Introduction:

The meeting took place at La-Palm Royal Beach Hotel in Accra, Ghana on April 6, 2005 and began around 9am. Farouk, Alexey, and four federation (Ghana Homeless People’s Federation) members (three members representing Old Fadama and one member from Avenor) drove to the meeting place and met seven more federation members at the entrance to the hotel who had traveled from Tuluku, Ashaiman. In terms of gender divisions, four men and seven women attended the conference on behalf of the federation and almost all wore their “GHPF & PD, Homeless but not Helpless” t-shirts.

Before the meeting started the “uninvited” guests who were attending the conference (mostly federation members) were invited to move forward and sit at the larger discussion table. After the move, federation members were sitting elbow-to-elbow with representatives from HFC Bank, T.U.C., and various consultants. Sitting at the same table were the Director of Rural Housing, representatives of SSNIT, as well as members from the Ministry of Works and Housing’s Policy Planning, Budgeting Monitoring & Evaluation Committee. Already, People’s Dialogue and the Ghana Homeless People’s Federation had achieved a major goal: here were people from slums in Ghana sitting at the same tables as some of most influential members of government and the financial sector at a significant policy-effecting forum. It was a fortuitous start.

Mr. James Hokans, CHF Development and Finance Expert- CHF Findings:

The meeting began with a presentation of CHF’s findings by James Hokans. Early in his presentation Hokans stressed that policy needs to emerge that promotes community, government, and private sector participation and that a broader range of people from a much broader range of incomes must have access to sustainable finance. After highlighting Ghana’s reassuring stable political and economic climate, Hokans launched fully into his presentation.

He immediately emphasized that the informal sector is completely neglected with respect to housing policy and finance and that in a country where 80% of the population works in the informal sector (down from 88% in the early 1990s) this is unacceptable. He also mentioned that to his knowledge the informal sector was not well organized but that this might be improving. Hokans then posed the question what does affordability even mean? and affordable to whom? In a country where 27% of the population lives in extreme poverty and 39% of the population lives below the poverty line, most people cannot afford to buy a new house let alone afford finance and lending.

Hokan’s also spoke on population trends, specifically mentioning that Ghana was rapidly urbanizing and that this was clearly leading to the growth of informal urban settlements and slums such as those in Old Fadama.

Speaking on lending institutions, Hoken’s explained that organized communities need to work with community and rural banks that in turn should work with larger banks. Unfortunately lending rates from all financial institutions were still too high to help the large majority of Ghanaians looking to own houses and that realistically, under the current systems, only 5% of the population in Ghana could afford a new house.

Some of Hokan’s recommendations for alleviating the housing crunch and providing affordable and adequate housing to a much broader spectrum of people, including those in the informal sector and those living in slums, are listed below and were repeated often by the various panelists at the conference.

- lower costs on development driven projects (using local materials, local consultants, local labor etc.)
-facilitate informal settlement upgrading

-microfinance institutions and community based savings schemes must be started and aided by other established financial institutions

-more communication and a stronger link between banks and community banks and the communities and people they serve.

-Banks must focus on low-income financial needs.

Hokans also spoke at length on the importance of:

-Incremental Housing and Progressive housing

-community-led settlement upgrading

-community organization especially in slums and the informal sector

In large part Hokans’s presentation was an explanation of why organizations like PDG and GHPF must emerge in the informal world and that organizations like these and small micro finance strategies were key in creating affordable and adequate housing for all tiers of society. He was very supportive of PDG and GHPF strategy and process and CHF’s findings and suggestions were very promising for our organizations.

**Dr. Kwame Amoako Tufuor, Special Advisor to the President:**

Dr. Tufour wished the participants in the round-table discussion the best but said he had to leave to meet with the President.

**Mr. Kwame Pianim, Economic Consultant:**

Mr. Pianim spoke briefly but made several salient points. Like Mr. Hokans, Mr. Pianim also raised the question of what affordability meant. He also mentioned how the creation of affordable housing went hand in hand with economic growth and development through the creation of jobs. He also mentioned that he was pleased with the concept of People’s Dialogue and was happy to see people from the informal sector represented at a formal event.

**Hon. Cecilia Dapaah, Deputy Minister of Works and Housing:**

Hon. Dapahh spoke first on the rapid urbanization of society. Early on in her presentation the Deputy Minister also suggested three changes which needed to be made: 1) the financial sector and the formal sector in general must be induced to help poor, 2) target change to effect people who live below the poverty line, and 3) NGOs and community organizations need to work together with the government and private sector to improve informal settlements (Community participation in slum upgrading).

She also spoke about c200,000,000 being used to embark on a new National Housing Board Scheme and later praised the land bank system. At the end of her presentation she also stated that we should desist on building on or around waterways [Old Fadama comes to mind].

**Mrs. Staphanie Baeta-Ansah, Managing Director of HFC Bank:**

Mrs. Staphanie Baeta_Ansh made many suggestions and had many criticisms about housing in Ghana. She began by saying that not nearly enough low and middle income houses have been built by the private sector and that in the future, at least 30% of the houses which are built must be built for under or around $10,000 and be targeted to low/middle income families but that the private sector would need financial and tax incentives to cater to low income people otherwise they would never help. She mentioned a Housing development Assistance Fund to promote low-income housing initiatives. Other suggestions included, funding the construction of model houses and the use of
municipal bonds. She also suggested that 15,000 houses owned by the government should be sold and the money earned used to start a new housing stock. She continued by saying that banks need to play an active role and provide for all of their customers and not just the rich. She urged the use of collective payment schemes and also pleaded with people to recognize the practicality of graduated payment methods. She also asked that HIPC funds and Millennium Challenge funds should be given out for the creation of low-income housing. She also spoke about the potential of the Slum Upgrading Facility and how instrumental that has been in Kenya. She then criticized the government for improving tourist areas but doing nothing to improve places like Old Fadama. Finally Mrs. Baeta-Ansah challenged the informal sector and squatters to organize and help themselves through the aid of organizations like Slum Dwellers International.

**Hon. Theresa Tagoe, Deputy Minister of Lands:**

Hon. Tagoe mentioned the problems associated with customary land ownership which dominates Ghana and how disputes which have emerged from chiefs acting as landlords are clogging the courts. She also mentioned the establishment of land secretariats created to address issues of land and security of tenure.

**Mr. Farouk R. Braimah, People’s Dialogue Ghana & the Ghana Homeless People’s Federation:**

Farouk then spoke on People’s Dialogue and the Ghana Homeless People’s Federation. We were planning on criticizing the CHF report for including very little on the informal sector, but as most of the issues we wanted to bring up had been mentioned and several of the previous speakers highlighted the need for the informal sector and the slums to organize, Farouk seized the opportunity to introduce PDG and GHPF as just that type of organization.

**Comments Section:**

**Dr. Ohene Sarfoh, IHS A&A:**

Ohene spoke about the absence of reliable housing data and the lack of coordination among the government’s ministries and how this led to the absence of a national housing strategy. He also criticized the government for doing very little to promote housing for the poor especially slum dwellers.

**Halid, Ghana Homeless People’s Federation (Ashaiman):**

A representative from GHPF from Tulaku, Ashaiman, explained GHPF and gave some statistics on the federation, including its size and total savings and stressed that the GHPF was motivated and that members were trying to improve their own lives through the federation. Mr. Planim responded that the government would probably be interested in learning more about such an institution.

**Habitat for Humanity:**

A rep from Habitat for Humanity suggested that Habitat could build a starter core house for around $1,500, (speakers were visibly impressed), but went on to explain that government needed to do more for Habitat and the housing situation in general and lift some of the constraints to building.

**Fuseini, Ghana Homeless People’s Federation (Old Fadama):**

Fuseini further stressed the importance of the Federation to the urban poor and talked about how hard these people were saving; c1,000 a day, c2,000 a day for more than one year now. He again urged that the urban poor were trying to help themselves so the government should aid them in some way. He also talked further about the federation as an international network and mentioned that through the federation he and other slum dwellers were able to travel to Kenya, Thailand etc. to see how other people in informal settlements were improving their lives (Speakers were visibly impressed).
Salomey, Ghana Homeless People’s Federation (Avenor):

Salomey addressed the panel in Ga and spoke about how the government must include the informal sector in planning, policymaking, and construction of housing in Ghana. She also talked about the importance of women and women’s roles in the federation, and said that the government was doing very little when it came to housing because everything was unaffordable to the average citizen especially those working in the informal world. The Deputy Minister of Lands, Hon. Theresa Tagoe responded to Salomey’s concerns in Ga. The Deputy Minister explained that she did not know about Salomey’s organization, but that if the Federation could prove that it worked and could prove that it could construct houses for the poor and improve the community, she would give the federation land to build houses.

A Discussion on Land Banks followed…

Lunch:

For lunch the GHPF and People’s Dialogue asked for lunch invitations from the conference, even though only Mr. Farouk was invited. Dr. Judith Hermanson, Senior Vice President CHF International, obliged and all of the members were given meal tickets. GHPF members were then able to enjoy a buffet-style lunch served in La Palm –Royal Beach Hotel. Drinks were also served. Federation members ate together while Farouk spoke with the Rep. From Habitat for humanity who mentioned how habitat was finding it difficult to work in urban areas because of the absence of the familial social support networks in the rural communities but that with organizations like GHPF it might be easier. Mr. Hokans also expressed his support for the steps GHPF and PDG were taking.

The Deputy Minister of Works and Housing and the Deputy Minister of Lands expressed interest in PDG and requested PDG to expose them to what the Federation and PDG is all about and to take them on an exposure to see the practical manifestation of what we actually do.

Dr. Judith Hermanson, Senior Vice President CHF International

Dr. Hermanson opened the second half of the panel discussion by giving an overview on CHF. In her presentation she stressed that CHF was very interested in housing micro finance, formalizing informal housing, giving women a larger role in development, and maximizing community resources. She also seemed to suggest that CHF provides financial assistance to NGOs which are in line with CHF’s priorities, which PDG and GHPF very much are.

Dr. David Andah, Executive Secretary Ghana Microfinance Institutions Network

Dr. Andah’s presentation seemed very pertinent to PDG and GHPF. He began by saying that commercial banks’ financing has always been short term and that they lend short term. Commercial Banks are not interested in helping low-income housing because there isn’t enough profit involved. This means that almost all microfinance institutions that help the poor get their funding from donor institutions (like PD and GHPF). One reason is that although banks have lots of money, they have little expertise in microfinance and helping the poor and are unwilling to risk it. For this reason, banks tend not to lend to NGO’s. At the same time, banks, Dr. Andah says, believe that “NGO’s can’t be trusted.” NGOs have virtually no assets or collateral because it all comes from donors, so the bank has no guarantee if an NGO fails to pay back a loan. Dr. Andah expressed the need for some form of guarantee system to emerge whereby commercial banks can trust NGOs. A rating system of sorts should also be created. Another problem, Mr. Andah explained, was how many microfinance institutions haven’t made themselves known and that their returns are much better, but banks don’t know this (this seems relevant to PDG and GHPF as this was the first time the organizations really appeared at a political event). He urged the government to create a common poor fund that organizations could access and also spoke on affordable housing bonds. With regret, he revealed that interest rates for microfinance loans are always higher because of the lack of a guarantee and that these interest rates made loans unaffordable. In the end he gave three suggestions to improving the situation: 1) Direct lending to microfinance institutions, 2)Lending based on guarantee, and 3)The government should create a common fund which could be accessed by microfinance institutions.
Ms. Mawusi Anyidowo, West African Coordinator for COHRE

Ms. Anyidowo focused her discussion presentation mostly on the judicial problems with housing. She stressed that a standard needs to be set for people living in informal settlements and that to date the government has no system or plan in place to deal with people living in informal settlements or with resettlement and evictions. Ms. Anyidowo also pointed out that there is no budget line for affordable housing and that if housing was a priority, there should be more money coming from the government to finance housing. She also urged that the judiciary should be educated more about legal issues surrounding housing and in general the importance of a vibrant civil society. As side notes she mentioned that women should be included in micro-finance and that there should be more communication between the government and NGOs.

Dr. Adusei, Ghana Consultant Team

Dr. Sei first outlined that there is no profit in building low income housing so the private sector would not build affordable housing without serious incentives. To illustrate his point, he spoke with Salomey from the Ghana Homeless People’s Federation. He asked her questions about how much she could afford to pay for rent or housing every month etc. She would respond in Ga. Farouk translated. Dr. Sei then asked representatives from HFC bank if they could finance her, to which they responded they couldn’t. He then asked Farouk how much he could spend on rent, which was significantly higher, but the banks responded again that they couldn’t. The whole affair was very engaging and allowed GHPF members to further communicate with bankers and officials. The whole discussion/example highlighted how few people, even middle-class Ghanaians, could access housing today. To allow the private sector to help with low-income housing and the financial sector as well, Dr. Sei suggested that the government should provide tax breaks. Finally, Dr. Sei praised PD and GHPF for attending the meeting and said that he was honored and that it was a step in the right direction that the people and policy makers were getting together and discussing issues.

Mr. William Opare, Ghana Real Estate Development Association

Mr. Opare stated that incentives should be created to banks and lending institutions that help low-income housing and that we should look to use cheaper local materials in construction low-income houses.

Mr. James Hokans, CHF Development and Finance expert

Mr. Hokans repeated his thoughts about what affordability actually meant and then summarized some of the points made during the day.

Mr. Ken Mensa of HFC Bank, a SSNIT Rep., and the Director for Rural Housing all spoke after, but the conversation drifted to abstract policy and away from affordable housing for the poor.

Halid, Ghana Homeless People’s Federation (Ashaiman)

In his second comment of the day and the final comment of the conference Halid sparked an intense conversation between panelists and the rest of the floor, particularly the rep. from Habitat for Humanity and Dr. Adusei. Halid urged the government and the panelists not to discount mud-brick construction and older local building techniques. Many were in agreement that adobe/cement hybrids were a cheap and durable building alternative.

After the meeting Dr. David Andah, Executive Secretary Ghana Microfinance Institutions Network, expressed interest in working with PDG and GHPF as well.

Conclusion:

In conclusion the event was a breakthrough in many respects. PDG and GHPF were exposed to Ghana’s political and financial elite and were able to discuss issues