



Urban Agenda Platform

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# Community Managed Funds to uplift Local economic Activities in Ga Mashie, Accra, Ghana

Region	Sub-Saharan Africa
Award Scheme	EXPO Dubai Global Best Practices
Start Year	2017
Sustainable Development Goals	Goal 11 - Make cities and human settlements inclusive, safe, resilient and sustainable

## Summary

Ga Mashie initiative involved slum upgrading and poverty alleviation that was built around strong community participation and empowerment through integration of a community fund to support economic activities for youth and women. It was implemented under the Participatory Slum Upgrading Programme (PSU) that is funded by European Commission with political support of the Africa, Caribbean and Pacific Group of States (ACP) and implemented by UN-Habitat in ACP Region.

## Background and Objective

Ussher Town and Jamestown are both settlements involved in Participatory Slum Upgrading (PSUP) and are situated in the heart of the famous old town of Accra, Ga-Mashie. Ga-Mashie, the oldest district of Accra, was once in its heyday and one of the most beautiful spots at the former Gold Coast of Africa. However, since Ghana's independence in 1957 there has been little infrastructure, services and housing interventions and with increasing population and depopulated houses the area turned into a slum. Historic buildings, such as the Ussher Fort and James Fort fortresses, built in the 17th century and UNESCO World Heritage are located in this area. There is an estimated population of 100,000 people living in the 2 settlements. The Ga Mashie locality is a poor urban slum which is faced with deprivations that slum communities are usually faced with. The community once a fishing community is now dominated by trading as its major economic activity. This is mainly due to the continuous low yield of fishes over successive harvesting periods. This economic shift from fishing to trading is not accompanied by any systematic financial support system to the trading traders within the Ga-Mashie community. As a result most of the traders are left out from the formal financial services due to the strict regulations that accompany such formal financial services. This has left most businesses within the community operating at a very low capacity with little or no significant improvements. As part of activities under the PSUP project implemented within the Ga Mashie community, a community fund has been established to assist with the development and upgrading of the community. The Ga Mashie Development Committee (CDC) have introduced a microfinance to support the trading traders within the community. The microfinance aims at providing formal financial services to poor and lower-income businesses as well as others who are systematically excluded from the financial system. The support to local businesses is to ensure that there is financial inclusion of all working age adults having access to credit, savings and insurance from formal financial services.

## Actions and Implementation

The CDC is a democratically elected body that represents the community. It is extremely flexible as compared to other financial services that makes it quite challenging for businesses to take advantage of and ensure growth. The introduction of mobile bankers who move from shop to shop, house to house and everywhere to collect monies from loaners affords loaners the flexibility of working and not to interrupt their businesses to make their daily and weekly repayments. The percentage interest rate of 10% charged is also extremely low compared to 30% interest charged by most conventional banks within the community and the country at large. A broad range of stakeholders and uses a common micro lending methodology, in that, the loan has no collateral, the borrower is typically self-employed or informally employed. The duration of repayment

## Outcomes and Impacts

Community Managed Funds (CMF) was initiated to enable community groups apply for grants to implement projects in the settlements and setting up of micro-finance guarantee facility with local bank for affordable business loans to benefit youth and women. This has grown to Micro-credit with more than 5,000 members. Over 5KM of alleys paved with blocks (locally made with local labour) resulting in improved public space, safety and flooding for over 100,000 residents. 7 CMF projects implemented by more than 300 youth and women resulting in improved garbage collection, water access and public



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spaces Community and AMA partnership improved with devolution of upgrading activities to neighborhoods

## Sustainability and Scalability

Yes the initiative can be replicated in other communities that are deprived and requires partnerships with local government and communities. Other 8 countries concurrently implemented similar initiatives thus signifying its flexibility for upscaling and contextualization Prospects for scaling up ripe especially for youth and women and increase the viability of creating jobs and stronger community engagement Contexts where government (local and National) create community structures and partners with them are more ideal. Local demonstrative institutions also foster participation Empowerment of communities is a strong building block for local development and slum upgrading needs to also include economic activities to address multi-dimensional nature of urban poverty

## Gender and Social Inclusivity

Women has more than 52% of representation in leadership roles in the community and all the 7 CMF projects went to youth and women groups that were less endowed economically

## Innovative Initiative

The initiative was based on broad participation of different stakeholders with strong inclusion of community groups and marginalized minorities Mobilisation of youth through social media and e-platforms was one of the innovations. Reservations of representation for special groups (youth, disabled, women etc) made it possible to be socially inclusive and give voice to the voiceless The micro-finance and improvement of common spaces was executed in tandem. Spaces allowed more businesses to operate

## Conclusion

USD \$790,000 dollars was allocated to the upgrading in Ga Mashie with \$540,000 coming from EC funding and the Accra Metropolitan Authority co-funding \$250,000. The National Government of Ghana provided technical expertise to deliver the physical projects and policy alignment Local fabrication of paving blocks created jobs for the youth and also transferred knowledge Local innovation on street food provided in-kind labor services in organizing community contributions