

Operational Manual: Community Development Fund

Consolidating management and implementation of Community Development Fund (CDF) through the Association of Cities of Vietnam (ACVN) (Vietnam LSC)

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Cities Alliance
Cities Without Slums

Association of Cities of Vietnam
National Community Development Fund Network



OPERATIONS MANUAL OF **COMMUNITY DEVELOPMENT FUND**

(Translated from original Vietnamese version for internal circulation)



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INTRODUCTION

Sustainable poverty reduction is one of the focal issues of urban development in Vietnam. Since Doi Moi in 1986, Vietnam's cities have been fast growing. However, besides this encouraging development there is still a significant part of the population with low and unstable income. In seeking for solutions of urban poverty reduction, in 2001 with support from UNDP /UNCHS, the five secondary cities project, (Viet Tri, Hai Duong, Hue, Quy Nhon and Can Tho), started to design and implement the Community Development Fund (CDF) approach. This CDF model was later replicated in some districts of Hanoi, Da Nang and Ho Chi Minh City with further support from Enda Vietnam and the Asian Coalition for Housing Rights (ACHR), and involved variable organizational structures in different cities. Based on the need of networking, exchange and experience-sharing between cities and communities towards sustainable urban poverty reduction and replication of the CDF model to other cities, the first CDF Forum was held in Viet Tri city on July 21st, 2007 July with representatives from eight cities and the presence of ACHR Secretary General, Mme Somsook Boonyabancha, and Director of enda Vietnam. The National Network of Community Development Fund was established and the Association of Cities of Vietnam (ACVN) was elected to chair the Network.

On January 26th, 2008 in the meeting of the ACVN Executive Board, Secretary General, Prof. Dr. Nguyen Lan was assigned to be the CDF Network President and Deputy Secretary General, Ass. Prof. Dr. Vu Thi Vinh as Vice President cum the Chief of National CDF Coordination Unit. With the support of ACHR and enda Vietnam, ACVN prepared the Regulation on CDF Network in May 2008. Following the issuance of the Regulation, in the annual Congress of ACVN in May 2009, held in Nha Trang city, ACVN introduced the CDF approach and its objectives. After more than two years of promotion and operation, currently the CDF Network already has 30 city members. Based on its performance and potential for scaling-up, in October 2010, ACVN applied for Cities Alliance (CA) grant support as part of the CA Vietnam Country Programme: "Land, Services and Citizenship for the Urban Poor". In April 2011, CA gave approval for ACVN to proceed with a preparatory grant on "Strengthening the management and implementation of CDF by ACVN". One of the important outputs of this stage is to develop the CDF Operations Manual aiming at expansion of CDF to cities – the members of ACVN. This Manual provides the basic guidelines for cities in CDF operation and management, ensuring the flexibility and innovation for cities as well.

The Manual has been prepared to provide local authorities and communities in the cities, which are the members of ACVN and the National CDF Network, with a basic toolkit on what and how to set up and operate a Community Development Fund in order to support community-driven initiatives for urban poverty reduction and community development. The Manual has integrated extensive practical experience of city CDF secretaries, community leaders as well as

Coordination Unit experts. Since the CDF Network is still in its early stage of development, the Manual is likely to have certain limitations. All comments, therefore, from CDF members, Manual users and readers are very highly appreciated for its continuous improvement. The comments will be noted, compiled and circulated within the Network for feedback from users. Once a year, in the CDF annual meeting, all the comments will be discussed and integrated in the Manual as an appendix. Every two years, the Manual will then be reprinted.

On this occasion, on behalf of National CDF Network, we would like to express our sincere gratitude to Cities Alliance for its support to ACVN and for this Manual preparation and publication. We would also like to convey our high appreciation to ACHR and Enda Vietnam, the advisory organizations, for their support to the CDF Network since the very early days of its establishment, and to ACHR and CA for their support to ACVN in the effective implementation of the CDF Network activities in its contribution to urban poverty reduction in Vietnam.

Prof. Dr. Nguyen Lan
Secretary General, Association of Cities of Vietnam
President of National CDF Network

PART A. COMMUNITY DEVELOPMENT FUND AND NATIONAL CDF NETWORK

A.1. Definition of Community Development Fund (CDF) and CDF Network

A.1.1. What is CDF?

CDF is a financial mechanism that promotes the community driven approach in addressing urban poverty and pro-poor urban development planning and management in partnership with government agencies and other stakeholders.

The main characteristics of CDF are:

- Voluntary participation of the urban poor communities in community managed saving groups
- Linkage and coordination between different organizations and different sources of funding for urban poverty reduction by setting up and management of CDF with community participation at city level with support of city government.
- Community process (initiation, implementation, management) across all CDF activities

A.1.2. National CDF Network

National CDF Network (hereinafter referred to as CDF Network) is aimed at promotion of community driven and people-centered development. Urban poor, who are the member of CDF network, are the key actor in the CDF operation and management in their city.

The CDF Network has the following objectives:

- To develop a revolving fund at national level to support the initiatives of urban poor communities in improving their living conditions and strengthening their financial capacity through community saving.
- To build and strengthen the partnership between Government agencies, city authorities, mass and non-government organizations, and the urban poor communities in addressing urban poverty, and urban development planning and management.
- To build capacity and confidence for urban poor communities to have ownership in improving their socio-economic status and active participation in urban development process through city development /Vietnam urban forums.
- To exchange and replicate good practices for further development and expansion of CDF network to member cities of Association of Cities of Vietnam (ACVN), and to network for learning and exchange with poor communities of other countries in the region.

- To expand the cooperation of ACVN with international development organizations in the field of urban poverty reduction.

A.1.3. CDF Network legal status

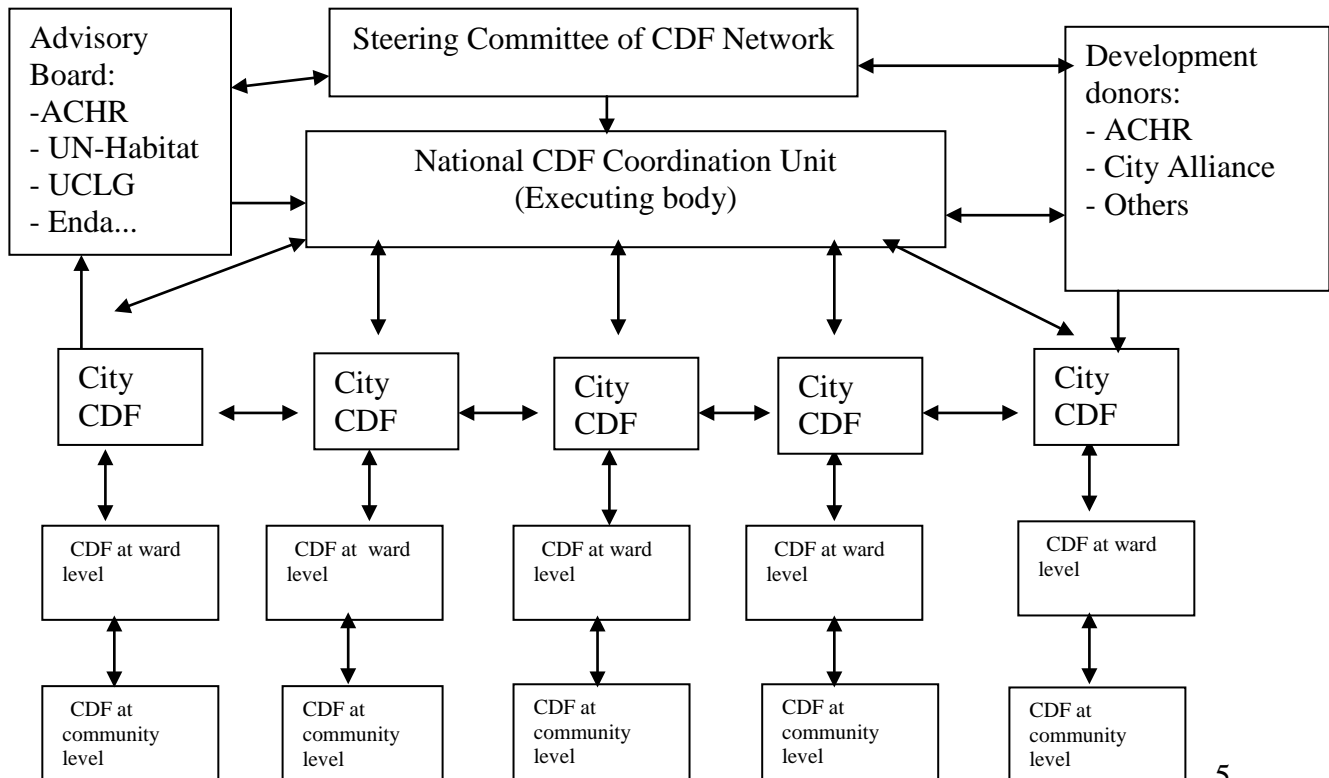
National CDF Network has a separate bank account and using the stamp of ACVN. The CDF Network Steering Committee following this Operations Manual and in compliance with ACVN regulations.

A.1.4. How to join CDF Network

Cities/towns willing to join and committed to the approach of the CDF Network, send application letter to National CDF Coordination Unit within Association of Cities of Vietnam.

A.2. Organizational Structure of CDF network

A.2.1. Organizational structure



A.2.2. Operational Mechanism:

Steering Committee of national CDF Network:

- Make decision on the development strategy of CDF Network.
- Look for/mobilize fund for CDF Network operation and its members.
- Support and facilitate the process to share experience and good practices on CDF management and development of community saving network through workshops and city to city exchange
- Advocate for policy change towards pro-poor and inclusive urban development planning and management

National CDF Coordination Unit: In charge of daily operation and coordination of CDF Network activities in compliance with strategy adopted by the Steering Committee of National CDF, which includes:

- Prepare annual and quarterly Activity Plan of CDF network, incorporating the activity plans of CDF member cities and in coordination with regional CDF network
- Organize activities of national CDF network (workshops, exchanges, networkings, forums...)
- Facilitate the establishment, operation and management of CDF member cities
- Provide technical assistance and hands on trainings for communities and CDF member cities

Steering Committee of CDF at city level:

- Make decision on the strategic plan of city CDF network
- Look for/mobilize fund to support the city CDF operation and management
- Support and facilitate the process to share experience and good practices on CDF management and development of community saving network through workshops and community to community exchange
- Facilitate the establishment and operation of city development forum with stakeholders
- Based on suggestion of CDF Management Board at ward/commune level and the community plan, approve available fund allocation to support community initiatives.

Management Board of ward/commune CDF:

- Look for/mobilize additional fund to support community initiative within ward/commune
- Support and facilitate the process to share experience and good practices on CDF management and development of community saving network through workshops, community forums and meetings between saving groups

- Support communities/saving groups to make proposal for fund from city CDF
- Monitor the performance of saving groups and loan repayment by groups.

Management Team of saving groups (community CDF):

- Invite residents, especially the poor, to join saving groups
- Ensure the proper management of group's saving in compliance with Saving Group Regulation which is agreed by all saving members.
- Coordinate with block leader with community participation to organize survey, prioritize the community needs and prepare plan for implementation..
- In case the saving group borrow loan from city CDF, the management Team of Saving group is responsible for loan repayment by its members as committed.

Members of CDF Steering Committee at all levels and Management Board/Team are part time on voluntary basis.

A.2.3. How to set up and develop city CDF

For cities new members of CDF Network:

- 1) Organize a city wide survey of all communities with community participation to identify and prioritize the needs of poor communities, with technical support from staff of CDF Coordination Unit and/or community supporters from other cities, starting first with introduction about CDF, its approach, CDF practice in other cities in Vietnam. Identify the communities that are prioritized and willing to start.
- 2) Organize for community representatives and CDF Management Board members a visit to nearby CDF cities to learn experience in development of saving groups and network, and implementation of upgrading infrastructure and housing projects.
- 3) Activate new saving groups and/or strengthen the existing ones by inviting participation of all households in community.
- 4) The identified communities discuss their action plan and prepare proposal for infrastructure upgrading or *small* project(s) and housing or *big* project (including cost calculation, selection of contractor/builders, financial contribution, construction supervision and maintenance during operation...)
- 5) Send project proposal(s) to National CDF Coordination Unit
- 6) After being informed by the Coordination Unit of project approval, organize a meeting with communities concerned to discuss disbursement plan in accordance with community plan of project implantation.

- 7) Send disbursement request to Coordination Unit.

For CDF cities having implemented upgrading (ACCA and others) projects:

1. Organize regular monthly meeting at ward/commune level to provide opportunity to management teams of saving groups to share and learn from each other. Management Teams of saving groups elect their representative(s) to participate in quarterly meetings of city CDF. *It is recommended to combine with meeting of ward/commune People's Committee or Women Union to save time and transportation cost.*
2. Every three month, Steering Committee of city CDF organize a meeting with elected representatives from all ward/commune CDF and saving groups to provide an opportunity to share and learn each other's experience at city wide scale. Community saving groups can also propose for loan disbursement from city CDF if needed.
3. Depending on specific conditions of each city, every six month or year, city CDF Steering Committee can organize a meeting for all saving groups in the city to share experience, review performance of the year, give awards for good performance, and discuss the plan for the following year.

Guiding criteria to prioritize communities to do upgrading projects

- Majority of residents in the community are poor, having low or unstable income.
- Lack of basic urban infrastructure (electricity, water supply, drainage, sanitary toilet, solid waste collection service) or other concerns that affect majority of the community members (housing, environmental pollution, social problems...)
- Ward/commune authority cooperates with/supports community to discuss possible solutions for the issues of community concern.

Guiding criteria to elect community representatives to join ward/commune CDF Management Board

- Leaders of good saving groups, who have been active at least for 12 months or leaders of blocks where there are good practices of cooperation between local authority and community in addressing the issues of community concern.
- These leaders have good reputation in the community, having free time and good will to voluntarily participate in community activities.
- Easily get along with people and have listening capacity.
- Have experience in working with/for communities outside of his/her own community.

Guiding criteria for a good savings group:

- Members voluntarily bring their saving to the group leader/cashier

- Members can make saving as affordable (unfixed amount and modality) from their income.
- Comply principles of accountable financial management (good book keeping, monthly financial statement made public to all members)

How to request for Community Supporters

- City CDF Secretary contacts with CDF Coordination Unit to present request for Community Supporters.
- The staff in charge of CDF Coordination Unit discusses with relevant city CDF and communities to select the appropriate people and propose a work plan and budget for approval.
- After plan approved, the staff in charge is responsible for:
 - + Notifying CDF Secretary of the city that provides community supporters.
 - + Contacting with CDF Secretary of the requesting city to provide contact details of community supporters for further direct discussion on work plan.
- The team of community supporters comes to work in the requesting city following the agreed plan.
- After each mission of community supporters, both requesting city and team of community supporters send a short report on the results and lessons learnt by mail or fax to CDF Coordination Unit.

PART B: GUIDELINES ON CDF OPERATION

B.1. CITY WIDE SURVEY OF LOW INCOME COMMUNITIES WITH COMMUNITY PARTICIPATION

(Using Poverty Score card and mapping)

B.1.1. Objectives:

1. Using simple Poverty Score card and mapping help communities visually review the whole picture of living conditions in their own community. This is the first step of community participation in seeking for solutions of their concerns.
2. Based on the synthesis of information on the current situation of all communities, city authority and relevant organizations have an overall picture of low income communities in the city that can serve as an input for city development strategy and policies and for finding necessary resources to address these arisen issues.
3. This is an effective tool for block leaders and relevant organizations (mass organizations, public security...) to better manage the areas they are in charge.

B.1.2. What are the steps of city wide mapping

1. City CDF secretary participates in training on city wide survey organized by ACVN for clusters of cities.
2. After training, CDF secretary prepares survey plan and submit for approval by city.
3. City leaders or CDF secretary notify the survey plan to leaders of all wards and communes.
4. CDF secretary sends the survey plan to CDF Coordination Unit and request for technical assistance.
5. Conduct survey as scheduled at each ward/commune with support from CDF Coordination Unit and/or Community Supporters from other cities.
6. Synthesize the survey results of wards and prioritize based on Poverty Score cards of each block. Identify the communities willing to start first.

B.1.3. How to do city wide survey at a ward/commune:

1. Participants in each ward/commune:

- Representative of ward/commune People's Committee leadership
- Leaders of blocks
- 5 community representatives from each block, who have been living for long time in the block and have good reputation.

- Support team: 1-2 officers from city and 1-2 supporters from CDF Coordination Unit.
- One staff from ward/commune People's Committee, who is good at IT, for survey data entry after the survey session and send digitalized data to city CDF secretary.

2. What to prepare:

Stationary for each block:

- Community Information sheet and Poverty Score card. (*See Annex 1 for Information sheet and Annex 2 for scoring card*)
- Sample map and legend (prepared by CDF Coordination Unit).
- A1 paper.
- Black pencil (4B, easy to erase)
- Color crayon set.

Location:

- Ward/commune meeting room, arranged for small groups (each group comes from one block)
- One table for each block with chairs around
- Micro and lighting
- Drink water for participants

3. How to do

	Content	Time slot	Task allocation	
			Leader	Supporter(s)
1	Introduction <ul style="list-style-type: none"> - Objectives and importance of city wide mapping - What to do: filling in the information sheet, scoring and mapping. - What steps are and time slot for each 	15 min	Present	Deliver information sheets
2	Fill in the community information sheet	45-60 min	Observe and support groups	
3	Collect information sheets and give guidance on the next step. Each group select one participant to do scoring. The rest do mapping	10-15 min	Give explanation	Scoring team comes to another room/space
4	Group 1 (6-10 persons) Give score and summarize	60 min		Give guidance how to score
	Group 2 (the rest) Do mapping by block/hamlet: <ul style="list-style-type: none"> -Mark the directions and adjacent blocks/hamlets -Mark the main roads in the block/hamlet 		Guide on mappin	If more than one supporter, one in charge of scoring

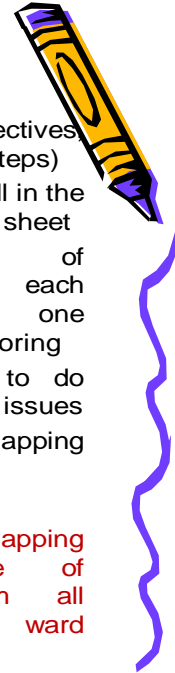
	<ul style="list-style-type: none"> - Mark the cluster of houses (for hamlet). -Mark the location of public institutions (school, market, pagoda, church, office...) as required in Information sheet. -Mark location of unstable settlements (pending due to master planning, quartering, dilapidated collective housing...) -Mark location of infrastructure concerns. -Mark community assets (saving groups, donors, active community members) -Mark location of social/environmental problems. 		g steps (10'). Support mapping	team, others support mapping
5	<p>Wrap up</p> <ul style="list-style-type: none"> - All blocks show the mapping results to other blocks by sticking on board/wall - The scoring team present the scores of each block and identify the blocks with highest score (more problems) - Invite all block leaders and one community representative to the final day meeting with all other wards/communes at the city hall 	30 min	Wrap up and conclusion	Help with hanging maps on wall/board
	<p><i>Notes:</i></p> <ol style="list-style-type: none"> 1. While scoring team presents the result, staff of ward/commune People's Committee takes picture of all maps for its database. The hard copy is kept by communities at their community center for follow-up activities. 2. The maps done by communities can be integrated in ward/commune cadastral map scale of 1/5000 or 1/2000 (digital or hard copy) 3. All community information sheets and poverty score card are handed over to staff of ward/commune People's Committee for data entry and sending to city CDF secretary. 			

Mapping process at ward/commune level



1. Introduction (objectives, importance, mapping steps)
2. Instruction on how to fill in the community information sheet
3. After completion of information sheets, each community has one representative to do scoring
4. Instruction on how to do mapping of community issues
5. Announcement of mapping and scoring results

Wrapping up of city-wide mapping in the presence of representatives from all communities and ward authorities



Pic 1. Examples of mapping by communities in Tan An city

B.2. DEVELOPMENT OF COMMUNITY SAVINGS NETWORK

B.2.1. Why is development of community savings network needed in urban poor communities?

- The poor always want to do saving but see difficult to do by themselves.
- Small amounts of regular saving help the poor to have a bigger amount for their need and thanks to that they can get rid of risk caused by borrowing money in the 'black (illegal) market'.
- Saving habit helps to build the confidence of the poor in their capacity to get out of poverty.
- Good saving groups are the proof of loan repayment of the poor and therefore can be the guarantor for the group members to access to financial institutions for bigger loan in longer term for their investment in income generation, housing and living condition improvement.

B.2.2. How to encourage the poor to do savings?

- Every community member can join savings groups on voluntary basis
- As a proof for their voluntary savings, members bring their saving to saving group cashier or leader.
- Saving amount is up to capacity of members but minimum amount is 1000 VND/time for adults and 500VND/time for children.
- Saving term is decided by savings members (daily, weekly or monthly or any time when they have money).
- Members can easily withdraw their savings when they have a need.

B.2.3. How to manage savings of members?

- For each savings member, the group cashier has to sign, the date and saving amount in the member's saving book and the saving group's grand book.
- Saving group's management team is responsible for monthly audit of saving fund and organizes monthly group meetings to make financial statement public to all members.
- Depending on the group's agreement, the group Management Team can use group savings to provide credit to its members in need (applied for only members, who make regular savings).
- Credit amount depends on the repayment capacity of members and managerial capacity of the Management Team.

- To ensure the security for group savings, the saving group members agree on the limit of cash kept at the group. The exceeding amount will be deposited in a bank account under the name of deputy group leader while the saving book is kept by the group leader. Two signatures of group leader and deputy leader are always required for withdrawal from the bank account.

The poor participates in saving group because they have the need in accumulating small amount of money they earn every day for family needs (marriage, funeral, study, health care, purchase of household appliances...).

Non-poor participates in saving group because they want to express their good will to their neighbors in the community (using their spare money to help the poor)

B.2.4. What is a good savings group?

- Members voluntarily bring their saving to the group leader/cashier
- Members can make saving as affordable (unfixed amount and modality) from their income.
- Comply principles of accountable financial management (good book keeping, monthly financial statement made public to all members)
- Have regular group meetings

B.2.5. How to establish the first savings group in community?

Step 1: Identify potential savings group leaders: This step is done in the city wide mapping survey (Community Information sheet)

- Make the list of potential savings group leaders, who have spare time, happy family and stable income, and have a good will to participate in community activities and capacity to mobilize people.
- Ward/commune People's Committee summarize information and send to city CDF secretary

Step 2: Call for volunteer to do savings and/or manage savings group:

- City CDF Secretary organizes a visit to good saving group(s) within city and coordinate the time suitable for both host community and visitors. For new CDF cities, the exchange visit will be organized to the nearest old CDF city
- The exchange between participants should be easy going to create friendly atmosphere, starting with introducing each other and sing songs (10'-15')
- To increase the effectiveness of exchange, each member of host community to invite 1-2 visitors to form small groups. In each group, the host tells what and how they have been doing, achievements, lessons learnt and answer the questions of visitors (30'-45')

- iv. Before the exchange finishes, the host ask visitors when the host will be invited to visit new savings groups.

Step 3: Reinforce the will to join/manage saving groups:

- i. Identify the potential leaders from the exchange visit who are ready to form a saving group
- ii. Within 3 days after the visit, ward/commune CDF Management Board secretary provides the 'ready' leaders with samples of saving book and grand book and guidance on what and how to do book keeping.
- iii. The 'ready' leaders are asked to initiate saving group by inviting neighbors to join first. Usually in the initial stage, saving group has from 3-5 members.

Step 4: Widen the membership and network

- i. After the first month, the first members invite more people to join and the number of members can increase to 10-15.
- ii. In the first three months, ward/commune CDF Secretary should visit saving groups 1-2 times per month to give encouragement and help with problems arisen, if any.
- iii. After 3-6 month of performance, ward/commune CDF Secretary organize an exchange visit for potential leaders from new wards/communes.



Pic 2. Savings groups of Song Thao ward, Viet Tri city



Pic 3. Exchange on developing saving groups between communities of Viet Tri and Hai Duong cities

B.3. FORMULATION OF COMMUNITY DRIVEN UPGRADING PROJECTS

Community driven projects are all projects that directly benefit the community as a whole, which the community wants to do collectively using community fund, starting with savings. In the initial phase of CDF development for urban poverty reduction, the basic infrastructure or housing projects that needed upgrading or new construction could be the first priority. In a later phase, with strengthened CDF, community priority became the major consideration. Based on the actual needs of communities, community projects are selected, provided that the projects benefit the whole community and are to be done by the community collectively.

The community driven projects are identified and prioritized by urban poor communities primarily through city wide mapping, later through regular community meetings.

B.3.1. Formulation and implementation of urban infrastructure upgrading (small) projects

“Small” projects are basic infrastructure projects including, but not limited to, road, drainage/ sewerage, water supply, street lighting, and so on and so forth. “Small” projects can also be a community house, a playground for children, or a public open space. These upgrading projects are with an aim to improve the living conditions of the poor communities. Oftentimes, these projects are carried out where the government still does not have a plan to upgrade due to lack of fund or other competing priorities. The size of a small project varies and it depends on the community needs, type of project, and available funds with community/ward/city CDF. Based on past experiences, the costs of small projects vary from \$1, 500 to \$53,119.

I) Identify Community Priority:

1. From city wide survey, low income communities lacking of basic infrastructure have been prioritized and selected.
2. The Chief of block/hamlet of selected communities organize a meeting with all households in the community to:
 - Raise the issues of community that need to be addressed.
 - Community members identify the issues that they can solve themselves and if necessary get support with loan from city CDF within ceiling limit specified for *small* projects
 - If there are many issues, community chooses the one with highest priority.

II) Project Appraisal:

3. Elect a team of community representatives to implement project related work (measuring, calculating the cost, financial management, construction supervision, Environmental and Social Safeguards Screening)
4. Determine Financial Model for the Project: Contribution from local authority, NGOs, International Organization, Community
5. After the team of community representatives completes the cost estimation, the Chief of block/hamlet organizes the 2nd meeting with all households to disseminate the information on estimated cost for community to discuss and agree on

Financial contribution from the Community would follow the guidelines specified below:

- i. Degree of Utility Use: Households with more people contribute more for water pipe or household with larger front size or in the main road have to pay more for road
- ii. Capacity to Contribute: Households with higher income volunteer to contribute more, reduction or exemption are applied for households with low unstable income, depending on specific cases.
- iii. Modality of Contribution: Households that want to contribute in installments suggest themselves the period and amount of contribution each time and frequency of contribution (daily, weekly, monthly). Considering households have different affordability, it is encouraged that the households come up with their own schedule of contribution. It is also possible to contribute in-kind by providing labor day.

To show the commitment of the whole community, the first contribution can be made right after the meeting in the form of making savings. Investment in infrastructure is not profit making and therefore, contribution by continuous saving will help to reduce the burden of paying even a low interest.

6. Selection of contractor/builders: It is recommended to have at least 2-3 contractors/groups of builders to compare the quotation and get the good offer. If contractors offer almost the same price, priority should be given to the contractor/group of builders within the community.
7. Construction supervision: depending on the agreement of the community, a team is selected to supervise the construction process on voluntary basis of paid), or each household can supervise the work when done in front of their house.

III) Project proposal preparation and approval:

8. After the community meeting, the team of community representatives sends the Minutes of meeting, certified by ward/commune People's Committee, to city CDF Secretary.

9. City CDF Secretary collects the necessary information following the project proposal templates, environmental and social safeguards checklists and takes some pictures of the baseline situation, and sends to CDF Coordination Unit by email.
10. CDF Coordination Unit will collect all proposals from CDF cities and submit to regional/sub regional project appraisal committee for approval for ACCA funding or to National Coordination Unit for other fundings directly managed by ACVN.
11. After projects are approved and disbursement is made, CDF Coordination Unit will notify and transfer money to the bank account of relevant city CDF.
12. City CDF Secretary notifies the relevant communities and organizes a meeting with respective community representatives to inform the disbursement schedule.

IV) Project implementation:

13. After being notified about project approval, the Chief of block/hamlet organizes the 3rd community meeting to:
 - Discuss about the use of fund: criteria for loan borrowing, loan amount, term of payment, modality of repayment, interest rate and the use of interest rate ...)
 - Announce the construction period and discuss the supervision work: date of ground breaking, construction site, schedule, technical supervision (compared with technical drawing), use of materials (make inventory of materials every day ...).
 - Inform on technical parameters for construction supervision: The thickness of concrete layer, sand-cement ratio for 1m³ concrete (for road), section of sewer/pipe, the depth of digging in each section, the thickness of stone/sand layer for pipe/sewer installment, technical requirement for joints, the size of drain, technical specifications of materials for drain and its cover (for sewer).

V) Report of results:

14. Encourage communities to take pictures of work themselves. If it is not possible, ward/commune CDF Secretary supports to do so.
15. After construction completion, the Chief of block/hamlet organizes the 4th community meeting to: i) Have a financial report delivered to each community members and to the ward and city CDF ii) Discuss the maintenance work during the operation.iii) Discuss about the next community plan (to address the 2nd priority)
16. City CDF Secretary sends a report with pictures to CDF Coordination Unit based on the community report.

A typical project cycle and duration of a small project is as follows for reference only. The most important is to ensure the community process must be followed in the whole project cycle, through which the community capacity is enhanced and community integrity is strengthened.

1. City wide mapping	5 days
2. Identify Community Priority and Project Appraisal Meeting of prioritized community at block level to: - discuss and select priority project - determine the scope of project (length of road, how many households involved...) - estimate the costs - discuss on financial contribution by households and schedule, including borrowing loan from city CDF, interest rate, term of payment, if any; possibilities of using community labor... - Take pictures of baseline situation	Start within 2 weeks after mapping. Duration: 8 weeks
3. Project appraisal: - Community sends meeting minutes to city CDF - City CDF Secretary to complete the project proposal, the compliance with environmental and social safeguards checklists and some pictures of the baseline situation, and send to CDF Coordination Unit by email. - CDF Coordination Unit collects all proposals from CDF cities and submit to regional/sub regional project appraisal committee for approval - CDF Coordination Unit will notify and transfer money to the bank account of relevant city CDF, after project approval. - City CDF Secretary notifies the relevant communities and organizes a meeting with respective community representatives to inform the disbursement schedule	Duration: 4 weeks
4. - Organization of exchange trip to other communities or city(es) for community people to learn how to start and manage community savings and CDF, and community process in small projects implementation of with support from National CDF	Within 4-6 weeks after mapping Duration: 4 days
5. Project implementation: - <u>Discuss about the use of fund/CDF loan</u> - <u>Announce the construction period and discuss the supervision work:</u> date of ground breaking, construction site, schedule, technical supervision (compared with technical drawing), use of materials (make inventory of materials every day ...). - <u>Inform on technical parameters for construction supervision</u> - <u>Take pictures</u>	1-2 months
6. Project completion and report - Give the financial report to each community members and send the completion report to city CDF - City CDF send report of all projects done to CDF Coordination Unit	Within 2 weeks after project completion
TOTAL	6 MONTHS



Pic 4. Alley upgrading project in ward 5, Ben Tre city, Ben Tre province



Pic 5. Drainage upgrading project in Doi Cung village, Hung Hoa ward, Vinh city, Nghe An



Pic 6. Community in Quang Lac commune of Lang Son city participate in water supply project

B.3.2. Formulation and implementation of housing upgrading /building (big) projects

1. Identify the cities with potential housing projects:

Housing issue involves the coordination between different government authorities at provincial and city levels: People's Committee, Urban Management Department/Division, Department/Division of Environmental and Natural Resources. Therefore a meeting between ACVN and city authorities is needed to discuss:

- + the provincial/city policy addressing housing issues of unstable settlements that are pending due to lack of resources to implement Physical Master Plan, or old degrading collective housing areas or water surface squat erring settlements
- + Problems that city is facing in addressing housing issue.
- + Introduction of good practices of other cities/other countries in the region in inclusive urban development planning and low income housing development.
- + Possibility to use approach 'community participation in housing area planning and building' to upgrade these settlements.

2. Identify residential settlements having need in housing upgrading/building (*based on city wide mapping results*)

As the city authorities express the will to apply the community driven approach in urban planning and housing building in their city, CDF Coordination Unit send community architect(s) to coordinate with city CDF Secretary in organizing a meeting with communities who have the need in housing upgrading/rebuilding to:

- + Identify what are the most critical issues of their housing status.
- + Prioritize the issues of concern in each community (settlement).
- + Introduce good practices of other cities/other countries in the region in inclusive urban development planning and low income housing development.
- + Make a list of concerned communities that are interested in and ready together to do planning and build housing for follow up technical support.

Pic 7. Community of Huu Nghi Collective Housing Block of Vinh city participates in their housing project

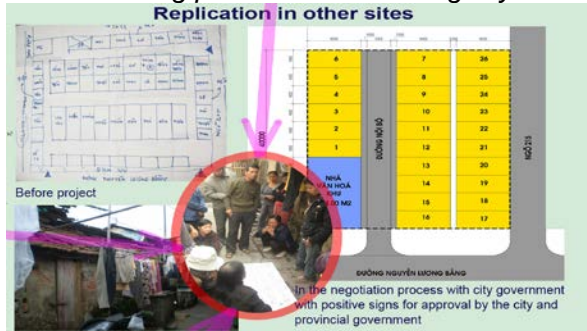


Discussion on building of low cost housing



Planning together

Pic 8. Housing process in Hai Duong city



Community of Woolen Carpet Factory plans for their dream houses



Houses have been reblocked and built by community of Garment Factory

3. Technical support to communities in doing baseline household survey and upgrading/building plan:

- A team of voluntary community architects (CAs), invited by city CDF or sent by CDF Coordination Unit, coordinate with city CDF Secretary, ward/commune People's Committee representative and the Chief of block/hamlet to organize a community meeting to:

- + Introduce the community process in housing project in other cities, countries.
- + Discuss with communities possible solutions for the issues of community concern.
- + Elect a team of community representatives to carry out the work as agreed by the community and with technical support of community architects.
- The team of community representatives and CAs visit the site and discuss the planning alternatives of the housing area.
- Based on the existing situation and preliminary ideas of the team of community representatives, CAs will draft planning alternatives.
- A 2nd community meeting is organized for CAs to present planning alternatives to community to discuss:
 - planning alternatives
 - The need of households in housing upgrading/building (how many have need in housing upgrading, how many have need in building, how many floors do they want?)
 - If all households in community want to rebuild or if it is a new resettlement site, households will be grouped by the number of floors they want to build.
 - CAs support household to estimate the housing construction cost. Based on average construction cost per square meter, CAs can provide rough cost estimation for different types of housing, so that households can calculate how much needed to build/upgrade their house
 - After the 2nd community meeting, CAs help with design different housing samples for the whole community.

4. Support communities to develop saving groups for housing:

After community agrees on the planning option for the site, city CDF Secretary in coordination with ward/commune People's Committee and the team of community representatives organizes the 3rd meeting for community to make comments on housing sample design and facilitate households in making their financial plan for housing upgrading/building, specifically:

4.1 – Financial analysis:

Based on their need of upgrading and building and estimated average cost per m², each household calculates the total cost for their house, of which:

- How much do they have in hand?
- How much do they can borrow without interest from relatives?
- How much do they have to borrow?
- If there is the need in loan, how much does each household can pay monthly?

4.2- Formulation of saving groups for housing:

- Notify community about budget for housing loan from city CDF

- Provide brief information on housing loan conditions (who are eligible, loan size, term of loan, interest rate ...)
- Introduce the Regulation on 'Saving for Housing' (*See detail regulation on Saving Group for Housing in Annex 4*) so that households can register.
 - Households elect the leader of their saving groups
 - Provide instruction to Saving Groups on how to do book keeping and financial management.

***Note:**

During the community consultation process, community representatives and CAs take pictures of community meetings and the existing status of the settlement for project proposal preparation and documentation.

5. Project proposal preparation and approval

- With information collected, city CDF Secretary with the support of CAs prepares housing project proposal following the template.
- At the same time, with support from city CDR Secretary and CAs, the team of Community Representatives prepares an application with planning option, agreed by community, and submits to relevant city authorities¹ for approval and issuance of construction license, and keeps following up the approval. In case there is conflict with the current provincial/city policies, the leaders of ACVN Secretariat will discuss with city leaders to look for solutions.
- Housing project proposal is prepared and sent to CDF Coordination Unit by email.
- CDF Coordination Unit collects all project proposals from CDF member cities and submits to regional/sub-regional appraisal committee for approval, if funding comes from ACCA program, or by an appraisal committee with participation of community representatives at ACVN.
- After approval and fund disbursement, CDF Coordination Unit will notify to relevant city CDF.

6. Project implementation:

- After being notified about project approval, city CDF Secretary in coordination with ward/hamlet People's Committee and community representatives organizes the 4th community meeting to discuss the implementation plan and issues relating to housing loan (criteria, loan size, repayment modality, interest rate, the use of interest...)
- After the meeting, Team of community representatives prepares application for housing loan, certified by ward People's Committee and send to city CDF Steering Committee.

¹ Based on the characteristics of each community (pending settlement, old collective housing, water surface squat erring...) and the existing policies (relocation and resettlement, in situ upgrading...) of each city, city CDF Secretary and CAs will consult with community on which agencies the application should be sent to

- City CDF Steering Committee sends request to CDF Coordination Unit to transfer fund for disbursement to community.
- Disbursement is made to groups of households and construction schedule, ensuring the appropriate use of fund and repayment as committed by community.
- Encourage households to build together to reduce construction cost.

7- Report on housing progress and replication:

- Encourage community to do 'construction diary' with pictures for documentation and sharing with other communities
- Encourage city CDF to organize exchange visit between communities in similar housing situation
- CDF Coordination Unit assigns a person in charge of technical; support and update information on housing projects for reporting and sharing with other cities in the CDF Network



Pic 9. Housing in Huu Nghi Block, Cua Nam ward, Vinh city before and after community driven housing process

B.3.3. Formulation and implementation of post-disaster rehabilitation

I. Identification of project sites and damages caused:

1. CDF Coordination Unit and city CDF Steering Committee discuss and agree on:
 - Criteria for selection of community to be supported by CDF².
 - Criteria for selection of target groups to be supported³.
2. City CDF Secretary and community supporters from other cities together with community representatives (block/hamlet Chief, leaders of saving groups, community volunteers) identify, using community mapping tool:
 - + Which households have suffered most from damages (household name, type of damages...)?
 - + What kind of support the households have received?
 - + Which are the 2 -3 households that have suffered most from damages and need further support?
 - + Brief description about the situation of households to be supported, type of support (housing or income generation), and amount of support and modality of support (grant? partly grant, partly loan without interest? Loan without interest? Loan with low interest?)

II. Discuss on project contents:

After having an overall picture of damages and household situation, the survey team discusses to identify:

- How many households to be supported with a grant?
- How many households to be supported with loan at no interest?
- How many households to be supported with loan at concessional interest? How much is affordable interest rate?
- What is the maximum amount of loan for each purpose (housing repair, income generation)
- Maximum period of loan for each purpose?

III. Project proposal preparation and approval:

² For example: Quy Nhon city selected the ward/commune that have severe damages and have the strongest community network. Vinh and Ha Tinh cities selected ward/commune that suffered most from disaster and have the highest rate of poor households in the city

³ For example: In Vinh and Ha Tinh cities, it was agreed that the group of households to be prioritized for support are the households which have lost 70% of housing and/or means of income generation and do not have capacity to recover by themselves.

- After the meeting, the Team of community representatives sends the Minutes of meeting certified by ward/commune People's Committee to city CDF Secretary.
- Besides the information and pictures of the post disaster situation provided by the Survey Team. City CDF Secretary collects more pictures during the disaster (usually available on online newspapers)
- With collected information, city CDF Secretary prepares project proposal and send to CDF Coordination Unit with the following content:
 - + Project context.
 - + Process of project formulation
 - + The selection process of project communities
 - + The existing situation of damages caused by disaster on the site of project community
 - + Types of support that community has received by the time of project formulation.
 - + The need in further support by CDF
 - + Management and use of fund allocated
- CDF Coordination Unit collects all project proposals to submit to regional/sub-regional appraisal committee for approval or to appraisal committee in ACVN with participation of community representatives.
- After approval and fund transfer, CDF Coordination Unit will notify and transfer the fund to city CDF bank account.

IV. Project implementation:

- After being notified of project approval, city CDF Secretary has a meeting with the team of community representatives to discuss the implementation plan:
 - *For households that need urgent support:* Organize a meeting with households or visit households to identify the actual needs of the households to be met. Based on the list of goods that households proposed, the Team of community representatives will send a team of volunteers to buy goods for households. After completion of goods distribution, a financial report should be made public in regular community meeting and posted in Community Center.
 - *For households that need support in recovery:* Organize a meeting of households to discuss on loan size, payment period, interest rate, modality of repayment. Besides the financial support, encourage community members to support each other during the process of housing repair and income generation, taking into account of technical solutions for disaster resilient housing typology.

V. Report and replication:

- Encourage communities to take pictures of activities for documentation and sharing with other communities.
- Encourage city CDF to organize exchange visit between communities in similar situation.

- Mapping tool with community participation to identify damages and specific needs by households in post disaster support can be replicated in any community prone to disaster. This information can also be used by communities to send to government agencies, mass and social organizations, NGOs, donors ... for better meeting the specific needs of households in goods housing and income generation means, avoiding overlapping in support between organizations, and increase the effectiveness of post disaster rehabilitation.



Pic 10. Community reforestation project to reduce negative effects of natural disaster in Quy Nhon.



Pic 11. Housing repair in community post-disaster rehabilitation project in Ha Tinh city





Before flash flood



After rehabilitation

B.3.4. Social and Environmental safeguard guidelines for community projects

These guidelines are required to ensure that environmental and social matters are evaluated in all aspects of decision-making that any risks are thereby reduced and effectively managed, and that consultation and full disclosure of information is obtained - thereby minimizing any negative impacts caused by community projects under the CDF program. Close attention should therefore be given to these safeguards throughout all phases of project formulation and implementation.

Social Safeguards

Involuntary resettlement is to be avoided and any displacement of households kept to the minimum, with all affected households, regardless of their legality of tenure, provided opportunities for full participation in the upgrading and redevelopment process and the accrued benefits. Those affected should be assisted in their efforts to improve their incomes and standards of living, or at least to restore them with, where applicable, compensation provided for affected assets at replacement cost.

In all types of projects, whether for infrastructure upgrading or housing, no privately-owned land or land under dispute in any form should be used without open, fully inclusive negotiation and should be arranged only on the voluntary basis of community members and prior to project formulation. Public compulsory land acquisition /eminent domain should not be invoked.

The acceptable process whereby land is made available for CDF projects, based on well-documented Vietnam country experience, includes the following options:

- Voluntary donation of land by households in the infrastructure projects (road, water supply, drainage, and alike).
- Land as the form of households' contribution in the infrastructure projects (road, water supply, drainage, and alike).
- Land compensation or donation in housing projects, when households agree to give part of their land to the community due to reblocking in planning process of their new community housing

In all cases, land donation or contribution or reblocking should be specified clearly in the Minutes of Community Meeting, when households decide the option of their contribution in cash, labor, land and the schedule of contribution or land compensation for land owners, and which is signed by all households concerned.

For affected ethnic minorities the development process should foster full respect for their dignity, human rights, cultural uniqueness and, more specifically ensure that ethnic minorities do not suffer adverse social and cultural impacts and receive all culturally compatible social and economic benefits.

Draft drawings, plans and documents should be made available and displayed in public places so that the community and the affected general public has access to these and can clearly see the impact on the neighborhood and adjacent areas. Relevant city/provincial departments and utility companies should be fully involved and shall be required to formally approve all stages of the development process.

Environmental Safeguards:

Although there will positive environmental benefits through the provision of better services and physical conditions there will of necessity be localized environmental impacts during construction and operation. The potential impacts can be mitigated by incorporating environmental features in engineering and building design, enhancing participatory planning process and community involvement during operation and maintenance.

Project identification, formulation, evaluation and monitoring should take into account of the relevant environmental and safety concerns as addressed in the following Do's and Don'ts prescriptions and checklists. The Community Architects and community members should treat these design and monitoring tools as a set of good practice principles to be applied to the particular attributes of each type of community projects as well as specific requirements to be added to and adjusted in accordance with experience gained as the CDF Operation Manual is progressively applied.

Do's and Don'ts

Site Screening and Environment

1. Assess potential water pollution.
2. Avoid constructing roads in erodible soils.
3. Construct roads or structures away from river banks.
4. Protect wetlands from infrastructure construction.
5. Prevent pollution in or near marine habitats.
6. Protect special wildlife habitat from infrastructure construction.
7. Respect protected areas.

8. Use only legally forested timber for construction.

Construction Site Management & Maintenance

1. Keep construction sites free of hazards.
2. Reduce and control noise.
3. Make efforts to control dust during construction.
4. Clean the site after construction.
5. Ensure that all equipment maintenance activities, including oil changes, are conducted within demarcated maintenance areas.
6. Never dispose spent oils on the ground, in water courses, drainage canals or in sewer systems.
7. All spills and collected petroleum products should be disposed of in accordance with standard environmental procedures/guidelines. Fuel storage and refilling areas should be located well away from all cross drainage structures and important water bodies.
8. Debris generated due to the dismantling of the existing structures should be suitably reused, to the extent feasible, in the proposed construction (e.g. as fill materials for embankments). The disposal of remaining debris should be carried out only at sites identified and approved by the city authorities, ensuring that these sites (a) are not located within designated forest areas; (b) do not impact natural drainage courses; and (c) do not impact endangered/rare flora. Under no circumstances should any material be disposed of in environmentally sensitive areas.
9. In the event any debris or silt from the sites is deposited on adjacent land, all such, debris or silt should be immediately removed and the affected area restored to its original state.
10. Control placement of all construction waste (including earth cuts) to approved disposal sites away from rivers, streams, lakes, or wetlands. Dispose in authorized areas all garbage, metals, used oils, and excess material generated during construction.

Nuisance and Dust Control

1. Minimize production of dust and particulate materials at all times, to avoid impacts on surrounding families and businesses, and especially to vulnerable people (children, elders).
2. Phase removal of vegetation to prevent large areas from becoming exposed to wind.

3. Place dust screens around construction areas, paying particular attention to areas close to housing, commercial areas, and recreational areas.
4. Spray water as needed on dirt roads, cut areas and soil stockpiles or fill material.
5. Apply proper measures to minimize disruptions from vibration or noise coming from construction activities.

Demolition of Existing Infrastructure

1. Set aside a designated and restricted waste drop or discharge zones, and/or a chute for safe movement of wastes from upper to lower levels.
2. Maintain clear traffic ways to avoid driving of heavy equipment over loose scrap.

Safety during Construction

1. Carefully and clearly mark pedestrian-safe access routes.
2. If school children are in the vicinity, include traffic safety personnel to direct traffic during school hours.
3. Conduct safety training for construction workers prior to beginning work.
4. Require that all workers read, or are read, all Safety Sheets. Clearly explain the risks to them and their partners, especially when pregnant or planning to start a family. Encourage workers to share the information with their physicians, when relevant.
5. Do not use any materials that contain asbestos and ensure that the removal of asbestos containing materials or other toxic substances be performed and disposed of by specially trained workers.
6. During heavy rains or emergencies of any kind, suspend all work.
7. Brace electrical and mechanical equipment to withstand seismic events or storms during the construction.
8. No chainsaws should be used.

Earthworks, Cut and Fill Slopes

1. All earthworks should be properly controlled, especially during the rainy season.
2. Maintain stable cut and fill slopes at all times and cause the least possible disturbance to areas outside the prescribed limits of the works
3. Complete cut and fill operations to final cross-sections at any one location as soon as possible and preferably in one continuous operation to avoid partially completed earthworks, especially during the rainy season

4. Disposal sites should not be located where they can cause future slides, interfere with agricultural land or any other properties, or cause soil from the dump to be washed into any watercourse. Drains may need to be dug within and around the tips.
5. Borrow pits used should be left in a trim and tidy condition with stable side slopes, and be drained ensuring that no stagnant water bodies are created which could breed mosquitoes.

Erosion Control

1. Disturb as little ground area as possible, stabilize that area as quickly as possible, control drainage through the area, and trap sediment onsite.
2. Erect erosion control barriers around perimeter of cuts, disposal pits, and roadways.
3. Conserve topsoil with its leaf litter and organic matter, and reapply this material to local disturbed areas to promote the growth of local native vegetation.
4. Apply erosion control measures before the rainy season begins preferably immediately following construction. Install erosion control measures as each construction site is completed.
5. In all construction sites, install sediment control structures where needed to slow or redirect runoff and trap sediment until vegetation is established.
6. Control water flow through construction sites or disturbed areas.
7. Maintain and reapply erosion control measures until vegetation is successfully established.
8. Spray water on dirt roads, cuts, fill material and stockpiled soil to reduce wind-induced erosion, as needed.

Roads

1. Avoid building roads through primary forests.
2. Protect slopes from erosion.
3. Reduce slope erosion.
4. Prevent landslides on cut slopes.
5. Use retaining walls to stop landslides.
6. Stop sliding and eroding slopes with bioengineering, such as planting and use of natural materials.
7. Prevent landslides on road cuts and embankments.
8. Use gabions to stabilize embankment slopes.

9. No road construction in steep unstable slopes.
10. Protect ditches from erosion.
11. Do not dig sand, gravel or rocks from rivers for road construction.

Water Supply

1. Always practice good watershed management.
2. Protect water sources from pollution and contamination.
3. Share a scarce water source between different users.
4. Locate dug wells at a safe distance from septic tank.
5. Use household-based water treatment where needed.
6. Always provide good drainage at public and yard taps.

Sanitation

1. Where official sewer connections are not available, build a complete septic tank system and make sure all parts of the system are working properly.
2. Where septic tanks are used for human waste treatment, dispose of effluent properly and pump out septic sludge periodically.
3. Keep toilets clean.

Solid Waste Management

1. Collect garbage and do not litter.
2. Minimize the production of waste that must be treated or eliminated.
3. Separate waste at source for recycling.
4. Identify and classify the type of waste generated. If hazardous wastes are generated, proper procedures must be taken regarding their storage, collection, transportation and disposal
5. Identify and demarcate disposal areas clearly indicating the specific materials that can be deposited in each.

Rivers

1. Do not realign any river and do not build close to river banks.
2. Protect stream banks from erosion.
3. Make sure that river banks are stable.

Community Relations

1. When necessary ensure that construction work is carefully scheduled and the community is properly informed, so they can take necessary measures.
2. In accordance with official city requirements or at least five days in advance of any service interruption (including water, electricity, telephone, public transport routes), the community should be advised through public postings at the project site, and surrounding and affected homes/businesses.

Environmentally- Friendly Criteria - Checklist

Name and location of project				
Typology of project				
Person(s) who conducted the check				
Date of check				
Name and contact of person(s) interviewed/met				
Criteria	yes	no	not clear	remarks/ recommended action
1. Maximizing the blending of architectural design to important cultural site next or nearby to the site.				
2. Maximizing natural light in order to minimize artificial light needs.				
3. Maximizing natural ventilation systems, minimizing the necessities of air conditioning				
4. Maximizing rainwater storage for the irrigation of gardens and green zones				
5. Promoting the usage of environment-friendly materials (avoid asbestos and other hazardous or toxic materials)				
6. Planting of native species in gardens and green areas in the offices				
7. Stabilization of slopes using vegetative measures				
Others (describe)				

The following checklist can be used formally more by the community in negotiation and selection

of contractors and by the ward/commune People's Committee in the inspection of construction work in community projects

Construction Site Issues - Checklist

Name and location of project				
Typology of project				
Person(s) who conducted the check				
Date of check				
Name and contact of person(s) interviewed/met				
Issues	yes	no	not clear	remarks/ recommended action
1. Adequacy of space for construction				
2. Adequacy of access to the construction				
3. Adequacy of space to build/expand the building space in the future				
4. Freeness from squatters or titling conflict with local residents				
5. Potential interruption or limitation of access to dwelling or business on the site				
6. Potential impact to high architectural or cultural value on the site or within the immediate vicinity				
7. Potential deterioration of urban quality and/ property value in the immediate vicinity.				
8. Interruption or limitation of access to sidewalks, power and telephone lines, water and sewerage, sanitation system, and other environmental services.				
9. Encroachment/reduction of gardens or green areas.				
10. Land used is public/government owned				
11. Resettlement of families or businesses due to land use for construction				
12. Flood on the site in the wet season (<i>write down how deep and how long it usually floods on the site</i>)				
Others (describe)				

B.4. EXCHANGE ACTIVITIES

Exchange activities help communities to see by themselves, learn from each other lessons of success and failure from the practice that encourages them to 'follow' good examples in improving their living conditions.

B.4.1. How to organize exchange activities:

- Organize exchange visit by group of participants according to their role in CDF (CDF secretaries, city staff, and community people).
- If it is not possible to have separate exchange visit for each group, in each exchange visit, organize participants in small groups and use different techniques for each group.
- Each exchange visit has focus on one topic. If there is more than one topic, use different tools/techniques to avoid the boring feeling for participants.

B.4.2. How to organize an exchange visit:

1. How to prepare for an exchange visit:

Identify the need:

- For new CDF Cities, the need is identified after city wide survey of low income communities in the whole city, which have not had solutions for their concerns. In this case, CDF Coordination Unit will introduce to them an exchange visit to nearby CDF cities. It is recommended to organize the visit as soon as possible.
- For old CDF cities, city CDF Secretary can organize an exchange visit to other communities in the city. If there is no appropriate practice, city CDF Secretary can contact CDF Coordination Unit for support.

Identify host community (is) and participants:

- City CDF Secretary contacts with the appropriate host community(is) in the same city, or cluster of cities, or in the network, where is good practice in solving similar problems to propose the plan of visit, time of visit, number and composition of participants, and what to learn and share.
- The host community (is) will invite its members as appropriate. To ensure the success of exchange, it is ideal to have equal number of visitors and hosts by topic of interest and by their role in CDF. In case host communities do not have enough participants, the ratio 2:1 between visitors and host is the second best.

Logistics preparation:

- Name tags of participants: If there are different groups of visiting participants interested in different topic, name tags should have different colors or number by topic respectively.

- Meeting hall: Meeting hall should be large enough for a number of small groups to discuss, or provide individual chairs to make a small space for each group. If possible, participants are sitting in circle of face to face.
- Drinking water
- Audio, lighting: Minimum one micro in the meeting hall. Better to have 1-2 wireless micros in addition.
- Secretary: At least one secretary is arranged to write down proceedings of exchange and Post Exchange plan of participants.

2. How to conduct an exchange session:

Welcome visitors: visiting and host participants are sitting on two sides in the meeting room

Opening: city CDF Secretary introduces the objectives and participants of exchange.

Grouping for exchange: Participants introduce themselves as follows: one host participant introduce to 1-2 visitors. If there is more than one topic, grouping will be done by color of name tags in the same way.

Exchange in small groups: 45-60' are given to groups to discuss the topic of their interest, where the host shares their experience with visitors.

Reflection session: After exchange in small groups, all are back to the meeting hall. Participants-visitors reflect what they learnt from the exchange. Participants are invited to speak about their impressions by small group and by topic.

Wrap up and plan for the next step: Participants are asked if any amongst them want to apply what they learnt in their own community and when the visitors will invite the host to their communities?

3. Follow up support community activities after exchange:

- For new CDF cities, within one week after exchange visit, CDF Coordination Unit contacts with city CDF Secretary to follow up the Post Exchange action plan. Depending on the need of each city, CDF Coordination Unit can support by sending community supporters and/or CAs.
- For old CDF cities, within 3 days after the exchange visit, city CDF Secretary needs to know the Post Exchange action plan of wards/communes. For exchange within a ward/commune, the chief of block/hamlet or Women Union should follow up with new members of saving groups to encourage them as well as to give guidance on book keeping for new saving groups.

Pic 12. Community to community exchanges



Exchange between communities of Viet Tri and Lang Son cities in Lang Son, March 2010



Exchange between communities of Ben Tre, Soc Trang and Tan An cities in Ben Tre, October 2011

B.5. NETWORKING ACTIVITIES

B.5.1. Rational:

Networking activities contribute to strengthening community process. Networking contributes to building the confidence of the poor, knowing that their voice is listened and other communities, government agencies and other social organizations are going with them in the fight against poverty.

B.5.2. Networking forms:

1. Regular meetings:

Regular meetings are usually held by CDF Steering Committee and Management Board at ward/commune and city level. In these meetings, besides the financial issues (financial report, appraisal of loan applications from community saving groups...) this is a good opportunities for sharing experience amongst CDF communities and to others to encourage them to join the network. As far as CDF is a voluntary program of city government at all levels and communities, it is recommended to integrate CDF meetings in regular meeting schedule of ward/commune and city administration to save time and cost.

2. Exchange visits:

Exchange visits are organized for new CDF units to learn how to initiate community saving, formulation and implementation of infrastructure and housing upgrading projects in low income communities, and by doing so, to build the confidence and social position of host communities. Exchange visit is the most effective tool to build capacity for both host and visiting communities, especially for CDF secretary and community groups. Exchange vests are organized between communities having similar sock-economic situation and/or having similar issues of concern to be solved and at different levels:

- Between communities within a ward/commune.
- Between wards/communes in a city.
- Between cities in a cluster or in the country.
- Between communities from different countries in the region.

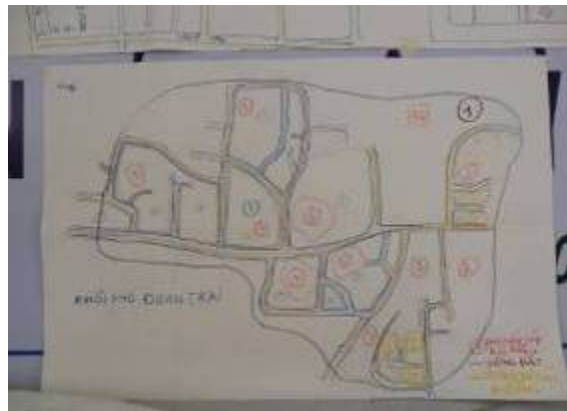


Pic 13. CDF Networking Workshop of the Cluster of 5 Central Coastal cities in Quy Nhon, Aug 2009

3. Community to community support:

Community to community support is done by community people, called community supporters, who have experience in management of saving groups and/or organization of community activities: and volunteer to support other communities outside their residence to start up community fund, develop saving groups and community action plan to solve the issues of their concern. Specifically, the activities of community supporters include support the new CDF city communities in:

- Doing baseline city wide survey with community participation to identify low income communities lacking of basic infrastructure, needs in housing upgrading, and existing community saving activities.
- Project prioritization and formulation.
- Starting up community saving where it is not available
- Discussion of community activities and how to do (exchange visit ...).



Pic 14. Community supporters from Quy Nhon are facilitating communities in Tam Ky city in city- wide participatory mapping

4. Workshops:

- Thematic workshops: are organized by city cluster having the same issue of concern, such as collective housing in the northern cities, disaster management for central coastal cities, water surface encroaching housing for Mekong Delta cities... to share information and look for solutions based on the experience of each city. Besides experience sharing and networking, this is also a chance for city leaders and experts to propose policy change in respective issue to relevant government ministries.



Pic 15. Training workshop on Operations Manual in Da Nang city, August 2011

- National workshops: are organized annually with the participation of all CDF member cities and community representatives to overview the CDF performance during the year, introduce new member cities, and prepare CDF Network directions and activity plan for the following year.

5. Regional (Asian) and sub-regional (South-East Asian) activities:

Asian Coalition for Community Action (ACCA) Committee meetings and network: Every year the ACCA Committee has 3-4 regular meetings to appraise the proposed community projects and CDF activity plan of each country as well as the directions of ACCA program with participation of representatives of the organizations working to support the poor from all the ACCA member countries in Asia.

Young Professional workshops and network: are the platform for young professionals in different areas (urban planning, civil engineering, environmental management, IT...) who volunteer to support poor communities in improving living conditions and environment by communities. Vietnam YP is a member of Asia YP Network under the administration and management of (ACVN) in the action for poor communities.

Sub-regional Community Network: is the network of community leaders from Vietnam, Laos, Cambodia, Thailand, Philippines to share experience and support each other in CDF activities.

Pic 16. Vietnam community representatives participate in regional network meetings



Regional community workshop in Philippines, March 2009



Regional Urban Poor Community Forum in Bangkok, Thailand

PART C. GUIDELINES ON FINANCIAL MANAGEMENT OF CDF AND COMMUNITY SAVING FUND

C.1. Community Development Fund (CDF):

1. At national level:

CDF at national level mostly comes from international development organizations and donors, including:

Fund for CDF Network administration and management: Includes administration cost for CDF Coordination Unit, origination of city to city exchange, trainings, workshops, technical assistance to CDF cities, YP and community supporters' activities.

Fund for project implementation: This fund is granted from development organizations and donors to CDF Network for implementation of community projects in accordance with specific agreements between ACVN and these organizations.

Credit fund: Provided as credit at concessional interest rate from funding organizations to CDF Network based on the proposal from member cities and agreement between ACVN and respective funding organizations.

The management of CDF is in compliance with the agreement signed between relevant parties.

2. At city level:

City CDF is established from the following sources:

- Voluntary contribution by people and communities (through saving).
- Contribution from city budget in kind and in cash such as budget for mall infrastructure upgrading, Social Security, Poverty Reduction⁴...
- Allocation from CDF Network as a grant and/or concessional loan to start up community saving network and implementation of community projects.
- Contribution from foundations, charity from individual and/or businesses through local government and mass social organizations.
- Interest from credit provided to community projects.

3. At ward/commune level:

Ward/commune CDF is established from the following sources:

⁴ Currently, city CDF having contribution from city budget are Lang Son, Viet Tri, Hai Duong, Vinh, Quy Nhon, Ha Tinh and Ninh Kieu Dist of Can Tho city.

- Voluntary contribution by people and communities (through saving).
- Allocation from city CDF as a grant and/or concessional loan to start up community saving network and implementation of community projects.
- Contribution from foundations, charity from individual and/or businesses through local government and mass social organizations.
- Interest from credit provided to community
- Trust fund from Social Policy Bank, if any

4. At community/saving group level:

CDF at this level comprises of:

- Saving of members.
- Credit and or grant provided by ward/commune CDF.
- Contribution from saving members and/or allocation from the interest on loan provided to members/community.
- Charity from individuals, if any.

C.2. Financial management of CDF at all levels

1. General principles:

- Transparency and accountability of each level
- All transactions between CDF of different levels are made via bank accounts opened in banks within the system of State Banks.
- Compliance with all current regulations of government on accounting and auditing, and with agreement signed with funding agencies.

2. Monitoring and supervision of CDF current expenditures:

- Open a separate bank account for CDF for close monitoring and supervision
- At the beginning of each quarter, the cashier withdraws money as planned from account and the accountant keeps a record.
- When needed for an activity, CDF Secretary requests for advance payment
- Each activity has a separate original invoice.

3. Monitoring and supervision of CDF (revolving fund):

- After approval of loan application by saving groups, ward/commune CDF issues the payment order. Saving group management team receives money from bank and disburses to its members in the witness of CDF Secretary or an authorized person.
- Every month, Savings group management team has to deposit loan payment to the CDF bank account.

- At the end of each month CDF cashier gets the copy of bank documents (balance statement).

4. Reporting:

- At the end of each month, based on the financial statements of all groups and the bank's copy of documents, CDF accountant updates the CDF balance, including saving fund and fund/loan allocated by ward/commune and city CDF..
- At the end of each quarter, CDF accountant makes balance statement for all expenditures within the quarter with original invoices and makes a financial report of all funds (CDF loan and saving) to higher level.

5. Archiving of accounting books:

- Bank copied documents (debit, credit and balance by the end of each month) is kept in time order.
- Cash book, receipts and invoices as regulated by the current policies of government on financial management.
- Quarterly budget plan for community activities, prepared by CDF secretary.
- Application for loan from city CDF, prepared by team of community representatives, approved by the Chief of CDF Management Board.
- List of households signing for receiving loan
- Financial statements (as stipulated in point 4)

ANNEXES

Annex 1: Sample of Community Information sheet

A. General information about residential block:

1. Name of block:.....Ward:City.....
- 2.Total number of households in block
- 3.Total population.....

B) Residential status of community:

4. Is there any community with unstable residential status⁵?

4.1 Supposed to be relocated due to planned but not implemented yet development projects:

	Name of community	No of hholds	Year of		Existing infrastructure				
			Announce ment	Implemen tation	Electri city	Water supply	drainage	road	Solid waste collection service

4.2 Dilapidated collective housing areas:

	Name of community	No of hholds	Average area of each flat	Level of management		Existing infrastructure				
				city	company	Electri city	Water supply	drainage	road	Solid waste collection service

4.3 Public land squat erring areas (on and along canals...):

	Name of community	No of hholds	Year of establish ment	City plan		Existing infrastructure				
				Reloca tion	In situ upgrading	Electri city	Water supply	draina ge	road	SW collection service

⁵ Residential areas considered unstable when most of community members do not have legal certificate of land use right and/or housing ownership, or they have legal certificates but waiting for relocation due to development projects and as such cannot repair/upgrade their houses

C) Existing infrastructure:

5. Electricity

1	Number of hholds paying for electricity at official rate	
2	Number of hholds paying for electricity at higher rate	
3	Number of hholds without electricity	

6. Street lighting

1	Number of hholds with street lighting	
2	Number of hholds without street lighting	

7. Drinking water

1	Number of hholds with piped water	
2	Number of hholds with sanitary well	
3	Number of hholds without water supply	

8. Road

1	Number of hholds living along gravel road	
2	Number of hholds living along earth road	

9. Drainage:

1	Number of hholds with drainage but still flooded during rainy season	
2	Number of hholds without drainage and flooded during rainy season	
3	Number of hholds without drainage but not flooded during rainy season	

10. Toilet:

1	Number of hholds without toilet	
2	Number of hholds with unsanitary toilet	

11. Solid waste collection:

1	Number of hholds using service	
2	Number of hholds are provided with service but not using it	
3	Number of hholds without service	

12. Irrigation:

1	Number of hholds having access to irrigation system but without water	
2	Number of hholds not having access to irrigation system but having water source	

13. Livestock/poultry:

1	Number of hholds having livestock/poultry without waste treatment	
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14. Housing conditions:

1	Number of houses with temporary materials	
2	Number of one floor houses dilapidating and threatened to collapse	

D) Socio-economic activities:

12. What following activities are available in your block:

	Activity	No. of groups	No. of members	Notes
1	Social policy bank credit groups			
2	Women Union Savings and credits			
3	Revolving fund without interest			
4	Others (specify)			
5				

13. Is there any charity/voluntary groups available in your block?

	Groups	No of members	Activities

14. Is there any donor in your block?

	Name	Address	Activities

15. If asked to suggest 3 persons who have good reputation, happy family, stable income living in and willing to work for community, who would be suggested?

	Name	Address	Current occupation
1			
2			
3			

16. Information about the most vulnerable households in your block:

	Vulnerability	Number	Support from local government
1	Listed as poor households		
2	Single elderly		
3	Orphans		
4	Agent Orange infected		
5	HIV/AIDS infected		
6	Having drug addicted person(s)		

E) Most concerned issues of the community

17. Most three concerned issues in your block?

	Issues	No of hholds affected	Notes
1			
2			
3			

Annex 2: Sample of Score card

1	Name of block			
2	No of hholds			
3	Population			
4. Residential status of community				
Score				
1	<30% of hholds having unstable residential status			
2	30% – 60% of hholds having unstable residential status			
3	>60% -90 % of hholds having unstable residential status			
4	>90 % of hholds having unstable residential status			
B) Existing infrastructure:				
5. Electricity				
1	<30% of hholds paying higher rate			
2	30%-60% of hholds paying higher rate			
3	>60% – 90 % of hholds paying higher rate			
4	>90% of hholds paying higher rate			
6. Street lighting				
1	<30 % of hholds living along roads without street lighting			
2	30%-60% of hholds living along roads without street lighting			
3	>60-90% of hholds living along roads without street lighting			
4	>90 % of hholds living along roads without street lighting			
7. Drinking water				
1	<30% of hholds without sanitary drinking water			
2	30%-60% of hholds without sanitary drinking water			
3	>60% -90% of hholds without sanitary drinking water			
4	>90% of hholds without sanitary drinking water			
8. Roads				
1	<30% of hholds living along gravel/earth road			

2	30%-60% of hholds living along gravel/earth road			
3	60% -90 % of hholds living along gravel/earth road			
4	>90% of hholds living along gravel/earth road			
9. Drainage				
1	<30% of hholds without drainage			
2	30%-60% of hholds without drainage			
3	>60%-90% of hholds without drainage			
4	>90% of hholds without drainage			
10. Toilet				
1	<30% of hholds without sanitary toilet			
2	30% - 60% of hholds without sanitary toilet			
3	>60% - 90% of hholds without sanitary toilet			
4	>90% of hholds without sanitary toilet			
11. Solid waste collection:				
1	<30% of hholds without SW collection service			
2	30% - 60% of hholds without SW collection service			
3	>60% -90% of hholds without SW collection service			
4	>90% of hholds without SW collection service			
12. Irrigation				
1	<30% of hholds without access to irrigation system			
2	30% - 60% of hholds without access to irrigation system			
3	>60% - 90% of hholds without access to irrigation system			
	>90% of hholds without access to irrigation system			
13. Livestock/poultry sanitation				
1	<30% of hholds without treatment of livestock waste			
2	30% - 60% of hholds without treatment of livestock waste			
3	>60% - 90% of hholds without treatment of livestock waste			
4	>90% of hholds without treatment of livestock waste			
	Total score			

Annex 3: Regulations of Community Saving Group

Savings group member:

1. Join savings group on voluntary basis.
2. Deposit savings to the cashier, who is elected by the group members.
3. Amount of savings depends on income of member with minimum of VND 1,000 for adult and VND 500 for children.
4. Choose the mode of savings daily, weekly, monthly or any time the member can make savings
5. Can easily withdraw money when needed.

Savings group leader and cashier:

1. Every time members deposit savings, the cashier has to sign for the amount of savings, date in the Member Savings Book, and in the Group Master Book for monitoring.
2. Monthly, group leader and cashier make audit of cash and report to members in regular group meetings.
3. To ensure the security of members savings, when the amount of savings in cash is big in accordance with groups members agreement, the group leader and cashier open a bank savings account under the name of accountant and the group savings book is kept by cashier.
4. Up to the agreement of group members, the savings can be used as revolving fund for members when needed, with priority given to members who has good record of regular savings.
5. The amount of loan depends on the payment capacity of the borrower and managerial capacity of group leader

Annex 4: Regulations on Saving for Housing

Savings Group members:

1. Join savings group on voluntary basis.
2. Deposit savings to the cashier, who is elected by the group members.
3. Choose the mode of savings daily, weekly, monthly or any time the member can make savings
4. Amount of savings depends of income of member with ultimate goal is to build house.
5. Members who make savings regularly will be given with priority in borrowing from Housing Fund.
6. Amount of loan = loan period (in month) x average monthly savings.

Leader:

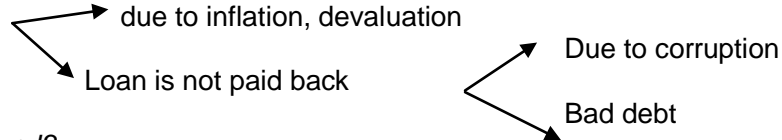
1. Every time members deposit savings, the cashier has to sign for the amount of savings, date in the Member Savings Book, and in the Group Master Book for monitoring.
2. Monthly, group leader and cashier make a financial report to members in regular group meetings.
3. To ensure the security of members' savings, up to the agreement by group members when the amount of savings in cash is big, the group leader and cashier open a bank savings account under the name of accountant and the group savings book is kept by cashier.
4. Group leader take responsibility in collection of loan and interest payment and deposit in city CDF account on the date of 30th every month
5. Up to the agreement of group members, a part of the interest collected can be used to pay remuneration for the group management team or the collector.

Annex 5: Effective fund management

A. Fund Management :

Good fund management = No loss of fund

Loss of fund includes:



How to prevent loss of fund?

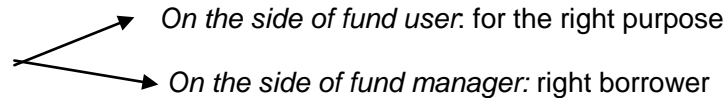
Set aside a part of interest to replenish/increase the fund.

Use suitable tools to prevent corruption/abuse

Minimize bad debt

B. Use of fund

Good use of fund



C. Effective fund management:

Effective fund management ⇔ Minimize/Eliminate the causes of negative consequences

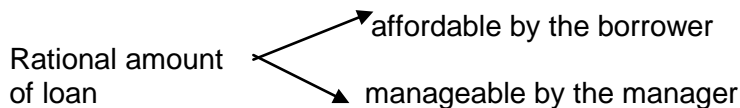
1. How to minimize corruption?

- Transparent and accountable financial management
- All transactions are done via banking

2. How to minimize bad debt?

On the side of borrower: Help them to build the habit of savings and balancing income/expenditure

On the side of manager: let borrowers to decide the amount of loan they can pay back, the payment period, mode of payment.



3. How to make borrowers to use loan for the right purpose?

Make sure the loan is provided to meet the need of borrower without predetermined loan objectives

4. How to make fund accessible to the right target groups?

Make information public to all relevant stakeholders

Annex 6: Regulations on Housing Loan Fund

Chapter I: GENERAL CONDITIONS

Article 1: This Regulation is applied for management of Housing Fund, which is mobilized by the Steering Committee of National CDF Network from different international and national donor organizations and individuals.

Article 2: The objective of Housing Fund is to provide long term loan to help low income communities living in poor housing conditions and/or affected by development projects in National CDF Network member cities to upgrade or build housing together.

Article 3: The target groups of Housing Fund meet the following criteria:

- a) Ready to discuss together in seeking for a housing solution suitable for most of community members/households to reduce the construction cost and improve urban landscape.
- b) Voluntary to join savings groups for housing and having regular savings record for not less than 12 months.
- c) In case of limited fund to meet the need of all households, priority is given to the most vulnerable/the poorest ones, which are voted by community members.

Article 4: Housing Fund is an integral part of National CDF, directly chaired by the Secretary General of Association of Cities of Vietnam (ACVN) cum Chairman of Steering Committee of National CDF Network.

Article 5: This Regulation includes the main conditions of the Housing Fund. The Housing Fund Management Board will coordinate with city CDF Steering Committee to provide more detail guidelines to meet the actual need of communities.

Chapter II: HOUSING LOAN

Article 6 : *Fund allocation*

Housing Fund will be allocated in accordance with the following principles:

- **A seed fund:** Subject to the fund availability, not more than exceed USD 50,000USD (or VND 1 billion) for a city.

- **Revolving Fund:** Subject to the fund availability and agreement with donor, this fund will be allocated to CDF member cities with loan period of maximum 10 years and interest as agreed by the parties concerned.
- Payment of loan to revolving fund is done in installments as agreed by the party concerned

Article 7: Selection of target communities:

Target communities are those which are living in poor housing conditions or to be relocated due to development projects but cannot afford to build a new house, and ready to build together with participatory approach for less construction cost and better urban landscape.

Article 8: Management mechanism

- National CDF Coordination Unit and Steering Committees of city CDF, CDF Management Board at ward level do transactions via banking account. Monthly the ward CDF accountant makes financial report to city CDF accountant. Semi-annually a, city CDF accountant makes financial reports to National CDF Coordination Unit.

Article 9: Appraisal of loan application

- Loan application of CDF member cities will be appraised by National CDF Coordination Unit and approved by the Chairman of National CDF Steering Committee.
- Loan application from communities will be appraised by Steering Committee of city CDF and approved by Chairman of city CDF Steering Committee.
- Loan application from members will be appraised by Savings group management team and its members, and approved by ward CDF Management Board.

Article 10: Amount of loan is up to the payment capacity of borrowers but not exceed 30% total housing cost, and will be disbursed in accordance with construction schedule

Article 11: Loan period depends on loan amount and payment capacity of borrowers, based on the savings but nor exceed 10 years.

Article 12: Loan payment is done in installments daily, weekly or monthly depending on their income.

Article 13: Loan interest

- For grant from international and national donor organizations, National CDF Coordination Unit provides to CDF member cities with loan and fixed interest, not exceeding 2%/year.
- For concessional loan from international and national donor organizations, interest will be agreed by the concerned parties.

- Depending on specific conditions of each city, city CDF Steering Committee issues an appropriate interest on loan to communities, as agreed by the concerned parties.

Article 14: Incentives:

- A grace period will be provided to communities during housing construction, which depends on specific conditions in each city.
- Interest payment starts from the first installment of loan payment.

Article 15: Bonus and penalty:

- Cities are encouraged to give bonus from interest to households who pay loan before deadline. Bonus is decided by city CDF Steering Committee in agreement with communities before loan disbursement
- Households pay after deadline will have to pay penalty at the bank interest at the time of late payment.

Chapter III: MANAGEMENT OF INTEREST

Article 16: Disbursement:

- City CDF Steering Committee appraises loan application from communities and suggestion from ward CDF Management Board before disbursement.
- Ward CDF Management Board disburses loan to communities in the witness of Block Management Committee
- Disbursement will be done in accordance with housing construction schedule

Article 17: Loan collection and revolving:

- Households pay loan in installments as agreed in loan contract.
- Monthly, Savings Group Management Team deposits collected loan to the bank account of ward CDF.
- Quarterly, ward CDF Management Board transfers collected loan to city CDF account.
- *For the initial seed money*, city CDF Steering Committee is entitled to use as revolving fund for communities to upgrade their housing conditions.
- *For revolving fund*, annually city CDF Steering Committee transfers back to National CDF account as agreed
- In annual meeting, Steering Committee of National CDF Network provides financial report and discusses on the use of revolving housing fund in the following year

Article 18: Use of interest

Interest is used to cover CDF management costs, including the following:

- ✓ Transfer to National CDF Coordination Unit
- ✓ Remuneration for loan collectors
- ✓ Administrative cost (CDF Steering Committee's activities, annual bonus...)
- ✓ Allocation for Risk Management Fund
- ✓ Exchanges/training
- ✓ Community welfare activities

The use of interest is under the management of city CDF based on its specific conditions.

Chapter IV: IMPLEMENTATION

Article 19: This Regulation is officially used in the National CDF Network and in effect since the date of signing

Article 20: Mandates, rights and responsibilities of CDF management at all levels follow the Regulation of National CDF Network, issued on 27 August 2008

Article 21: During implementation city CDF Steering Committee feedbacks to Steering Committee of National CDF Network any problem occurred for improvement.