income generation loans : (8% annual interest, 5 years maximum term, repayable monthly) Income generation loans are available to support as wide a spectrum of income generation projects as possible, organized and operated by individuals entrepreneurs. Many loans finance the purchase of stock, equipment, vehicles or raw materials needed for individual small trading, service or production enterprises. Some borrowers pool their credit to collectively lease a market stall and share the retail space.

4. Revolving fund loans : (10% annual interest, 3 years maximum term, repayable monthly)   Revolving fund loans give a boost to savings groups which need more liquidity or which haven't yet built up enough of their own capital to meet the credit needs of their group members, by injecting additional lending capital into the group. Some groups combine their own savings with the UCDO capital and on-lend to members. Others keep the external fund and internal savings separate and only lend from the revolving fund. Loans are used for such things as emergencies, school fees or repaying higher-interest debts.

5. Revolving network loans : (4% annual interest, 5 years maximum term, repayable in 6-monthly installments) Networks can take three loans over a 5 year period, up to a ceiling of 2 million Baht per network. Loans to community networks were introduced in 1998 to allow the networks that were emerging around the country to borrow up to 2 million Baht not more than three times during five years, so the networks have to plan how they'll use this special resource. There were two main objectives: to help groups get loans quicker and to stimulate the process of communities working together in a network. Loan repayments need only be made twice-yearly, allowing networks great flexibility in how they manage these funds. The 4% interest rate, which is very low, is crucial. It allows networks to add a margin of 4 - 6% percent when they on-lend to their savings group members, so people still get their loans at rates comparable to other UCDO loans at 8%. A lot of work is now being done by networks. The lower interest rate allows networks to support this work themselves with dignity.

6. Community enterprise loans : (4% annual interest, 7 years maximum term, repayment varies according to the nature of the business or contract) Community enterprise loans are made to community organizations, cooperatives and community networks to help them set up group-run community enterprises, of many kinds and many scales, which provide income-earning opportunities to community residents. Loans are used to buy stock, raw materials and equipment, and to rent, buy or build retail, workshop or storage space. (details Page 24)

7. Bank guarantee loans : (2% over the current savings bank interest rate, payable in full at the end of the contract) When community organizations try to get government work subcontracts, they are usually required to put 10 - 20% of the contract amount in the bank as guarantee. It's a conventional rule, but in the past it has excluded community groups

without access to this kind of capital from bidding for road construction, urban maintenance and supply contracts. UCDO guarantee loans allow community enterprise organizations to borrow this bank guarantee capital and repay it when the subcontracts are finished.

8. *Group revival loans :* (1% annual interest, 5 years maximum term, repayable in 6 monthly installments with 2-year grace period)   Savings group revival loans are made directly to savings groups facing internal financial difficulties to restructure their internal debts or re-organize their credit activities through a strategy that is determined by the group. Groups can obtain up to 100,000 Baht at extremely low interest for 5 years with flexible six-monthly repayment terms. Group revival loans were just introduced in May 1999.

9. *Community organization strengthening loans :* (1% annual interest to community networks, 5 years maximum term, repayable in 6-monthly installments, with a 2-year grace period, during which only interest is due. Networks can borrow up to a ceiling of 5 million Baht per network. Networks which already borrowed under the Miyazawa program can take loans only up to the 5 million Baht ceiling - including both Miyazwa and Organization strengthening loans) Community organization strengthening loans are an extension of the Miyazawa loan process, but draw on a special fund from the Thai Government, rather than donor funds. Loans are available to city, provincial and regional networks and can be used for solving any problems related to the economic crisis, according to a process which is set by the network. Loans can be used for internal debt restructuring, income generation, community enterprise, refinancing informal debts, injecting capital into stagnant savings groups and organizing welfare revolving loan funds. The low interest enables networks to on-lend to member groups at higher rates and use that margin to support network-wide development activities. The 2-year grace period, during which networks pay only the 1% interest, and the 6-monthly repayment schedule give enormous flexibility in how networks manage the loan capital, and allows them to revolve the money many times. Decision-making about who gets loans, and how much, becomes a process internal to each network, which develops it's own systems for ensuring that process is open, flexible, transparent and participatory. These loans target new networks which were not able to get Miyazawa loans, but older networks which had taken some Miyazawa loans can borrow additional capital, up to the ceiling of 5 million Baht per network. If a network borrowed 2 million under Miyazawa, for example, it can borrow another three under this loan program.

Miscellaneous notes on the magical hat trick of community-controlled funds

Over the past few years, CODI has developed several different kinds of funds, in addition to it's original revolving loan fund, set up in 1992. Two of these funds came out of the economic crisis in 1997, when Thailand was the target of two massive economic relief programs, from the World Bank's Social Investment Fund and the Japanese Government's Miyazawa Fund. It was decided that a tiny portion of this aid would be channeled to the country's poorest citizens through CODI, in the form of two special community-managed funds. The idea was that instead of government bureaucrats or World Bank consultants deciding what kind of help was required, poor communities would collectively plan and implement their own welfare and debt-relief programs, on a national scale. This was something entirely new.

These two funds were powerful community-process builders. By allowing communities to link together and collectively examine specific problems they face, and to use these funds to develop their own ways of tackling these problems, they became the owners of the process - not the government, not CODI. The process of designing these programs drew in lots of new people, established strong links of mutual help and cross-learning between communities and helped consolidate and expand community networks across Thailand. This experience laid the ground work which enabled the networks to manage subsequent funds for elderly welfare, income generation and environmental improvement, and will make it much easier to set up and implement new funds in the future, each addressing different issues, each with it's own process, it's own decision-making structures, it's own culture of working and experimentation.   The idea of channeling development assistance through these kinds of community-managed funds is just beginning: there could be funds for managing natural resources, for example, or for HIV-affected families, for children, for coastal villages, for informal education, for basic services.

A fund is not simply a means of delivering small grants or loans to the poor. A fund is a mechanism for making change in people's lives, which uses the very real need for resources to link people together into a process of communal decision-making, prioritizing, negotiating about who gets what and how much. With funds, you get a lot more out than you put in. It's something like the magician's trick of putting a single coin into a hat, and then pulling out all kinds of wonderful things. Money that goes through these funds helps tackle specific problems, but at the same time it helps build a more confident, equitable and self-reliant community movement, and a more balanced, productive relationship between the state and the poor. And, because poor communities do all the work of implementation and money management, a community uses resources much more efficiently, with creative and dynamic systems of maximizing available skills and minimizing costs.

Fund Magic :

CODI's original revolving fund, for example, started out in 1992 with 1,250 million Baht, working with poor communities only in Bangkok and Chiang Mai. In the ten years since, over 1,000 community savings groups and more than 100 community networks have been set up in towns and cities in 74 provinces, with savings which now surpass 800 million Baht. 1,500 million Baht has been given in various kinds of loans, more than half of which has been repaid. And these loans - from both the fund and from the savings groups - have created additional income and assets worth well over 3,000 million Baht - all in the hands of Thailand's poorest citizens. And every baht of that original revolving fund is still there, still available, still revolving and helping more people, generating more assets - in fact it has grown much larger!

BOX : Funds within CODI *(as of July 2002)*

1. Original UCDO Fund (1992) 1.8 billion Baht (US$ 40 million) Uses loans to community savings groups for housing, income generation, settlement improvement, land purchase and community enterprise as an incentive to bring poor people in communities to work together, to learn how to develop and manage their own funds and link with other communities. Source: Thai Government. (see table of loan figures on page 16)

2. UCEA Fund (1995) 250 million Baht (US$ 5.6 million) Uses small grants to communities for environmental improvement projects to build up a process of collective prioritizing, sharing and collaboration at local, regional and national levels. Small ceiling on grants for community environmental improvements, proposals must go through a process of screening and improvement at local, regional and national levels. Source: Danish government. (See story page ....)

3. Revival Fund (1998) Channels small loans to community savings groups struggling to find ways out of loan repayment crises, as a tool to start lending again, restructure internal debts and revive the group. Savings group often flounder when unpaid loans diminish their lending capital, so there's no money for loans when people need them, and people loose confidence. This problem came with the 1997 economic crisis. Source : Thai Government.

4. SIF Menu 5 Fund (1998) 250 million Baht (US$ 5.6 million) Channels grants to urban community networks, which design, budget and implement programs to assist their most vulnerable members, in the country's first community-driven national welfare program. Part of the WB's Social Investment Fund during the economic crisis. Source: WB Loan to Thai Government.

5. Miyazawa Fund (1999) 250 million Baht (US$ 5.6 million) Uses lessons learned during the Revival Fund process and the SIF Menu 5 process to channel external capital to savings group in trouble, and draws on the strength of networks to help communities set systems for handling their debt crises. Miyazawa was out their own systems for taking care of the enormous problems of indebtedness to informal money lenders. Source : Japanese OECF.

6. Mixed Community Development Fund (2000) 500 million Baht (US$ 11 million) This fund is another tool in CODI's efforts to emphasize the formation, strengthening and linking of networks to create stronger platforms for community organizations to share ideas, work together and to have a say. The fund channels funds in 4 ways to help people develop their own projects, so it's not CODI or the government setting the policy. (See page...) Source: Thai Government.

7. Rural Development Fund (2000) 750 million Baht (US$ 17 million) Provides loans to rural community groups to support development activities of all sorts. The management of the rural fund is being subcontracted to the Government Savings Bank. Source: Thai Government.

8. Elderly Welfare Fund (2001) 80 million Baht (US$ 1.8 million) Grants to provinces to make space for elderly citizens in various community networks to link together, decide what they would like to do as a group, and then design and implement their own welfare and development programs. First time this group of Thailand's elderly poor have had a chance to come together, and work out their own strategies. Source: Thai Government.

9. Livable Cities Fund (2002) 40 million Baht (US$ 900,000) Supports more comprehensive development initiatives in cities which link existing urban networks with civic groups, municipalities and other development actors, in ways which promote partnership and open space for the poor in the city development process, in line with the government's promotion of "livable cities." Source: Thai Government's progressive Health Promotion Fund.

Linking with other groups to mainstream community-based development

When you attend most community network and CODI events, whether it's a klong-cleaning jamboree, a housing project ribbon-cutting, or a national seminar on community welfare, you'll always find people from all sorts of different organizations and different backgrounds in evidence. When CODI's northeastern office in Khon Kaen was opened last April for example, visitors from NHA, NESDB, the provincial government, the Community Development Department, Government Savings Bank, ACHR, and NGOs came to see what's going on, to participate in discussions and to learn.

They were invited along not just for friendship's sake, but for strategic reasons. Big events like this are a prime chance to spread news, make new allies and ensure that the learning capital from local breakthroughs can have a national impact. From the beginning, integrating a community-driven approach into mainstream development practices has been one of CODI's most crucial objectives, and setting up links and collaborative arrangements with other development agencies to support community action is part of this. Joining forces with other development agencies and other actors is crucial. If you want to make change and create a common development path which works for the poor, people and institutions at many levels need to be involved and need to have a shared vision of what is possible. Communities and networks can't do this in isolation, governments and NGOs can't do it alone - it takes partnership.

Collaboration is inherent in the way CODI was set up, the way it is governed, the way its various working committees are structured and the way it operates, working with as many organizations as possible - at local, national and international levels - as potential development partners. There are many tools which help do this: informal training and discussions in communities, joint-venture pilot projects, surveys, national workshops, seminars, exchange programs, exposure visits. The idea behind these activities is to activate and nurture operational partnerships wherever possible, between communities networks, local and national government agencies, NGOs, academics, professionals and civil society organizations.

JOINING FORCES with Government Agencies :

The new Thai constitution makes room for a much more democratic atmosphere, the ninth national social economic plan emphasizes community and people, and many of Thailand's development policies are quite progressive. These are encouraging conditions, but deep structural problems still keep government institutions from keeping up with changing social realities and urban poverty. In the past few years, though, many positive urban partnerships have been forged with government agencies and opened up new ways to bring community-driven approaches into mainstream development practice:

1. Collaboration with the Community Development Department (CDD) :
The CDD links government policies with rural and urban communities at a national scale, with enormous budget resources, manpower and administrative infrastructure in every province and district. CDD and CODI have a long history of collaboration on several fronts. Last year, CDD and CODI undertook an experimental pilot project in which community networks in six provinces set their own provincial development plans, which became a common blueprint for support from both organizations.

2. Collaboration with the National Housing Authority :
- *On "Livable Cities" :* In an increasing number of cities, CODI, NHA and NESDB are exploring a new approach to solve housing problems by supporting city-wide development plans, worked out and implemented by local communities and local development actors, rather than on a project-by-project basis. This new, collaborative development direction becomes increasingly important as power to control local development devolves from the center to local governments and development actors.
- *On training courses :* To sensitize government officials and development professionals to community-driven development processes and to help them learn to work with and support a people's process, CODI has worked with NHA to run two training seminars, in Rayong and Ayutthaya, both cities involved in the "livable cities" program.
- *On housing projects:* NHA provides infrastructure subsidies and technical assistance to many CODI-financed housing projects and relocation schemes, and in several of NHA's relocation schemes, UCDO provides housing loans, helps set up savings and livelihood programs.

3. Collaboration with the National Economic and Social Development Board (NESDB) :
- *On CODI board :* CODI collaborates closely with the National Economic and Social Development Board, which is represented on CODI's governing board, while CODI sits on NESDB's board.
- *On "Livable Cities" :* The NESDB drafts national plans. As a key resource organization, CODI provides information and ideas for NESDB's urban development and community planning programs, such as the "Livable cities" program, which is part of Thailand's 9th National Plan. Many parts of this program have been initiated by CODI and the networks.
- *On Local Economy Boosting Program :* As part of NESDB's 8,500 million Baht Local Economy Boosting Program, which allots one million Baht to every local authority and district for promoting the local economy, CODI is helping link local community networks with the process.
- *On the National Social and Economic Development Council :* The 100-member NSEDC, which comprises representatives elected by a broad range of sectors, was set up under the new Thai constitution to bring the ideas

and interests of civil society into the national planning process. CODI and NESDB are now organizing large workshops at regional and provincial levels to explore ways of linking the provincial people's planning which CODI supports to this big, formal sector planning mechanism.

4. Collaboration with provincial municipalities :
In recent years, CODI has collaborated closely on projects with the municipalities of Uttaradit, Rayong, Ayutthaya, Chiang Mai, Chiang Rai, Roi Et and Pattalung. As urban communities become more active in the their city's development, it's important for their municipal governments to support their involvement. Unless this key relationship is workable, there will be clashes. In these cities, CODI has worked to create space - through actual projects, not just talking - for more interaction between communities, civic groups and local governments, to turn potential clashes into productive collaboration in making cities better places for everyone.

5. Collaboration with Thailand Development Research Institute :
TDRI, the country's top research institute, focuses on yearly themes. As part of last year's poverty reduction theme, CODI helped organize a parallel process where community people, instead of academics and researchers, analyzed their situations and set their own detailed standards of what constitutes poverty. Their ideas were presented in a big workshop in December 2001, as part of a larger notion that community people understand poverty best, and must be the key actors in reducing it.

JOINING FORCES with NGOs :

Over the past several years, CODI concentrated so much effort on communities - linking them together and developing their capacities to manage their own development - that many friends in the NGO sector began to feel excluded from this new development process. But supporting a people's process on such a large scale, as a national socio-political movement, requires much more than the money a community fund can provide: it requires a variety of players to help balance the movement when things go wrong and to support it with linkages, advocacy, guidance and technical advice. This is where NGOs have a crucial role to play - not as a controlling force, but as an assisting and balancing mechanism.

To create more space for NGOs to link to this growing people's movement, CODI set aside 30 million Baht from the Community Organization Strengthening Fund to set up NGO networks in each of the five regions. To avoid a situation where NGOs might feel their work was being controlled or co-opted by a government organization, CODI subcontracted the process to the Thai Community Foundation (TCF), which facilitated a process in each region whereby NGOs with a strong belief in the community process and a strong base working with communities came together to set up their own systems for ensuring that the community movement in their region gets the support it needs.

Committees of NGOs and community leaders in each region worked out their own structure for how they would link together and how they would make ensure each province had an NGO support team to provide whatever assistance the community process requires. Each region is different. In the north, for example, most of CODI's coordinating and community support work is now being subcontracted to a group of solid NGOs and civil society organizations, which have set up ten teams to ensure that each of the 15 provinces has an NGO assisting team, and to assess the situation together from time to time. The initial budget of 5 million Baht is a strategic resource designed to enable good NGOs to join in the community process through specific joint development projects with communities - NGOs will still have to raise their own funds to support their independent work.

For many NGO groups, coming together like this and starting to talk was no easy thing, in an environment where NGOs tend to work in isolation in their own territory, and according to their own ideologies, competing with each other for shrinking donor funds. But most found in this process of linking, talking and learning from each other a chance to expand their work to be part of the people process in the region or province. And since resources for community development are no longer coming through NGOs, this was a chance for NGOs to forge a new relationship with the communities, as supporters and not controllers of development.

JOINING FORCES with Civil Society :

Thailand's 9th Plan (2002 - 2007) promotes the involvement of civil society in the country's development, but nobody's quite sure how to make this happen. When we speak of civil society in Thailand, we're referring not to the grassroots movements which CODI primarily supports, but to the broad and vibrant range of largely middle-class interest groups organized within certain geographic areas or around certain issues. In the past, there have been very few points of contact between these two parallel movements. CODI's civil society unit, which was set up just last year, has begun establishing an information base on the civil society groups are out there: what they're doing, what potential they have for supporting a community-driven development processes and what lessons can be drawn from the experiences of the more innovative civil groups.

Besides being a tool for implementing the 9th Plan's policies, this information will be useful in looking at how, where and for what purposes the community movement can join forces with civil society movement in Thailand. As part of this exploration, CODI has begun linking with Civic Net, a national network of civil society groups, held learning exchanges and forums and helped set up pilot projects in several regions which involve innovative collaborations between civil

society groups and community networks in rural and urban areas. CODI's Civil Society Development Subcommittee (which includes community leaders, civil society representatives, NGOs and professionals) has the role of linking the civil society movement with the mechanisms of the growing community movement.

JOINING FORCES with groups outside Thailand :

SDI : CODI's links with community networks across Thailand have helped link Thai communities to Slum Dwellers International (SDI), an international coalition of grassroots community federations and networks. Through SDI, slum dwellers from Asian, African and Latin American countries have participated in activities in Thailand, and Thai groups have gone to other countries for exposure visits, model house exhibitions and large policy forums, such as the recent "Habitat +10" in New York, the Cities Alliance meeting in Calcutta, and UNCHS Urban Forum in Nairobi.

ACHR : The Asian Coalition for Housing Rights has worked hard to promote the community-driven development fund concept in other countries by seeding new fund initiatives, organizing workshops and exchanges, building a network of community funds in Asian and African countries and helping groups to constantly draw on each other's experiences. CODI has been a key resource and a solid example in this process. As part of CODI's close relationship with ACHR, CODI workers and Thai community leaders have shared their experiences in fund management and community-driven development with groups around the world, while each month, CODI receives at least two or three visiting groups from the Asia region and beyond.

Cambodia : Links with the Solidarity for the Urban Poor Federation (SUPF) and the Urban Poor Development Fund (UPDF) in Cambodia are strong. As a kind of "big sister" to the UPDF, CODI sends technical teams and community leaders to Phnom Penh regularly to support UPDF's management, help work out accounting problems and to help broaden the fund's role in supporting community-driven development in the city. Over the years, there have been constant exposure visits both ways, many involving mixed teams of community leaders, government officials, NGOs and professionals. Women's savings group leaders from Khmer-speaking provinces in Thailand's Northeast have also helped support savings groups in Cambodia.

Lao PDR : The collaboration between CODI, the National Women's Union of Lao (Sahapan Mae Ying Lao), and the NGO Foundation for Community Development is now in it's third year. CODI supports the community development process in three rural districts around Vientiane by helping start women-run community savings and credit groups, and helping expand the community-managed Pak Ngum Development Fund, which was set up in 2000 with a small grant from ACHR. Women from Lao have made several exposure visits to CODI and Thai savings groups, and these visits have given a big boost to savings groups, which now have more than 4,000 members in 50 villages.

Vietnam : CODI has also given support to ACHR and UNCHS in a project to set up small community development funds in five provincial cities in Vietnam, which link together scattered self-help savings groups and provide them with some much-needed external capital. Viet Tri, Hai-Doung, Hue, Quy Nhon and Cantho. There have been several exchange visits both to and from Thailand to share experiences and help the process grow.

JOINING FORCES with the Thai Community Foundation :

The Thai Community Foundation was established in (date) as a partner organization to CODI, with a shared vision of promoting a community-driven development process in Thailand. For several years, it's small staff borrowed a office space from CODI, but now the foundation staff of 30 people occupy five very crowded, very busy floors of a leased shop-house across the parking lot from CODI. There are many things an independent NGO can do which a large government organization can't, even a relatively progressive one like CODI. The idea of setting up the TCF as an independent NGO was to bring a new, flexible mechanism into the community development process which could take on projects and do studies with a degree of flexibility and experimentation which CODI's sometimes-cumbersome structures and bureaucratic affiliations would make difficult. Besides helping CODI facilitate several special community development projects on a sub-contract basis, the TCF also conducts research into issues of poverty and development, links with bilateral, multilateral, donor and development agencies in various joint-venture development projects in Thailand. Here's a brief run-down on a few of the projects TCF has on the bubble:

1. Community Solid Waste management : For the informal waste collectors (called sa-leng in Thai) who help keep Thailand's cities and towns clean by combing their streets and dumpsites for recyclable materials, earnings are small, working conditions are dangerous and lives are often short. A few years back, a network of waste pickers in Khon Kaen started their own cooperative waste-buying center and persuaded the Municipality to subcontract waste-management in several communities to the sa-leng network. The project, which was supported by the TCF's UCEA Program, aimed not only at increasing the income of sa-leng families, but at develop all aspects of their lives - working conditions, income, health and housing. The process in Khon Kaen has sparked off similar recycling projects by networks in cities all over Thailand, and has now become a national movement, in which TCF and CODI give support. In March 2002, 300 informal waste-pickers from networks around the country met in Pitsanulok for a special training workshop on sorting recyclable materials.

2. *Community Participation in Local Education* : Last year, when the National Educational Council asked CODI to look at the problem of kids dropping out of school, the TCF opened up the issue with community networks, academics and activists in a series of forums around the country. It came out that most communities felt totally removed from what happens in their local schools, even though many rural schools in the past were organized, built and even staffed by community people. After a centralized education system was introduced, local people were excluded, and this close relationship between communities and the education of their children was replaced by standardized curriculum set in far away Bangkok, which had little to do with local realities. Through these discussions, the TCF and community networks are preparing a series of proposals for how to bring local communities back into the process of educating children and making curriculum more flexible to reflect local realities and local history.

3. *Children's Fund Program* : Children's Fund (CCF) is a big international charity which channels grant and loan aid to poor children and their families (for school fees, health care and income generation) through the government's Community Development Department. When problems of loans not being repaid began piling up, the CCF asked CODI for help. The TCF was subcontracted to organize an "action research" project in which community networks in a pilot areas developed their own ways of determining how these special grants and loans for needy children could best reach their target. On the basis of this research, some big changes were proposed, making the community the main actor and bypassing the government bureaucracy in order to make the aid as flexible and responsive to real needs as possible.

4. *Community Public Relation Work* : The TCF's media staff produce a variety of Thai-language films, TV programs, publications and newspapers to keep both communities and the general public up on what's happening in Thailand's community movement. Besides documentary videos about community activities and development issues, the TCF produces a series of short programs on community projects which are aired three days a week on Channel 11.   The TCF also writes and produces CODI's colorful, large-format monthly community newspaper, which is now coming out in special regional editions as well. Many of TCF's key projects, in environmental activities, community welfare and solid waste management have been written up and published in illustrated books, pamphlets and guides.

5. *Other projects* : The TCF coordinates the UCEA program (see page x), the young professionals program (see page x), the elderly welfare program (see page x), the NGO / Civil Society linking project (see page x) and collaborates with UN-ESCAP to explore ways of using community networks to build a social safety net for Thailand's poor.

CODI's Elderly fund gives a boost to the senior assets in Thailand's poor communities

There's a long tradition in Thailand which holds elderly people in positions of considerable honor, as respected senior advisors in the community with a lot of wisdom to contribute. But something about the onrush of change has relegated our white-haired sages to the periphery of community life, where they're seen as helpless invalids, burdens on their families - or not seen at all. But once space is opened for the old to link together and to manage some resources of their own, there is a lot of energy.

Of the 10 million Thais who are older than 60, about 1 million are poor. To help this group, the Social Welfare Department's elderly welfare program runs 20 old-age homes, 18 elderly health care centers and a network of elderly support groups to provide medicine, health care and social support to poor elderly people. But with an annual budget of only 1.5 billion Baht, the program can provide only bare-bones assistance to 430,000 people. What about the other 570,000 elderly poor?

Late in 2000, there was a discussion about how to use 80 million Baht left over from the Miyazawa Fund (the Japanese OECF's economic assistance package to Thailand after the 1997 economic crisis). Since the welfare-oriented funds from the Social Investment Fund (SIF) had then been utilized, the idea came up of using that money to establish an elderly welfare fund. In December 2000, CODI subcontracted the Urban Community Foundation to help facilitate the setting up of Thailand's first, national, community-driven welfare program for the elderly. The fund would provide grants to provincial networks to make space for elderly citizens in various community networks to link together, decide what they would like to do as a group, and then design and implement their own welfare and development programs.

Like other programs under Miyazawa, there was a deadline on disbursing the funds - in this case September 2001. A working committee was set up to coordinate the process. Their preliminary showed that there were already a lot of community-based associations of old people across the country, many quite active. The process began by contacting all these groups and linking them together within their cities, districts and provinces, so they could meet each other, learn about the elderly welfare program and develop their ideas.

The first proposals came from the provinces in June, 2001 and funds were released immediately. Many of the elderly groups have already used the fund to leverage additional local resources for their activities, and have begun a dialogue with the Social Welfare Department about linking some of the department's programs with the Elderly welfare network. The elderly welfare fund joins the many other funds available to the community networks now, to promote holistic community development and allow communities a growing number of financial tools to help them solve their problems and improve the quality of life for everyone. A big seminar was held in Chiang Mai on 24 January 2002, to celebrate the approval of all 80 million Baht. Hundreds of old people from around Thailand were assembled to present their experiences and to explain their welfare projects in a discussion. The Welfare Minister was also there, to learn a thing or two about how to design a welfare program for the elderly poor - a program which doesn't treat Thailand's elderly poor citizens as useless beggars in need of welfare assistance, but which allows them to work together actively, and with dignity, as senior "assets" in their communities.

BOX :
Taking a cue from past experience with community welfare through SIF Menu 5 :

The elderly welfare fund process draws on the lessons learned during the recent process of setting up a national community-driven welfare system under the World Bank's Social Investment Fund "Menu 5." In 1999, UCDO coordinated with SIF to develop a ground-breaking community welfare system in which urban community networks were the program's designers and implementers. The process began with community meetings within networks around the country, in which people discussed their own particular welfare problems and identified the needs of their community's most disadvantaged members. The next step was a detailed survey of welfare needs to inform the development concrete planning of welfare activities. More meetings followed, at network and community level, to thrash out all the details of the welfare program: what kinds of welfare activities could be undertaken, how to do this, how to work together, how to coordinate with other groups, how to set budget standards, how to manage the money, now to set up different kinds of welfare funds, and what should be the relationship between networks, communities and target groups? Eventually, most pf Thailand's urban poor community networks were managing their own welfare funds to support :

- **Scholarships and loans for school fees.**
- **Grants for elderly citizens in need.**
- **Grants for medicines and hospital fees.**
- **Grants for rehabilitating drug addicts.**
- **Grants for HIV-positive patients.**
- **Small revolving fund loans for income generation activities for very poor families.**

SETTING SYSTEMS : How the elderly developed their welfare programs . . .

The first step was to set up a "mixed" sub-committee to coordinate the process, including national community leaders and representatives from TCF, Welfare Department, NHA, BMA and academia. The 80 million Baht was divided so each of Thailand's 76 provinces would receive one million Baht. Each province worked out it's own mechanism for disbursing these funds to elderly groups within the province, who would plan and implement their own welfare programs. Working committees of elderly people in each province were set up to help gather together elderly community members and help them carry out surveys, identify needs and decide how to improve the welfare of province's older poor citizens.

Proposals from the networks first went to provincial committees (which were also composed of mostly elderly community leaders), which helped improve the projects. Meetings in the 5 regions followed, which provided another platform for groups to exchange ideas and further refine their proposals before forwarding them to the national sub-committee. By the time proposals reached the national sub-committee in June 2001, they'd already been through so many layers of refinement and discussion that they were quite polished, and almost all of them were approved. Several ideas emerged from all this planning which were common in most of the proposals:

- To give people a stake in the process, most proposals called for members of elderly savings groups to contribute nominal amounts to the fund by investing in small "shares" of about 10 Baht per month.
- Most provinces included plans to use the money in ways which allow the fund to sustain itself, so it's not all used up in a twinkling, keeping a portion of the money to use as grants (for medical expenses, food, health care for the sick,

funeral expenses and elderly social activities like exercise groups, music and temple visits) and a portion to use as revolving loans for income generation and health-care needs.

Elderly Welfare Fund Facts :

- **Total budget :**   80 million Baht
- **Total projects :**   66 projects
- **Total grants :**   67 million Baht
- **Beneficiaries :**   Poor and elderly groups in 74 out of 76 provinces in Thailand.
- **How it's used :**   In most projects, the groups decided to divide the provincial grants into three parts: a small part to support elderly people's activities, a small part for welfare grants, and a BIG part for a revolving loan fund. Many groups have successfully used their provincial fund to leverage more resources from local administrations and the Welfare Department.

Three elderly welfare fund models :

Welfare for the elderly may not sound like a terribly sexy development topic, but this Elderly Welfare Fund has generated some of the most innovative and whimsical proposals the folks at CODI have seen. Each province is different and each sets its own system for using the funds. When the rules aren't pre-set by some central organization and when you concentrate on the process of discussing and learning, this kind of richness and such diversity of approaches comes out of nowhere.   Here are three examples:

1. ***Trat Province's elderly figure out ways to make the fund so sustainable that "not a single Baht gets lost"***
    The elderly groups in Trat Province, for example, decided to make sustainability the focus of their welfare program, so that (as one 70-year old leader put it) "not a single Baht gets lost." In their plan, only ten percent of the province's million Baht would be used for welfare grants (medicines, funeral expenses, doctor fees, emergencies, etc.), and remaining 900,000 Baht would be used to set up a special old folk's revolving fund, which would provide loans to support their jobs, informal businesses or health care needs. That way, in one year, they would earn a 10% interest on those loans, and that interest would be used to finance more welfare giveaways. So they began linking the old people in different communities to work together, and the one million Baht is growing through this working process.

2. ***Satun Province works out a system in which a communal rubber plantation sustains the elderly fund :*** The group of mostly Muslim elders in Satun Province proposed keeping aside 200,000 Baht for emergency grants for medicines, health care and funerals, and using 800,000 Baht to buy a mature rubber plantation, as a communal, productive asset which belongs to all the elderly groups in the province. Since charging interest on loans from a revolving fund is considered sinful in Islam, the rubber plantation would be a more harmonious (and more profitable!) way of generating income on a communal asset. Many of the elderly leaders had years of experience as laborers working in the region's rubber plantations, and knew the business well. They calculated exactly how much profit the plantation was likely to produce and for how long, and worked out how the proceeds from this rubber plantation could support their elderly group's activities. They figured that this would increase their fund at a much better rate than any bank could provide. And when the rubber trees stop producing, they still have the assets of the wood and the land, so they can just start planting rubber trees again.

3. ***Welfare spin-offs in Songkhla province :***   The 21 rural networks in Songkhla province have linked together and developed another community welfare program that is as comprehensive. All these networks have savings groups, which now have saved over 30 million Baht, which is in constant circulation in loans among members, earning 12 - 20% annual interest. Instead of paying back this interest to savers, they keep a portion aside for management and use the rest to fund their own province-wide social welfare program, which covers 14 kinds of welfare, each having it's own separate fund. These 14 mini-funds cover the usual welfare needs like hospital fees, survival grants to the poorest, elderly support, relief after calamities like floods, emergencies, school fees and funeral expenses. But they've also made mini-funds which provide grants and subsidies to support the production of organic manure, to encourage organic and sustainable farming methods and to start community enterprises. This complex and highly progressive program is run entirely by community savings group members to take care of so many kinds of needs. Last year, they spent 4.1 million Baht in 21 networks on these 14 kinds of welfare, benefiting 7,000 member households. The province is now proposing that CODI top-off their current year's welfare fund with a matching grant. A special committee comprising community leaders from other regions has been set up in CODI to look into this exciting emerging process.