

SECTION 3

Cities Alliance Financial Report



Slum under a bridge near La Boca in Buenos Aires, Argentina

The fiscal year ending 30 June 2010 was a year of transition for Cities Alliance. More than \$10 million in new Core funding allocations were approved during FY10, the most since FY06, as the Alliance closed its old grant facility on 31 March 2010. More than \$9.3 million of proposals to be funded from Core funds were submitted by the closing date, of which \$4 million were still in process at year end and will be carried forward into FY11.

Funding allocations during the fiscal year reflected the Alliance's medium-term strategy to prioritise client execution. Two-thirds of all approved allocations in FY 2010 will be directly executed by recipient governments or local development partners, up from 50 percent client execution in FY09 and 38 percent in FY08 (figure 4). At the same time, the World Bank made significant changes to its procedures and systems for administering recipient grants, leading to increased processing time and tasks for setup of client grants. (The World Bank administers Cities Alliance funding.) A study was commissioned during the year to evaluate the link-

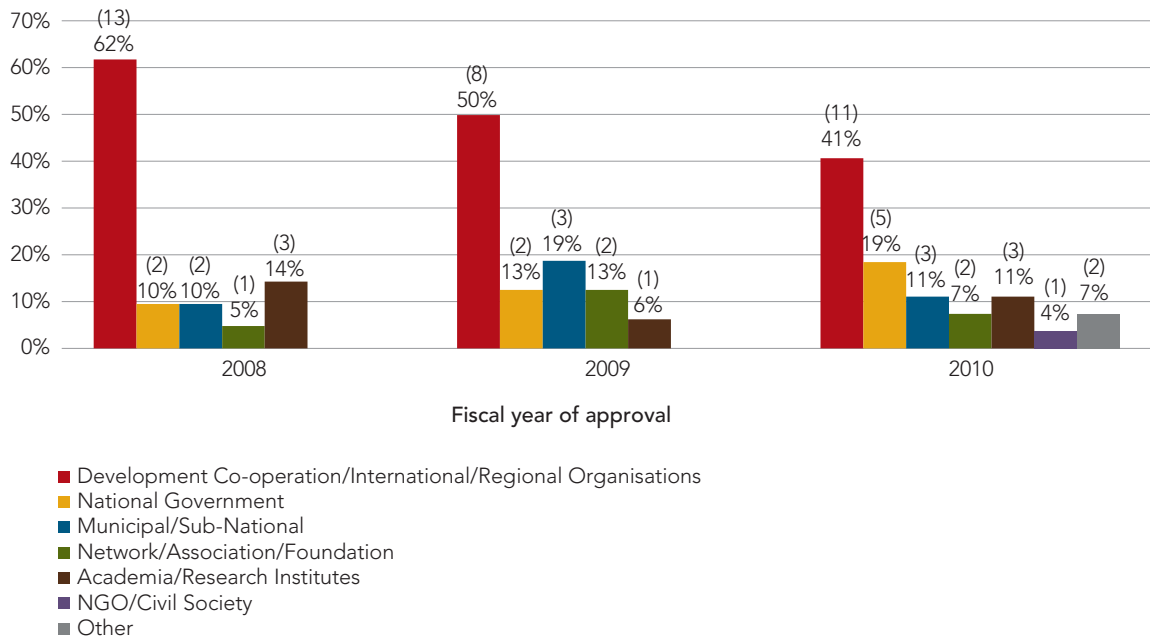
ages between client execution and client ownership of Alliance grant funding, and the effect of grant processing time on project effectiveness.

The World Bank also announced changes to its Development Grant Facility (DGF). Through the DGF's long-term funding window, the Bank is the largest source of Core funding to the partnership. However, the Bank is closing that window, and the Alliance will therefore be making a phased exit from DGF funding over the next three fiscal years. Overall, contributions from donors remained strong during FY10. Core contributions of \$7.1 million rose slightly from FY09 levels of \$7.0 million, and Core disbursements rose 14 percent to \$8.5 million. Total disbursements were \$14.7 million, just short of the record of \$14.9 million set in FY08.

The Alliance also introduced new reporting and budgeting formats in alignment with its new business model and results framework. These changes are reflected in the allocation reporting on the following pages.

FIGURE 4

Grant Recipients for Country-Specific Projects for Fiscal Years 2008, 2009 and 2010



Notes:

- a. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
- b. Projects cancelled during preparation were not included in the calculation, as no grant agreements had been issued and no disbursements made.
- c. For Fiscal Year 2010, projects for which Grant Agreements are under preparation are included.

UNAUDITED

TABLE 1
Cities Alliance: Sources and Uses of Funds
 (as of 30 June 2010)

CORE FUNDS			NON-CORE FUNDS	
Cumulative	FY10		FY10	Cumulative
68,060,054	7,101,356	Contributions Received	3,954,928	73,382,075
0	0	In-Kind Contributions	604,000	8,610,079
5,577,924	290,255	Investment Income	189,569	738,146
73,637,978	7,391,611	Total Sources of Funds	4,748,496	82,730,301
(56,588,122)	(8,503,075)	Project Disbursements	(6,220,076)	(51,290,867)
0	0	In-Kind Disbursements	(604,000)	(8,610,079)
(997,941)	(68,671)	Trust Fund Administration Fees	(59,015)	(1,495,089)
32,001	0	Foreign Exchange Gain (Loss)	(85,700)	194,633
(57,554,062)	(8,571,745)	Total Uses of Funds	(6,968,791)	(61,201,403)
16,083,916		Fund Balance		21,528,898
(11,458,750)		Less: Undisbursed Allocations		(8,022,983)
4,625,166		Funds Available for Allocation		13,505,915

TABLE 2
Financial Contributions
(US\$ as of 30 June 2010)

Paid In (a)

DONOR	PLEDGES	DURATION	FY10	CUMULATIVE
Core funding				
ADB	1,250,000	2002–2003, 2005–2007	(26,683)	1,223,317
Australia	750,000	2008–2010	0	750,000
Brazil	450,000	2004–2010	75,000	450,000
Canada	1,500,000	2000–2001, 2003–2006	0	1,585,293
Chile	100,000	2009	50,000	100,000
Ethiopia	250,000	2006–2010	49,978	199,953
European Commission	1,000,000	2009–2011	533,213	533,213
France	2,575,000	2000, 2002–2011	100,000	2,103,387
Germany	2,950,000	2000–2009	358,425	3,120,452
Habitat for Humanity	50,000	2010	50,000	50,000
Italy	4,720,000	2000–2010	581,840	4,848,065
Japan	1,750,000	2000–2005	0	1,750,000
Netherlands	3,500,000	2000–2004, 2006–2008	0	3,499,940
Nigeria	50,000	2005	0	50,000
Norway	6,855,000	2000–2009	962,181	6,976,356
Philippines	50,000	2008	0	50,000
Shack Dwellers Int'l	150,000	2008–2009	50,000	150,000
South Africa	250,000	2006–2010	50,000	200,000
Spain	2,250,000	2008–2010	0	2,321,400
Sweden	6,125,000	2000–2012	379,588	5,464,985
UNEP	1,200,000	2003–2009	99,987	1,199,987
UN-HABITAT	400,000	2004–2007	0	400,000
United Kingdom	7,100,000	2000–2007	0	7,500,148
United States	3,498,880	2000–2010	787,827	3,248,880
World Bank	20,850,000	2002–2010	3,000,000	20,284,679
Total core	69,624,903		7,101,356	68,060,054

Note: Fiscal year covers the period July 1 through June 30.

a. Amounts may vary from amounts pledged because of exchange rate fluctuations.

b. Noncore funding is earmarked for a specific facility, region, or activity. The facilities include the Community-Led Infrastructure Finance Facility, the Cities Without Slums Facility for Sub-Saharan Africa, the Slum Upgrading Facility, and the Land, Services, and Citizenship project.

c. Secretariat funding includes in-kind funding for staff secondments from UN-HABITAT, Germany, France, and Norway.

TABLE 2 (CONTINUED)

Financial Contributions

(US\$ as of 30 June 2010)

Paid In (a)

DONOR	PLEDGES	DURATION	FY10	CUMULATIVE
Non-core funding				
Canada	75,000	2004	0	73,608
France	375,000	2008–2009	149,789	357,209
Gates Foundation	15,000,000	2009–2012	0	14,999,980
Italy	14,889,630	2001–2011	1,754,630	14,455,148
Japan	4,250,000	2000–2005	0	4,250,000
Netherlands	350,000	2003–2004	0	350,000
Norway	3,200,000	2002–2007	0	3,272,992
Sweden	9,134,054	2003–2012	50,612	9,863,663
UNEP	15,000	2007	0	15,000
United Kingdom	24,620,000	2001–2011	1,999,897	24,200,527
United States	843,947	2003–2008	0	843,947
World Bank	700,000	2001	0	700,000
Total non-core	73,452,631		3,954,928	73,382,075

TABLE 3
 Approved FY10 Funding Allocations – Summary
 (US\$ as of 30 June 2010)

	NON-CORE	CORE
Country/regional project allocations:		
Projects supporting implementation of policies and strategies	0	758,200
Projects supporting elaboration of policies and strategies	0	1,857,950
Projects providing country-specific data and knowledge	0	1,214,500
Subtotal	0	3,830,650
Country programming allocations:		
Land, Services, and Citizenship Programme	2,685,500	229,500
Other country programming support	588,000	175,000
Country partnership programmes	500,000	1,870,851
Subtotal	3,773,500	2,275,351
Global knowledge and advocacy activities:		
City development strategies	0	75,000
Environment/ climate change/ disaster risk reduction	1,500,000	415,000
Communications and advocacy	0	665,000
Other learning and knowledge sharing	0	225,000
Subtotal	1,500,000	1,380,000
Partnership allocations		
Management, finance, and administration	0	1,900,000
Technical, knowledge, communications and M&E*	0	1,260,000
Governance	0	100,000
Subtotal	0	3,260,000
Total approved funding allocations	5,273,500	10,746,001

* Includes in-kind contribution of staff secondments from Germany, France, UN-H, and Italy through the World Bank Junior Professional Officer programme.

TABLE 4

Approved FY10 Funding Allocations – Detailed
(US\$ as of 30 June 2010)

COUNTRY	TITLE OF ACTIVITY	ALLOCATION AMOUNT (US\$)
COUNTRY/REGIONAL PROJECT ALLOCATIONS		
Projects supporting the implementation of policies and strategies		
Indonesia	Making Urban Investment Planning Work: Building on the Indonesian CDS Process	488,200
Kiribati	Kiribati Sustainable Towns Programme: Supporting the Implementation of Town Development Strategies	200,000
Swaziland	Supporting the Implementation of the Comprehensive Urban Upgrading Programme for Mbabane, Swaziland	70,000
Projects supporting the elaboration of policies and strategies		
Indonesia	Indonesia Slum Alleviation Policy and Action Plan (SAPOLA)	500,000
Jordan	Programmatic Regional City Development Strategy for Secondary Cities (Jordan)	500,000
Mexico	Green Growth in the Face of Climate Change: Support to the Municipality of Othon P. Blanco, Mexico for a Sustainable Development Strategy	75,000
Mongolia	Support for Public Consultation and Dissemination of Economic Sector Work: Enhancing Policies and Practices for Ger Area Development in Ulaanbaatar	74,450
Mozambique	Support for Upgrading the Chamanculo C Neighbourhood, Maputo Municipality – Preparatory Grant	73,500
Namibia	Namibian City Development Strategies (CDS) Pilot	250,000
Syria	Urban Upgrading Strategy for Rief Damascus (Syria) Territories	310,000
Tanzania	Dar es Salaam: Investment Resource Mobilisation for Metropolitan Development	75,000
Projects providing country-specific data and knowledge		
Ethiopia	Integrated Urban Database	248,500
Syria	Syria State of Cities Report	450,000
Vietnam	Urbanisation Review	250,000
Latin America and Caribbean, multi-country	State of Latin American and Caribbean Cities Report	191,000
Europe and Central Asia, multi-city	East Europe and Central Asia Urban Regeneration and Community of Practice	75,000

TABLE 4 (CONTINUED)

Approved FY10 Funding Allocations – Detailed
(US\$ as of 30 June 2010)

COUNTRY	TITLE OF ACTIVITY	ALLOCATION AMOUNT (US\$)
GLOBAL KNOWLEDGE AND ADVOCACY ACTIVITIES		
Theme: City development strategy	Brazil City Statute Publication (in English, for international dissemination)	75,000
Theme: Environment/ climate change/ disaster risk reduction	Supporting Cities and Disaster Management (with GFDRR)	75,000
	First Urban Climate Change Research Network (UCCRN) Assessment Report on Climate Change in Cities (ARC3)	75,000
	Strengthening Climate Adaptation and Disaster Risk Management in Latin American and Caribbean Cities	65,000
	Climate Change and the Urban Poor	200,000
	The First Eco2 East Asia Programme: Proposal of Knowledge Management and Capacity Building (Japan non-core funding)	1,500,000
Theme: Communications and advocacy	Places We Live Exhibit: World Habitat Day, National Building Museum	150,000
	World Urban Campaign: Support for Set-up and Launch	250,000
	Cities Alliance Branding, Graphic Standards, and Corporate Videos	115,000
	Pan-African Electoral Assembly of United Cities and Local Governments	150,000
Other learning and knowledge sharing	Learning and Knowledge Dissemination	150,000
	World Urban Forum	75,000
COUNTRY PROGRAMMING ALLOCATIONS		
Land, Services, and Citizenship Programme		
Uganda	A Strategy for Transforming Settlements of the Urban Poor in Uganda: A Secondary Cities Support Programme (Gates Foundation project funding)	2,685,500
Uganda	UAAU/ICMA Partnership Proposal: Achieving the Urban Management Components of the STSUPU Programme in Uganda	229,500
Other country programming support		
Africa regional	:: Defining Africa's Emerging Urban Agenda: Central Programme Operations (State of Cities Report initiative) (from Africa Facility funding)	498,000
	:: Support and Oversight for Data Collection and Quality (UN Habitat)	45,000
	:: Support and Oversight for Capacity Building and Knowledge Sharing (World Bank Institute)	45,000

TABLE 4 (CONTINUED)

Approved FY10 Funding Allocations – Detailed
(US\$ as of 30 June 2010)

COUNTRY	TITLE OF ACTIVITY	ALLOCATION AMOUNT (US\$)
Africa regional	Country Programme Development and Support, Francophone Africa	75,000
Global	Expert Support for Country Programme Development and Operations: Financial Sustainability; Programme Design	100,000
Country partnership programmes		
Brazil	Improving the Managerial Skills of Social Interest Housing Programmes	249,605
Brazil	Consolidation of the Social Work Methodology for Slum Upgrading	75,000
India	Citywide Slum Upgrading Plan (CSUP) for the Heritage City of Agra (India)	499,987
India	Supporting and Operationalising the National Urban Sanitation Policy (NUSP) in India	75,000
India	India International Workshop: Scaling up Upgrading and Affordable Housing: From National Policies to State Programmes and City-wide Slum-Free Interventions	75,000
India	Knowledge Support for PEARL Programme under JNNURM	500,000
India	Planning Support Unit: An Initiative to Support City Development Planning in the State of Madhya Pradesh	249,519
India	Interim Phase: India Knowledge Support on Slum Upgrading, Urban Poverty Reduction, and Affordable Housing	71,740
India	India Portfolio Supervision and Support	75,000
Philippines	Philippines Traffic and Transport Management for CDS Cities (from Japan non-core funding)	500,000
PARTNERSHIP OPERATIONS		
Management, finance, and administrative operations		
	Secretariat: Management, Finance, and Administrative Operations	1,900,000
Technical, knowledge, communications, and M&E operations		
	Secretariat: Technical, Knowledge, Communications, and M&E Operations	1,150,000
	Independent Technical Assessment	10,000
	South Asia Regional Operations	100,000
Governance and administration		
	Consultative Group and Executive Committee Meetings	100,000