The ACCA Program is all about finance and how that finance can be used to allow poor communities around the Asia region to start moving right away, with as little fuss or bureaucracy as possible.

1. The money goes directly to the people. Most of the ACCA budget is for community activities, and most of those activities are “hardware” - big housing project and small upgrading projects. This is among the rare development finance that goes directly into the hands of the poor. It may seem like small money, but for communities it’s big, because in most cases, they’ve never before been given the chance to manage - or even to touch! - money for their own development. This modest budget allows communities in a city to wake up, plan together and strategize how to stretch that money to do as much as possible. And more important than the amount is the city-wide and people-driven direction of that money: poor communities have to come together, they have to sit with the city, they have to survey and get information about their settlements, they have to start saving, they have to make a city fund. That small amount of money from ACCA (maximum $58,000 per city, during Phase 1, pared down to $52,000 in Phase 2) is leading all these important developments, and by doing so, it is pulling poor people out of the trap of isolated projects in isolated communities and into the real politics of change in their cities.

2. The money stays in the city and keeps growing. The big project funds from ACCA come with the condition that the money be used as a loan to the community, so the repayments help to seed a new urban poor fund in the city, or add power and lending capital to whatever community fund already exists in that city. In some countries (Vietnam, Cambodia, Philippines, Lao PDR and Indonesia), thrifty groups have decided to use the small project funds as loans also, and revolve that money in order to further build up their city funds, to support more upgrading projects. In these ways, the big and small project budgets help build a communal asset which belongs to all the poor communities in the city - an asset which does not go away when the project is finished, but keeps growing, keeps on revolving and keeps on helping communities.

3. Using easy money to loosen difficult processes on the ground. The budget allocations from ACCA are fixed by low ceilings, but the groups using those funds are free to manage them with a great deal of flexibility and creativity. The idea is that these small grants to support a community’s needs should be used strategically to trigger bigger things within the city (where things are much more difficult): to build up poor people’s confidence and wake up their “sleeping army” into an active force, to unlock difficult local money and land resources that have been unavailable, to transform difficult relationships into working partnerships. The ACCA money is fairly easy, but that easiness can make all that difficult stuff start moving.

4. Most of the money goes to projects on the ground, not to administration. The ACCA Program is a tool designed to add to a group’s existing process and help it change, but its emphasis on community activities means there isn’t much potential for program funds to be used to cover the local group’s core administrative costs. During Phase 1, the program did provide a budget of $3,000 per city for city-level activities (surveys, promoting savings, meetings, exchanges). And throughout both phases, the program has provided $10,000 per year per country for national activities and capacity building (national meetings, coordination, exchanges, small workshops, linking with government, advocacy). These lump sum amounts give the implementing groups more freedom to decide what they would like to do with that money. In only a few cases have the ACCA funds been used to cover some extra national coordination costs (in Vietnam, Mongolia, Lao PDR and Cambodia).
This diagram at left shows how the ACCA Program budget has been spent, with about 67% of it going directly into the hands of poor people, enabling them to do real housing and upgrading projects on the ground. Another 24% of the budget goes to capacity-building activities, and only 9% goes to administration and coordination (ACHR and IIED). These figures are in sharp contrast to the budgets of most expensive and top-heavy international development projects, where management and overhead costs eat up 30% to 50% of project budgets, and only a pittance actually makes its way into the hands of the poor. We have maintained these proportions throughout the program.