

A man in a grey long-sleeved shirt is seen from behind, standing on a wooden beam and working on the roof of a mud-brick building. He is holding a wooden plank in place. The building has a thick, textured mud-brick wall and a flat roof. In the background, there are trees and other buildings.

COURSE ON PARTICIPATORY SLUM UPGRADING

Community managed Funds





1. COMMUNITY MANAGED FUNDS: WHAT?

What is it?

With the **Community Managed Funds**, **seed funds are provided to community groups** to develop projects and innovations to enhance their living conditions.

The CMF projects are **community driven** as they target the needs of communities in terms of livelihoods and living conditions.

Through the CMF, Communities can create projects which can give them **new skills and capacities**, access to financed and seed funds for entrepreneurship to generate income and improve their livelihoods.

Furthermore, through the CMF, communities can **implement neighbourhood development projects** aimed at addressing the slum deprivations and other issues such as access to water, sanitation and electricity; waste collection; housing improvement; the construction of community facilities, etc.

What is it?

The **Community Managed Funds or CMF** are a mechanism that enables to channel funds to communities for the generation of income and for the implementation of community led interventions targeting the slum deprivations.

The CMF enable community groups to identify, design, implement, and monitor priority interventions to enhance the living conditions in their neighbourhood while they **improve their livelihoods**.

Community Managed Funds enable communities to be actively engaged in the transformation of their neighbourhoods. The community managed funds are to empower communities and promote **partnerships aligned to a common vision of citywide transformation in the short-, mid- and long-term**.

Further...

The CMF are **community led** as they enable community groups to identify, **design, implement, and monitor priority interventions** to enhance the living conditions in their neighbourhood and to improve their livelihoods.

Community Managed Funds allow communities to be in the lead in terms of **decision-making, management, and implementation of the intervention**. Community participation should happen from the definition of the CMF model, the implementation of the projects, to the monitoring and evaluation to ensure that CMF is tailored and adapted to the context.

Indeed, Community Managed Funds should **aim at building on what is existing at community level in terms of solutions, initiatives, organisations**. Whenever possible the CMF should support ongoing initiatives identifying how they can be strengthened and reinforced. This is one of the keys to success!

What is it?

Community managed funds is a **grant or loan facility** for community-led development activities that will complement prioritized upgrading interventions.

Community managed projects

Grant facility aimed at communities for community led project implementation

Community managed funds

Loan facility (**revolving fund**) aimed at communities enhancing access to communities to finance and for development at neighborhood level

The Fund aims to finance projects in which the **community is in the drivers seat** in terms of decision making, management, and implementation **with appropriate intermediaries that can assist communities in doing so (e.g. Resident Councils, NGOs, Municipal authorities where appropriate).**

Why support community-based initiatives?

Engage and empower communities to be active and effective participants in the implementation of PSUP

Strengthen Capacity of community to implement community-led, managed and implemented projects and mobilize resources

Build trust between communities members and between local authorities for lasting cooperative relationships

Scale up upgrading projects by enabling cost-effective community interventions and opening space for more comprehensive slum upgrading approach

Projects' characteristics

- Project selection criteria should be **adapted to local circumstances**
- Projects are **community-driven** in terms needs identification and assessments:
 - Livelihoods projects (e.g. skills training; capacity building)
 - Neighborhood development projects (e.g. market installation; waste management system; public toilets; community centers)
 - Projects aimed at 5 slum deprivations (durable housing, access to improved water, access to improved sanitation, secure tenure, sufficient living conditions)
- Projects are **community-led**, in terms of management and implementation of the project
- **Transparency and accountability** – in terms of the selection process, funding disbursements, and monitoring and evaluation;
- **Cost-effective and expedient** – in terms of procedures, reporting requirements, administrative demands.

These projects complement the transformative projects (municipal projects) which require heavy machinery and higher investments.

Eligibility criteria for projects:

- Participatory & **community-led and -managed**
- Preference to projects that complement and/or **target priority intervention** areas as identified during neighbourhood planning *such as income generation activities; skills development; waste management.*
- **Community organizations** or other intermediaries must represent residents of selected slum and neighbourhood
- Project takes into account **women, youth, and vulnerable groups**
- The project **takes place in the neighborhood** selected.
- Projects with a **detailed project plan, budget and logical framework**
- Mechanisms for **monitoring, evaluating and reporting** results

2. COMMUNITY MANAGED FUNDS: WHAT?

Eligibility criteria for the projects



UN HABITAT

COMMUNITY MANAGED PROJECTS

criteria

- Driven by communities
- Aligned with 5 slum deprivations and priorities
- Participatory and inclusive
- Detailed workplan, Budget and logical framework
- Monitoring and evaluation mechanisms

scope

Projects for development, public infrastructure, social empowerment, capacity building, etc.

all of the above criteria

+

COMMUNITY MANAGED FUNDS

- Project proposals should include a business plan to be evaluated technically for sustainability.
- Revolving fund mechanism is created for the recovery and reinvestment of the funds.
- Beneficiaries are accountable for the reimbursement of the funds received according to the conditions.

Projects focused on entrepreneurship, business opportunities and livelihoods generation

Let's brainstorm about what kind of projects and initiatives could be part of a CMF in Mpazi.

Would you be able to suggest initiatives that could be fit for the CMF in Mpazi?

Keep in mind the criteria selection:

1. Benefit the whole community
2. Improve the living conditions
3. Improve the livelihoods
4. Community-led



2. COMMUNITY MANAGED FUNDS: WHO?

2. COMMUNITY MANAGED FUNDS: WHO?

Who can apply to the fund?



UN HABITAT

Who can apply?

- **Community groups living within the selected site**
- Exact eligibility criteria will vary between countries depending on local circumstances and **should be decided with communities**
- The Fund aims to support **Community Based Organizations** with:
 - Legal Registration and valid bank account
 - With community development record
 - Open membership policy (where appropriate)
 - Participatory organizational structure of decision-making
 - Involvement of women among management staff and board members
- Where no CBOs exist, the Fund can be used to **support NGOs with a proven track record in facilitating community-led** and managed development initiatives.



3. COMMUNITY MANAGED FUNDS: HOW?

Picture @ source

3. COMMUNITY MANAGED FUNDS: HOW?

Decision making structure



UNHABITAT

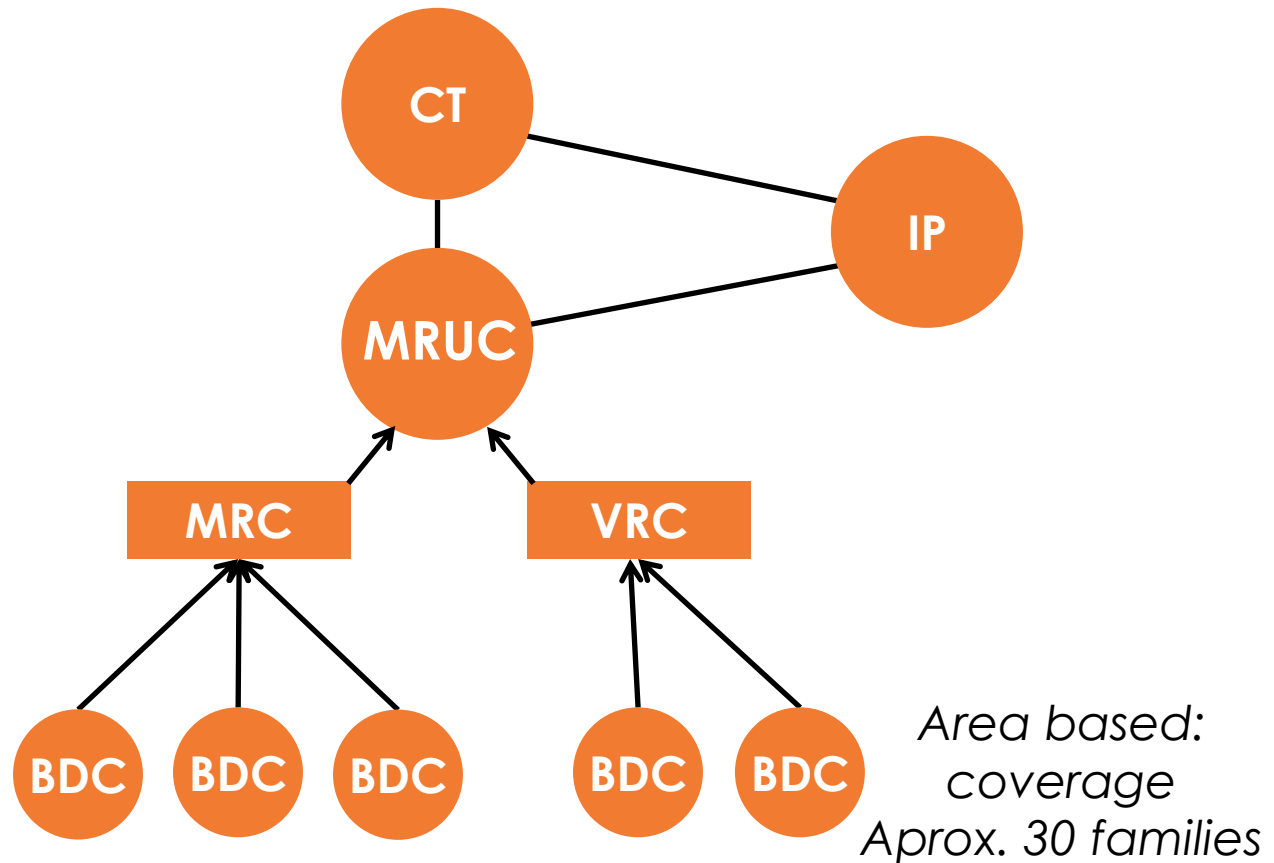
Decision making structure

A PSUP COUNTRY TEAM (CT)
AND IMPLEMENTING
PARTNERS (IP)

B RESIDENTS UPGRADING
COMMITTEE/ COMMUNITY
BODY

C MPAZI/VILLAGE RESIDENTS
COMMITTEES (MRC)

D BLOCK DEVELOPMENT
COMMITTEE

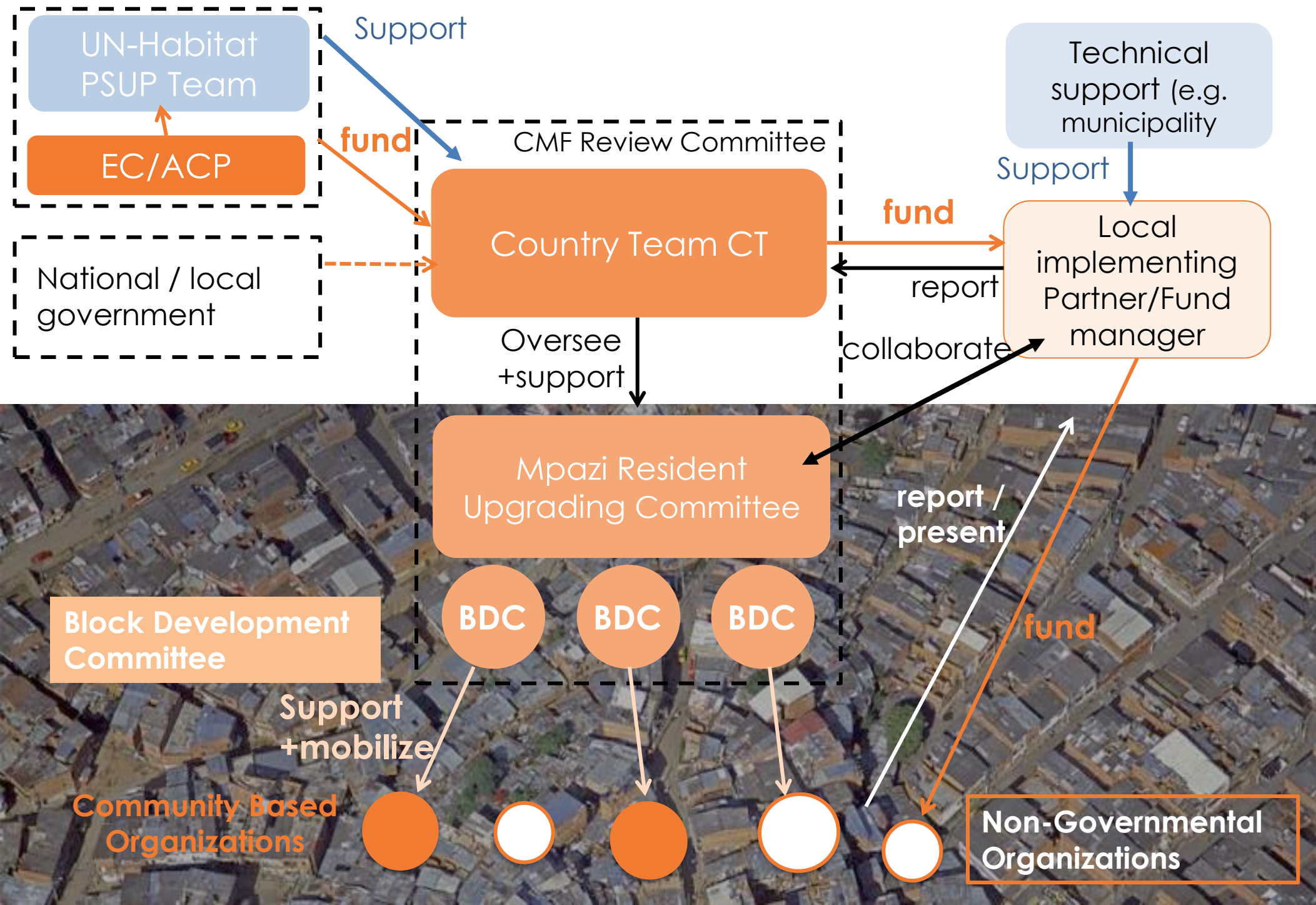


3. COMMUNITY MANAGED FUNDS: HOW?

Implementing structure for Community Managed Funds



UNHABITAT



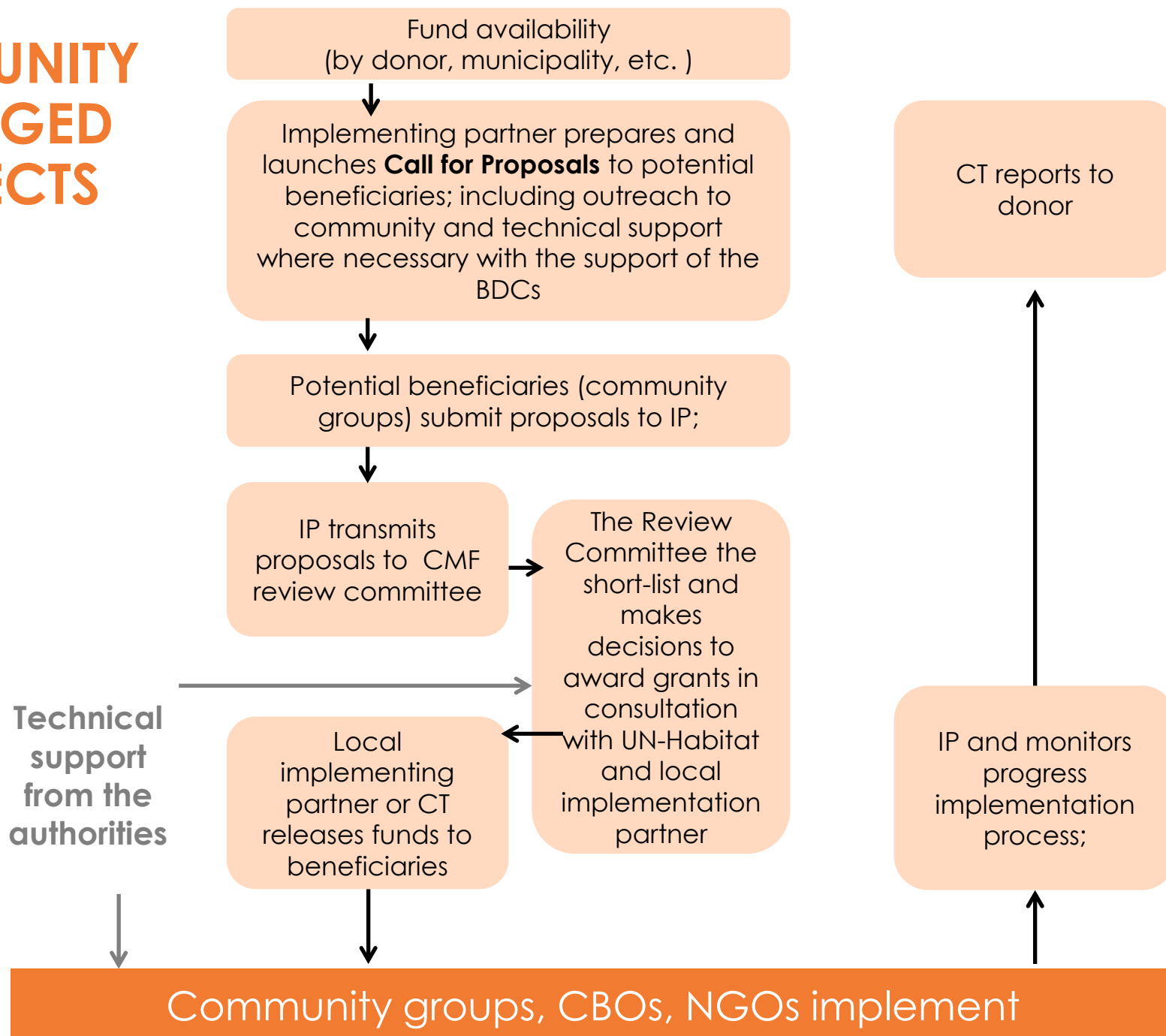
3. COMMUNITY MANAGED FUNDS: HOW?

Fund cycle: CMP



UN HABITAT

COMMUNITY MANAGED PROJECTS



3. COMMUNITY MANAGED FUNDS: HOW?

Fund cycle: CMF

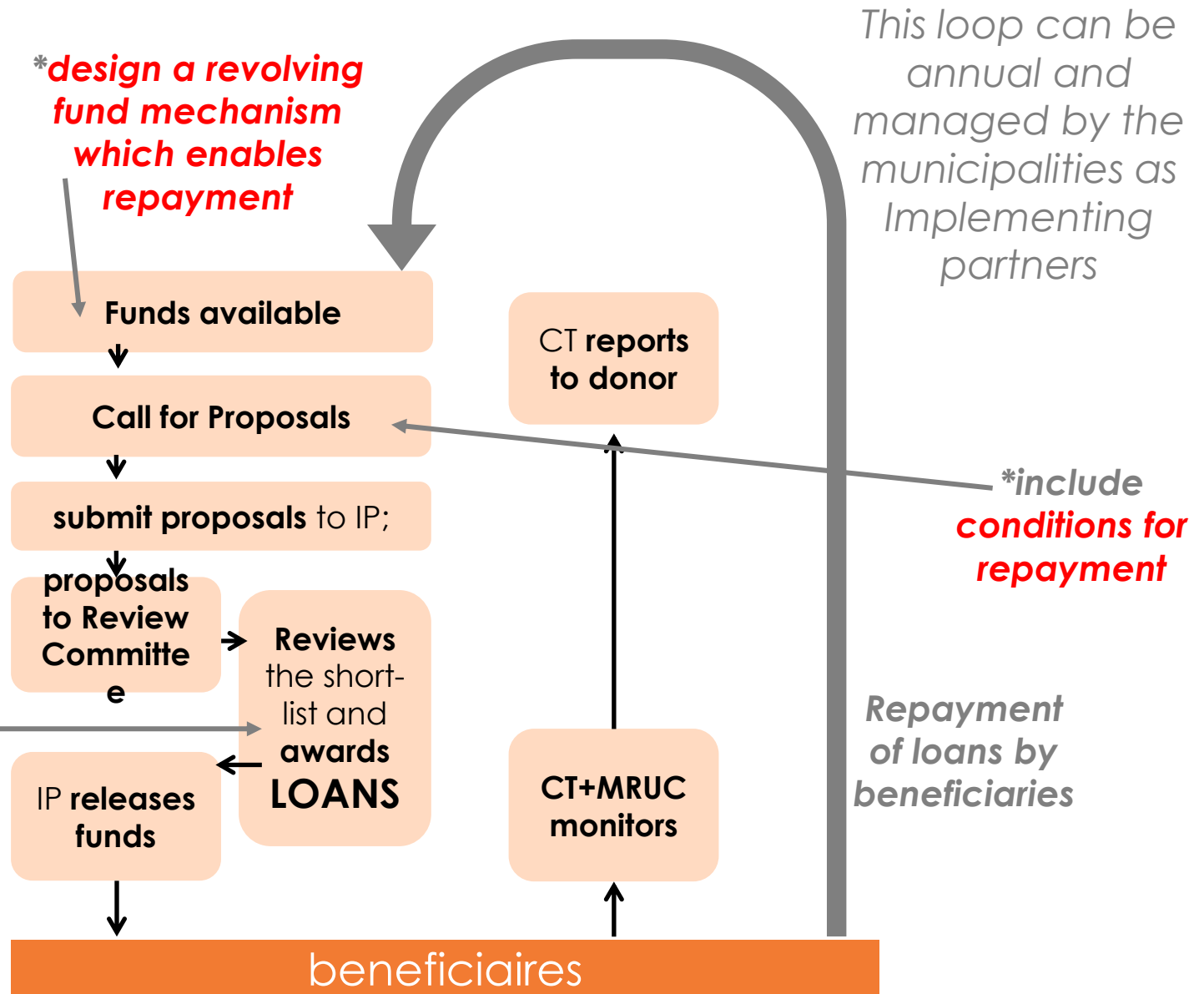


UN HABITAT

COMMUNITY MANAGED FUNDS

If CMF is designed to **recover the initial investment** by repayment from the beneficiaries, the fund **process can be repeated**

**technical review includes business plans sustainability*



3. COMMUNITY MANAGED FUNDS: HOW?

Steps for CMF

Step	Description and Tools
1. Fund Adaptation to local context	<ul style="list-style-type: none">• Adapt the general Fund framework to local contexts.
2. Outreach and application process	<ul style="list-style-type: none">• Hold public meetings, workshops, etc., in the community to sensitize community to requirements for accessing the Fund• Develop a communication strategy to disseminate information concerning the call for applications, shortlisted and selected candidates.
3. Selection process	<ul style="list-style-type: none">• Shortlist candidates to be reviewed by Country Team, relevant local authorities and UN-Habitat/EC focal points.
4. Community implementation and monitoring	<ul style="list-style-type: none">• Community group or relevant local intermediary begin implementation of their projects involving community members;• Community representatives, Country Team, and UN-Habitat monitor progress and develop simplified monitoring and evaluation tools for community groups.
5. Evaluating and Reporting	<ul style="list-style-type: none">• Community representatives evaluate the results of each project relevant to objectives.• Country Team report.

Steps for project review

1. Check application:

- Does the Project comply with the criteria?
- Does the community organization comply with the criteria?
- Was the application done according to the rules set?

2. Check site:

- Is the site suitable?
- Has the community in the area been engaged and are they receptive to the intervention?
- Is the project spatially aligned with the neighborhood plan?

3. Check technically:

- Are the technical solutions used in the Project proposed adequate to the context and technically feasible?

3. COMMUNITY MANAGED FUNDS: HOW?

Case study: Revolving funds in Ghana

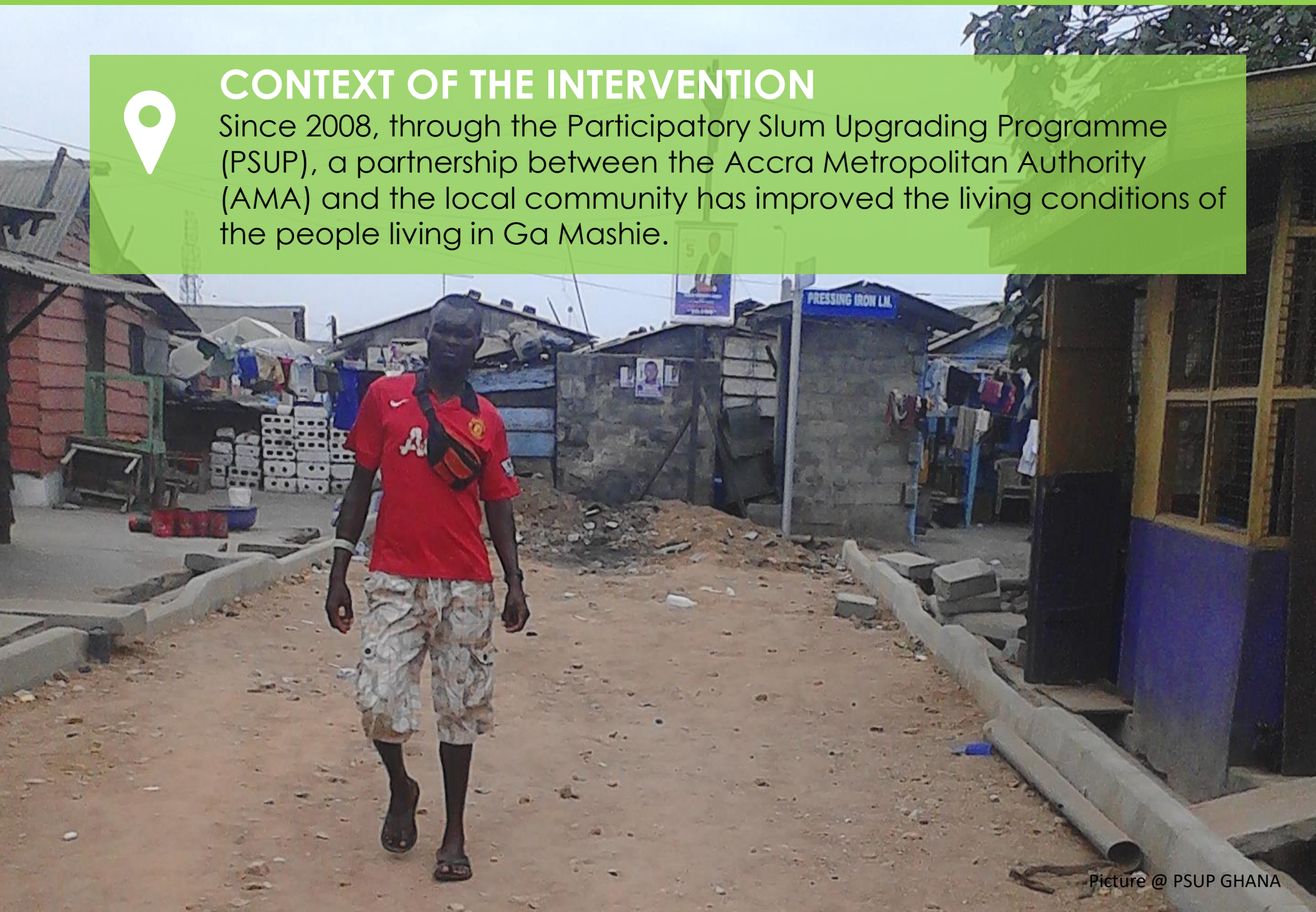


UNO HABITAT



CONTEXT OF THE INTERVENTION

Since 2008, through the Participatory Slum Upgrading Programme (PSUP), a partnership between the Accra Metropolitan Authority (AMA) and the local community has improved the living conditions of the people living in Ga Mashie.



Picture @ PSUP GHANA

3. COMMUNITY MANAGED FUNDS: HOW?

Case study: Ghana



UN HABITAT

Community-led implementation : Example



PREVIOUS



Example: CMF promoting partnerships: Establishing a revolving fund in Accra, Ghana

Project: partnership between the Accra Metropolitan Authority (AMA), the local community and a private bank

Feature:



Set up a community revolving fund through the CMF.



Funds enabled access the bank loans at lower interest



More than 300 residents accesses a bank for the first time



Within 3 years of operation the CDC has disbursed loans up to more than \$45,000

3. COMMUNITY MANAGED FUNDS: HOW?

Case study: Revolving funds in Ghana



3 key instruments to promote livelihood generating activities while implementing physical upgrading of the neighborhood:

- Pilot projects identified were implemented by the AMA including labour intensive techniques and **engaging local labour**.
- A community managed fund enabled the construction of sanitary facilities and other priority interventions **identified and led by the community**.
- Part of the fund for community managed funds was used to create a **revolving fund for supporting livelihood generating activities**.
- The revolving fund is managed by a **local bank** in collaboration with the municipality



Community fund



Local labour for priority interventions

3. COMMUNITY MANAGED FUNDS: HOW?

Case study: Revolving funds in Ghana

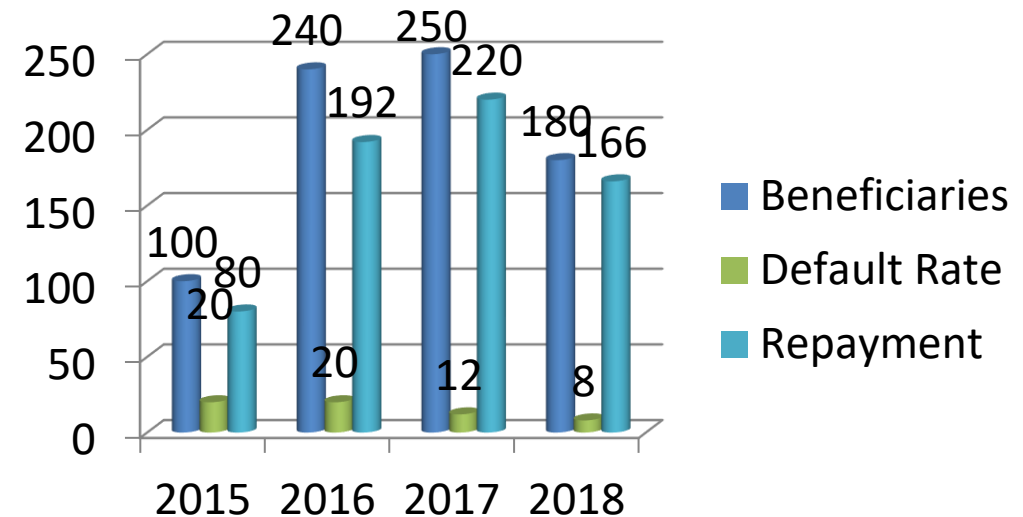
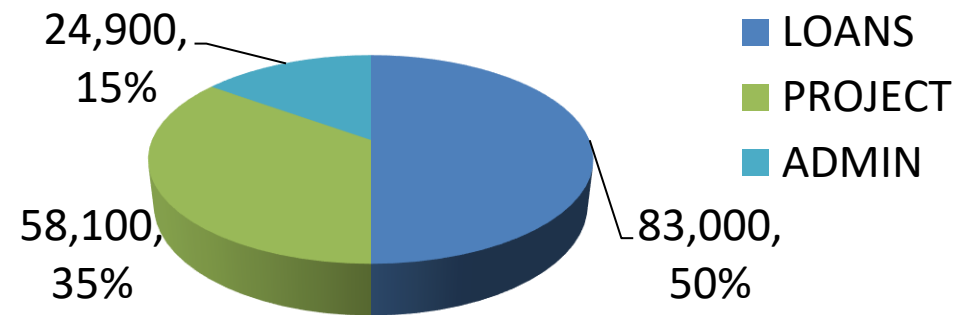


Small and medium enterprises within Ghana's informal sector find it increasingly **difficult to access from traditional financial institutions** as interest rates are high and robust collateral is required. The **fund operated by a Community Development Committee (CDC)** gave over **800 loans with 4000** indirect beneficiaries of the lending facility.

- Interest charged: 20% flat rate
- Method of Repayment: daily or weekly
- Repayment schedule: 4 to 6 months

GN Bank was selected to partner the GDC to manage the CMF for:

- Technical back stopping
- To open a branch within the Ga-mashie community
- To recruit community members to collect monies on behalf of the GDC



3. COMMUNITY MANAGED FUNDS: HOW?

Example of CMF: Burkina Faso



UN HABITAT

Community-led implementation : Example



PREVIOUS

NEXT



Example: CMF for community empowerment: skills training in Burkina Faso

Project: training of youth in civil engineering and electrical engineering

Feature:



Participants implemented acquired skills by installing street lamps in the community and repairing the defective ones



Employing local workforce

3. COMMUNITY MANAGED FUNDS: HOW?

Example of CMF: Burkina Faso



UN HABITAT

Community-led implementation : Example

PREVIOUS

NEXT



Example: CMF for livelihood generating activities: Women-led waste collecting group in Bissighin, Burkina Faso

Project: waste management led by a group of women and girls

Feature:



Initial funding of approximately USD 2,000



Collection of the waste was subject to the payment of a monthly contribution of about USD 1.50 per household



Group mobilized approximately USD 4,000 US in 2 years.

3. COMMUNITY MANAGED FUNDS: HOW?

Example of CMF: Kenya



Community-led implementation : Example

PREVIOUS

NEXT



Example: CMF contributing to the implementation of neighbourhood plan: water kiosks in Mtwapa, Kenya

Project: built water kiosks in collaboration with KIMAWASCO (Kilifi Malindi Water Service Company)

Feature:



The management of the water kiosks handled by a group of widows from the area



Several CBOs were selected to manage the water kiosk through the CMF



Access to water has been improved and distances to the water points have been considerably reduced

KEY POINTS:

- Community managed funds should aim to benefit the entire community
- Community managed funds are disbursed to active and structured CBOs and community organized body
- The mechanism for the disbursement of funds must be adapted to the local reality
- The commitment of the community is a prerequisite for the sustainability of the fund.

THANK YOU FOR YOUR ATTENTION!

www.mypsup.org

Join the myPSUP e-learning platform

15 courses, 1000+ learners,
Case studies, Videos and more...

GET EMPOWERED!



UN-HABITAT
FOR A BETTER URBAN FUTURE