

ACCA BUDGET & FINANCES



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

The total budget for the five-year ACCA Program is US\$ 14.5 million (\$7 + \$4 million under two contracts during Phase 1, and \$3.5 million under a third contract during the Phase 2). The budget for the ACCA Program's activities is transferred to ACHR from IIED (which agreed to act as a conduit for the funds which came originally from the Bill & Melinda Gates Foundation) every 6 months, after submitting six-monthly financial reports.

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. In order to make the systems for managing the ACCA finances as simple and clear and open as possible to everyone, a few important strategies have been adopted in how the program's finances are managed :

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 develop plans, 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).

ACCA Budget :

Total budget approved for the ACCA Program (2009 - 2014) :

- Original budget approved in November 2008 (Phase 1):
US\$ 7 Million
(for Jan. 2009 - Oct. 2012)
- Additional budget approved in November 2009 (Phase 1):
US\$ 4 million
(for Jan. 2009 - Oct. 2012)
- Additional budget approved in March 2013 (Phase 2):
US\$ 3.5 million
(for Oct. 2012 - Nov. 2014)

Total ACCA Program Budget :
US\$ 14.5 million

ACCA Program's overall budget breakdown (2009 - 2014)

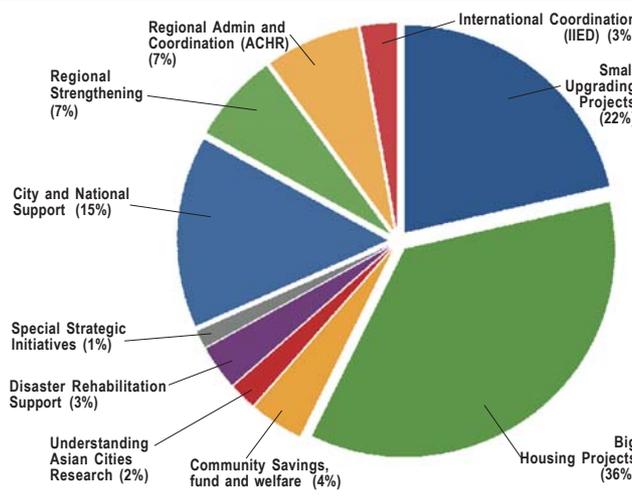
(all figures in US\$)

ACCA Project elements	Phase 1	Phase 2	Total budget	% of total program budget
1. Small projects	2,500,000	600,000	3,100,000	21.4%
2. Big projects	4,000,000	1,200,000	5,200,000	35.9%
3. Community savings, funds, welfare	400,000	200,000	600,000	4.1%
4. Understanding cities	300,000	0	300,000	2.1%
5. Disaster rehabilitation	500,000	0	500,000	3.4%
6. Special strategic initiatives	0	200,000	200,000	1.4%
7. City and national processes	1,850,000	300,000	2,150,000	14.8%
8. Regional strengthening	1,000,000	500,000	1,000,000	6.9%
9. ACHR admin and coordination	1,050,000	500,000	1,050,000	7.2%
10. International coordination (IIED)	400,000	0	400,000	2.8%
TOTAL	11 million	3.5 million	14.5 million	100%
Total budget managed by ACHR	10.6 million	3.5 million	14.1 million	97%



“More than 67% of the ACCA budget goes directly into the hands of people in poor communities, enabling them to do real projects on the ground which resolve their immediate needs.”

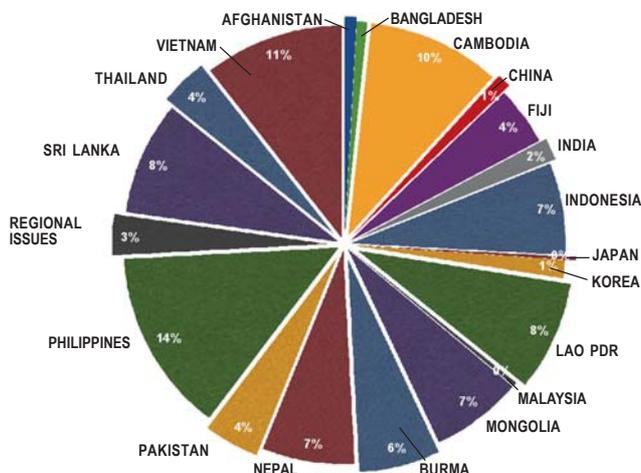
ACCA Total budget elements (2009 - 2014)



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.

ACCA Budget approved, by country (up to November 2014)

This diagram at right shows how the ACCA budget has been used in different countries. It's clear that energetic groups in some countries are incorporating the tools the ACCA Program offers into their active change processes and taking full and swift advantage of the program, with lots of projects. Others are slower to start. It all depends on how ready the groups are to recognize the program's opportunities and to make use of them in their own creative ways. The program has been open to the whole Asia region from day one: any groups which understand how to make use of it can propose activities to ACCA and move ahead.



Summary of ACCA project budgets approved, by country (as of November 2014)

(all figures in US\$)

Country	Cities	Big Projects		Small Projects		City Support		Disaster Projects		National Support		Other city & nat. proc. + Asian cities + Com. S & funds	TOTAL
		Total budget	#	Total budget	#	Total budget	#	Total budget	#	Total budget	#		
1. Cambodia	28	553,500	14	370,000	221	57,000	19	5,000	1	60,000	6	120,943	1,166,443
2. Indonesia	13	325,000	9	152,000	49	29,000	9	37,000	2	40,000	5	153,497	736,497
3. Nepal	18	369,800	11	205,000	92	27,000	9	10,000	1	57,000	6	66,377	735,177
4. Myanmar	8	391,200	10	119,500	42	32,706	7	92,800	3	34,900	4	63,157	734,263
5. South Korea	4	0	0	60,000	20	12,000	4	0	0	22,800	3	15,000	109,800
6. Philippines	24	826,000	22	287,000	105	55,000	18	138,000	9	52,000	5	160,000	1,518,000
7. Viet Nam	17	465,000	13	288,000	104	48,000	15	46,990	4	81,500	8	185,277	1,114,767
8. Sri Lanka	12	630,000	16	205,000	70	27,000	9	20,000	1	43,800	5	20,000	945,800
9. Mongolia	19	210,767	7	289,500	128	53,000	17	0	0	50,141	5	100,990	704,398
10. Fiji	12	320,000	8	150,000	63	15,000	5	0	0	60,000	5	57,085	602,085
11. Thailand	9	240,000	11	82,500	33	20,500	9	15,334	3	45,600	5	32,000	435,934
12. India	2	100,000	3	45,000	15	6,000	2	0	0	10,000	1	49,000	210,000
13. Lao PDR	27	333,000	9	197,000	123	31,000	28	10,000	1	64,000	6	164,514	799,514
14. Pakistan	6	170,000	5	232,600	287	3,000	1	25,000	1	35,000	4	105,974	571,574
15. China	1	39,000	1	18,000	2	10,000	2	0	0	2,100	1	16,732	85,832
16. Japan	2	10,000	1	0	0	0	0	52,700	2	10,700	2	30,000	103,400
17. Bangladesh	5	200,000	5	45,000	19	6,000	2	0	0	11,400	2	12,500	274,900
18. Malaysia	1	0	0	15,000	5	3,000	1	0	0	0	0	0	18,000
19. Afghanistan	7	0	0	98,000	35	11,800	1	0	0	22,000	3	44,500	176,300
Totals	215	5,183,267	145	2,859,100	1,413	447,006	158	452,824	28	702,941	76	1,397,546	11,042,684