City Urban Poor Funds Handbook

Based on reflections from Cape Town, Harare, Kampala, Lilongwe, Lusaka and Oruro.
Strategic Principles

Vision

• A citywide fund to give voice and power to the urban poor,

• An instrument to provide flexible finance to the urban poor for upgrading projects,

• An mechanism for building citywide agglomerations/networks of the urban poor,

• A citywide fund to create partnerships between organisations of the urban poor and city governments,

• A finance facility to attract finance for slum improvement and poverty alleviation,

• An instrument to turn cities of the Global South into cities without slums.

Mission

• To create a citywide fund that becomes a policy instrument for city government in terms of investments in poverty alleviation and slum upgrading,

• To create an instrument that enables united community networks to design, manage and upgrade their settlements,

• To facilitate learning, organisational development and unity-building amongst urban poor communities,

• To build financial partnerships between city government, organisations of the urban poor and other stakeholders,

• To demonstrate that people-centred urban planning and development, based on flexible finance, is vital to the creation of inclusive, pro-poor cities.
Objectives

• Mobilize resources for developmental programmes for the urban poor from community savings, city and national budgets, private sector investors, and international agencies,

• Promote partnerships of community federations with city government, national government, private sector stakeholders, universities, and international agencies,

• Serve as an instrument of learning for community organisations in terms of generating proposals collectively, promoting active participation, building leadership, deepening citizenship, and designing, executing and managing projects,

• Serve as an instrument of learning for local authorities in terms of working with organised communities of the urban poor as active partners and not as beneficiaries, creating an enabling and supportive environment for community initiatives, and building and sustaining inclusive, pro-poor cities.

Membership

Full Members

• Local Federation representatives
• Organised communities (non-Federation)
• City council representatives
• National government
• Development professionals

Honorary Members

• Development professionals
• Advisors
• Key government officials (e.g. city mayor)

Associate Members

• Other community-based organisations
• Other non-governmental organisations
• Financial contributors
Policy Guidelines and Procedures

Types of Loans, Grants and Subsidies

• Loans and subsidies to be delivered through the Fund for settlement upgrading (e.g. water, drainage, sanitation, roads, energy, re-blocking, etc.),

• Loans to be provided for incremental upgrading of houses,

• Loans to be provided for livelihood projects,

• Where relevant, pre-financing linked to government subsidies,

• Small grants to be provided to poor communities to build skills around participatory planning; developing and sustaining accountable organisational structures, and engaging in partnerships with local authorities, and other stakeholders.

Criteria

• Loans are made to collectives not individuals,

• Project is in line with Fund objectives,

• Up-front community contribution has been made,

• Demonstrated managerial capacity of the organization/collective (e.g. savings group, meeting minutes, etc.),

• Clearly defined instrument(s) for monitoring, evaluating and learning (e.g. savings group),

• Project can demonstrate potential for wider impact than the project itself (e.g. ability to go to scale, policy influence, etc.),

• Project has leveraged resources from other stakeholders/investors,

• Project can demonstrate potential for replication and scalability,

• Project can demonstrate mechanisms for cost recovery/sustainability.
**Preconditions**

- Organisation recommended by the Federation,
- Demonstrated need for the project,
- Demonstrated community support for the project,
- Organisation has a functional management committee,
- Organisation has clear systems and procedures for accountability and transparency,
- Organisation has a Federation linked savings scheme (or another clearly structured instrument for managing finances).

**Monitoring**

- Established peer review and monitoring system at community level,
- Established monitoring system by the Board,
- Monthly reporting procedures established,
- System for receiving Quarterly report on activities and outputs,
- Systematised for early warning and response strategy for problems and challenges emerging from peer review.
Management Bodies

General Assembly

- Composition:
  - Members of the City Fund Board
  - City leadership of the Federation
  - Representatives from any network or settlement accredited by the Board on the basis of meeting the criteria of the Fund
  - City politicians and officials
  - Accredited NGOs

- Roles and responsibilities of the General Assembly:
  - Meet annually to receive report from Board.
  - Nominate replacement Board members from eligible/accredited networks/organisations.

Board

- Composition:
  - Representatives from Federation/community networks (60%)
  - NGOs (10%)
  - Government representatives (20%)
  - Financial contributors (10%)

- Roles and responsibilities of the Board:
  - Create, manage and sustain fund,
  - Accredit networks/organisations,
  - Meet at regular intervals to review requests for loans and grants and to review all projects,
  - Ensure transparency and accountability of the fund by ensuring wide scale knowledge of the fund, its procedures for decision-making, delivery, monitoring and arbitration,
  - Prepare narrative and financial reports about management and use of the fund,
  - Create social and financial monitoring systems of projects,
  - Create social and financial audits of projects and the fund as a whole,
  - Create mechanisms for arbitration of internal and external conflicts,
  - Facilitate learning through exchange programmes for community members and local authorities.
Management / Secretariat

- Composition:
  - Fund manager
  - Programme director
  - Technical staff
  - Programme / project committee members (community)
  - Volunteers (community)

- Roles and responsibilities of management
  - Implement policies and facilitate achievement of the Association's objectives,
  - Monitor projects,
  - Manage funds,
  - Report on activities and advise the Board,
  - Promote negotiations with partners,
  - Identify project ideas, write proposals, fundraise,
  - Prepare annual budgets,
  - Create and recommend committees to carry out activities,
  - Facilitate internal and external relations with different stakeholders,
  - Documentation.

Funding Sources

- Annual subscriptions from Federation groups/accredited networks or communities,
- Project-based contributions and interest on loans,
- Annual government contributions,
- Grants from local and international institutions,
- Returns on investments in upgrading activities linked to projects,
- Loans.