



Sustainable Recovery Model (China Experience)

Fangbei Village One-Help-One Experiment

GUO Yi

Beijing Technology and Business University



上海交通大学 安泰经济与管理学院
Antai College of Economics & Management, Shanghai Jiao Tong University

Severe Losses in Fangbei Village After Sichuan Earthquake



95% of houses collapsed, 13 deaths
Population: 1462 (437 households)
Average land: 0.86 (mu)
Lesser attention from the media and public
Potential for self-aid



临时住宿



二楼早已难觅踪迹



破烂不堪的学校
有两个孩子在这里失去了生命.....

Fangbei Village Experiment, aim to explore an effective model on post-disaster recovery



Fangbei was targeted for the “One-Help-One” project for a variety of reasons. **Firstly**, it is representative of many small villages in the region in that it has an average level of income. **Secondly**, it is also an area that has received very little focus from the outside media. **Additionally**, at the beginning of the project, 93% of all households had no history of debt. **Last, and most importantly**, the damage the village faced after the earthquake was widespread and devastating.

Core Content of One-Help-One



- * Individual fundraising + Government subsidy + Micro-financing + Interest-free loan from One-Help-One peers
- * Repayment within 5 years
- * Right of land usage and five-household collective alliance as collateral

➤ **On Loan, Not Donation:**

Mutual Assistance, Not Philanthropy

➤ **One to One:**

Direct and Clear

➤ **Must Payback:**

Based on experience from Muhammad Yunus

Significance of One-Help-One

For Villagers

- Sense of Credibility
- Sense of Independence
- Sense of market

For Borrowers

- Sense of helping others
- Sense of mutual trust
- Sense of social responsibility

- To ensure that the villagers would repay the loans they were issued, each borrower was put into a group with five other households which all had a pre-existing relationship (e.g. friends, family). These five households all made a commitment to each other that if one of them were unable to repay the loan, the other four members would cover the cost.

- In addition, the local government also put forth their own provisions to ensure repayment. Villagers who fail to repay will lose the right to use some of their farmland in town and it will be returned to the Fangbei government and the revenue generated from farming the land will be used to pay off the loan. With the support of four other households, hopefully such actions will be unnecessary. These safeguards have been used to set the repayment goal at 95%.

One-Help-One Phase One

- Target: Re-build houses
- A loan of USD 1,515 to 3,030 per household
- Interest-free, repayment in 5 years
- A total of 176 borrowers (entrepreneurs) to raise USD 459,090 for 193 houses



Ground breaking on 8 Aug 08



Key delivery on 23 Jan 09



New Houses

One-Help-One Phase Two

- Target: Production
- Average of USD 1,515 to 3,030 per household. (150 households)
- Interest-free loan with 3-year repayment
- Raised USD 155,303; distributed USD 72,727; benefited 24 households



Duck



Vegetables



Rice

One-Help-One Phase Three

- Target: Support on infrastructure, culture, education and technology support
- Encourage enterprises to support public facilities
- Raised USD 60,606 to build up villagers' square, kindergarten, reading rooms, clinics; support in medical check-up, latest techniques on farming, etc.



Villagers Square



Medical Check-up



Reading Room

Challenges from One-Help-One

➤ Lack of sense on timing & sufficiency

➤ Inactive in production development

➤ Follow-up funds

Focus on immediate benefits. Some villagers chose to find labour work outside.

Lack of respect on “Spirit of the Contract”

Housing qualities and other conflicts

Lack of control on incredible villagers



Repayment on 15th April 2010



Awards to on-time payment on 23rd Jan 2011

Challenges from One-Help-One

➤ Lack of sense on timing & sufficiency

➤ **Inactive in production development**

➤ Follow-up funds

Lack of agricultural skills and business sense

High tendency on following successful cases, unwillingness to try new ideas.

Lack of capital

Challenges from One-Help-One

- Lack of sense on timing & sufficiency
- Inactive in production development
- **Follow-up funds**

Decreasing impact of earthquake on society.
Lack of continuous participant into the project
(urgency vs poverty)

Lack of technology and capital support to the undeveloped villages from those enterprises



Fundraising, 12th May 2009



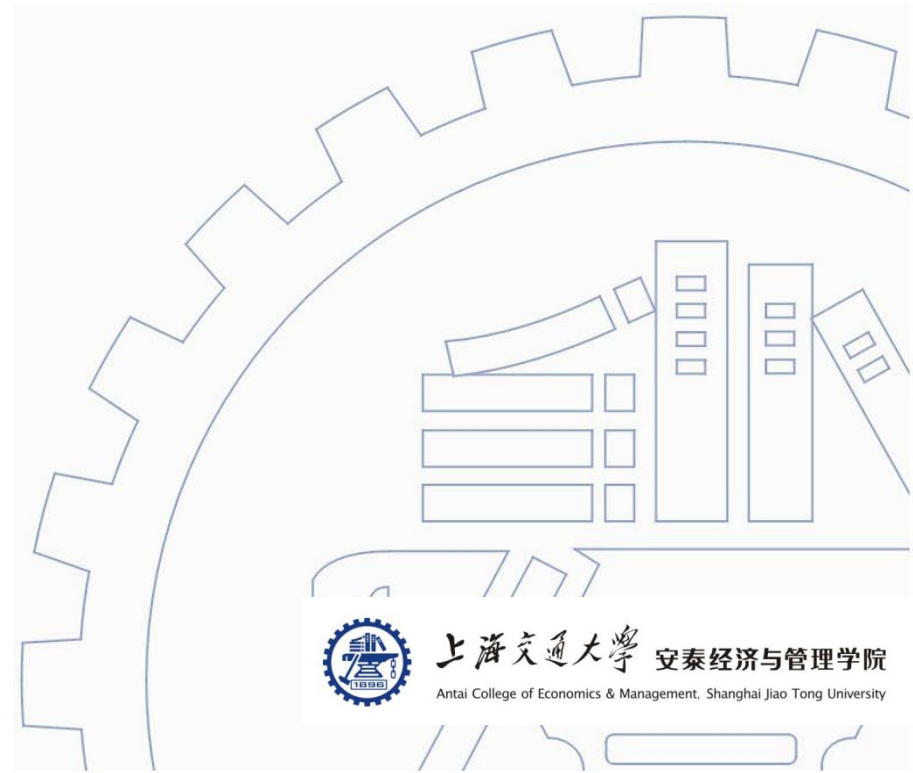
Phase II Fundraising, 7th June 2010

- The project still had several obstacles that needed to be overcome to ensure its continued success. Success of the project was still dependant on three factors.

- *Conclusion*



- Thank you !



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