Cities Alliance Financial Report (FY 2011)

The fiscal year ending 30 June 2011 continued a period of transition for Cities Alliance finances. The final funding proposals from the old grant facility were processed, with $3.6 million in Core funds approved for 13 projects. The old facility closed in March 2010, and the new Catalytic Fund was launched in January 2011. The first cohort of Catalytic Fund projects, estimated at $1.75 million, was approved during the first half of FY'12. Programmatic budgeting and business planning processes were also introduced during the year as part of the changes in the Cities Alliance business model adopted by the Cites Alliance Consultative Group at its last two annual meetings.
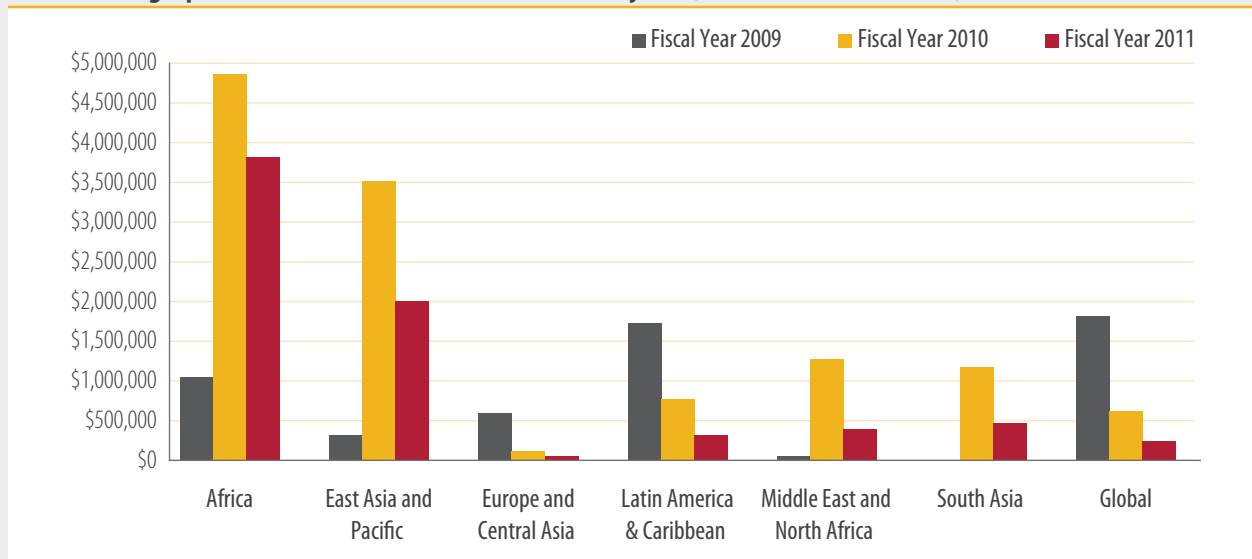
The Cities Alliance Secretariat continued to adapt to changes in grant administration processes within the World Bank, which manages Cities Alliance funds. The evolving World Bank internal control environment for administering global programmes like the Cities Alliance has led to increased transaction and grant overhead costs. The Cities Alliance's ExCo brought this issue to the attention of Bank management at its March 2011 meeting held in Washington. The Bank responded proactively by forming a Small Grants Working Group, which is developing a comprehensive set of recommendations for streamlining grant business processes. First outcomes from the Working Group are expected during FY'12. Once these recommendations are operational, the Secretariat will monitor their effectiveness in reducing the time it takes to execute grants and the overall grant administration costs.

Cities Alliance financial resources were bolstered during the year by the Australian Agency for International Development, which signed a new three-year agreement that will provide $2 million in each of the next two years, on top of a $350,000 contribution for FY11. AusAID joins Norway's Ministry of Foreign Affairs and the World Bank's Development Grant Facility as the largest donors of Core funds to the Cities Alliance programme.

Over $12.3 million of funding allocations were approved during the year. Most of the approved funding, $8.3 million went to country and regional projects. The remainder was used to fund global knowledge and communication activities and the costs of the Cities Alliance Secretariat. Nearly 44 percent of the country and regional approvals were for Sub-Saharan Africa, reflecting an increased prioritisation on the region agreed by the Cities Alliance membership at its 2010 annual meeting held in Mexico City.

FIGURE 4

Overall Geographical Distribution of Cities Alliance Projects (Fiscal Years 2009–2011)

Notes:

A. Projects cancelled during project preparation were not included in the figure, because no grant agreement had been issued.

B. Projects in which the grant agreements are underway were included in the figure.

C. Catalytic Fund (CATF) Projects were not included in the figure.

TABLE 1

Cities Alliance: Sources and Uses of Funds
as of 30 June 2011 (US$)

Core Fund			Non-Core Funds	
Cumulative	**FY11**		**FY11**	**Cumulative**
$75,141,353	$7,074,623	Contributions Received	$1,273,516	$74,655,591
0	0	In-Kind Contributions	516,406	9,126,485
5,732,031	156,272	Investment Income	102,812	841,791
80,875,548	**7,230,985**	**Total Sources of Funds**	**1,892,734**	**84,623,867**
(64,611,008)	(8,022,886)	Project Disbursements	(2,850,165)	(54,141,032)
0	0	In-Kind Disbursements	(516,406)	(9,126,485)
(1,062,536)	(64,595)	Trust Fund Administration Fees	(20,885)	(1,521,343)
32,001	0	Foreign Exchange Gain (Loss)	115,596	310,229
(65,641,543)	**(8,087,481)**	**Total Uses of Funds**	**(3,271,860)**	**(64,478,631)**
15,234,005		**Fund Balance**		**20,145,236**
(11,491,250)		Less: Undisbursed Allocations		(9,027,131)
$3,742,755		**Funds Available for Allocation**		**$11,118,105**

TABLE 2

Financial Contributions

(US$ as of 30 June 2011)   *Paid In (a)*

Donor	Pledges	Duration	FY11	Cumulative
Non-core funding				
ADB	1,250,000	2002–2003, 2005–2007		1,223,317
Australia	5,382,750	2008–2013	371,805	1,121,805
Brazil	750,000	2004–2014	150,000	600,000
Canada	1,500,000	2000–2001, 2003–2006	0	1,585,293
Chile	150,000	2008–2011	50,000	150,000
Ethiopia	250,000	2006–2011	49,967	249,920
European Commission	1,000,000	2009–2011	501,181	1,035,094
France	2,676,023	2000, 2002–2011	578,116	2,681,503
Germany	3,540,000	2000–2011	332,200	3,452,652
Habitat for Humanity Intl.	50,000	2010	0	50,000
Italy	5,320,000	2000–2011	563,400	5,411,465
Japan	1,750,000	2000–2006	0	1,750,000
Netherlands	3,500,000	2000–2004, 2006–2008	0	3,499,940
Nigeria	100,000	2005, 2010	0	50,000
Norway	8,555,000	2000–2011	1,663,914	8,640,269
Philippines	50,000	2008	0	50,000
Shack Dweller Int'l	200,000	2008–2011	50,000	200,000
South Africa	250,000	2006–2010	50,000	250,000
Spain	2,250,000	2008–2010	0	2,321,400
Sweden	6,125,000	2000–2012	0	5,464,985
UNEP	1,200,000	2003–2009	0	1,199,987
UN-HABITAT	800,000	2004–2011	0	400,000
United Kingdom	7,100,000	2000–2007	26,867	7,533,690
United States	3,498,880	2000–2012	250,000	3,498,880
World Bank	25,567,500	2002–2011	2,436,473	22,721,152
Total core	**82,815,153**		**7,074,623**	**75,141,353**
Non-core funding				
Canada	75,000	2004	0	73,608
France	375,000	2008–2009	0	357,209
Gates Foundation	15,000,000	2009–2012	0	14,999,980
Italy	15,798,541	2001–2011	1,343,393	15,798,541
Japan	4,250,000	2000–2006	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	0	9,863,663
UNEP	90,000	2007	0	15,000
United Kingdom	24,620,000	2001–2011	(69,877)	24,130,650
United States	843,947	2003–2008	0	843,947
World Bank	700,000	2001	0	700,000
Total non-core funding	**74,436,542**		**1,343,393**	**74,655,591**

TABLE 3

Approved FY11 Funding Allocations – Summary
For FY ended 30 June 2011 (US$)

	Non-Core	Core
Country and Regional Project Allocations:		
Projects supporting implementation of policies and strategies	1,481,720	249,000
Projects supporting elaboration of policies and strategies	0	1,334,577
Projects providing country-specific data and knowledge	0	1,074,250
Pacific Island Projects	0	936,600
Sub-Total	**1,481,720**	**3,594,427**
Catalytic Fund (New Grant Facility)		
Kitty Fund	0	125,000
Sub-Total	**0**	**125,000**
Country Programme Allocations		
Land, Services & Citizenship Programme	1,127,000	145,855
Other Country Programming Support	920,000	206,207
Country Programmes	0	574,500
Sub-Total	**2,047,000**	**926,562**
Global Knowledge & Advocacy Activities		
City Development Strategies	0	100,000
Environment/ Climate Change/ Disaster Risk Reduction	0	0
Communications & Advocacy	0	250,000
Other Learning & Knowledge Sharing	0	100,000
Slum Upgrading	0	75,000
Finance	0	48,500
Monitoring & Evaluation	0	125,000
Sub-Total	**0**	**698,500**
Partnership Allocations		
Management, Finance & Administration	0	1,700,000
Technical, Knowledge, Communications and M&E*	199,152	1,360,000
Governance & Administration	0	200,000
Sub-Total	**199,152**	**3,260,000**
Total Approved Funding Allocations	**3,727,872**	**8,604,489**

TABLE 4

Approved FY11 Funding Allocations – Detailed
For FY ended 30 June 2011 (US$)

Country	Activity Title	Allocation Amount
Country/Regional Project Allocations (Old Grant Facility)		
Projects Supporting the Implementation of Policies and Strategies		
Brazil	Bahia Integrated Urban Development Program (Italy-Non-Core)	1,481,720
Malawi	Grant for Lilongwe City Development Strategy (Phase 3)	249,000
Projects Supporting the Elaboration of Policies and Strategies		
Central African Republic	Towards Sustainable Urban Management: Improving Bangui City Performance Through Capacity Building and Planning Tools Development	301,750
Colombia	National Low-income Megaprojects: Developing a Policy and Program Framework	215,000
Cote d'Ivoire	National Low-income Megaprojects: Developing a Policy and Program Framework	215,000
Cote d'Ivoire	Restructuring of Slums in the 13 Municipalities of the District of Abidjan	284,927
Malawi	City Development Strategy and Slum Upgrading Programme (CDS/SUP) Framework (Phase I)	175,000
West Bank and Gaza Territories	Cities as Guarantors of Stability: Scaling-Up of Strategic Development and Investment Planning (SDIP) in the Palestinian Territories	357,900
Projects Providing Country-specific Data and Knowledge		
Ethiopia	Strengthen the Institutionalisation and Support the Operation of the Ethiopian Cities Network	74,000
India	India State of the Cities Report	350,250
Kenya	Kenya Baseline State of the City Survey	400,000
Tanzania	Tanzania State of the Cities Report	250,000
Pacific Island Proposals		
Papua New Guinea	Papua New Guinea Settlement Upgrading Programme	350,000
Regional	Regional Institutional Strengthening and Knowledge Management Support to Pacific Island Countries to Strengthen Implementation of the Pacific Urban Agenda under the Pacific Plan	349,600
Samoa	Samoa City Development Strategy Programme	237,000
Catalytic Fund (New Grant Facility)		
Kitty Fund (small grants)		
Bangladesh	Bangladesh's Urban Transformation: Exploring the Demographic and Economic Dimensions	75,000
Ukraine	Supporting Kiev for City Vision and Long-Term Development Strategy	50,000

TABLE 4

Approved FY11 Funding Allocations – Detailed
For FY ended 30 June 2011 (US$)

Country	Activity Title	Allocation Amount
Global Knowledge & Advocacy Activities		
Theme: Slum Upgrading		
Global	Making the Case for Incremental Housing (increase to FY09 allocation)	75,000
Theme: City Development Strategy		
Global	Global City Indicators Facility	100,000
Theme: Finance		
Global	Capital Investment Planning and Financing	48,500
Other Learning & Knowledge Sharing		
Global	General Learning & Knowledge Sharing (FY11 increase)	**100,000**
Theme: Communications & Advocacy		
Ghana	Ghana Cities Awareness and Advocacy Framework	200,000
Global	General Communications & Advocacy (FY11 increase)	50,000
Theme: Monitoring & Evaluation		
Global	Cities Alliance Independent Evaluation 2011	125,000
Global	General Learning & Knowledge Sharing (FY11 increase)	**100,000**
Country & Regional Programming Allocations		
Land, Services & Citizenship Programme		
Global	Improving and Expanding Sanitation in Greater Accra Workshop (Gates Foundation)	52,000
Mozambique	Support for Upgrading the Chamanculo C Neighbourhood in accordance with the Global Strategy for Urbanising and Reordering Informal Settlements in the Maputo Municipality (Gates Foundation)	575,000
Uganda	Addressing the Land Information Requirements of the Urban Poor – Phase I: Piloting of the Social Tenure Domain Model (STDM)	75,000
Vietnam	Consolidating management and implementation of Community Development Fund (CDF) through the Association of Cities of Vietnam (ACVN)	70,855
Vietnam	Strengthening of the Vietnam Urban Forum (VUF) and Operationalising the National Urban Upgrading Program (NUUP) (Gates Foundation)	500,000
Country Programmes		
Brazil	Technical Assistance and Guidance in the Implementation of Brazil's Minha Casa Minha Vida Programme and its integration with the National Housing Plan (PlanHab)	74,500
Philippines	Developing a National Slum Upgrading Strategy for the Philippines	500,000

TABLE 4

Approved FY11 Funding Allocations – Detailed

For FY ended 30 June 2011 (US$)

Country	Activity Title	Allocation Amount
Other In-Country Programming & Support		
Africa Regional	Supporting Africa's Urban Transition (Joint Work Programme with WB) (Africa Facility)	920,000
Africa Regional	Know Your City – A City of 2030 Without Slums	74,825
Africa Regional	*State of African Cities 2012*: Urban Vulnerabilities, Adaptation and Resilience	75,000
Africa Regional	UCLG Supervision of Lilongwe and Namibia CDS projects	56,382

Partnership Operations

Management, Finance and Administrative Operations		
	Secretariat – Management, finance and administrative operations	1,700,000
Technical, Knowledge, Communications and M&E operations		
	Secretariat – Technical, knowledge, communications and M&E operations	1,300,000
Africa region	Regional Advisors, East & Southern Africa – increase (Sweden Non-Core)	199,152
Africa region	South Asia Regional operations	60,000
Governance and Administration		
	Consultative Group/Executive Committee Meetings	200,000

Abbreviations and Acronyms

ACC   Africa Centre for Cities
ACVN   Association of Cities of Vietnam
AfD   Agence Française de Développement
AFTUW   Africa Region Urban and Water Unit
AusAID   Australia Agency for International Development
CATFund   Catalytic Fund
CDS   City Development Strategies
CG   Consultative Group
CMI   Center for Mediterranean Integration
CPs   Country Programmes
ExCo   Cities Alliance Executive Committee
FEU   Finance, Economics and Urban Department of the World Bank Group
HFHI   Habitat for Humanity International
IDPs   Internally Displaced Persons
IIED   International Institute for Environment and Development
IIHS   Indian Institute for Human Settlements
ILGS   Institute of Local Government Studies, Ghana
JICA   Japan International Cooperation Agency
JNNURM   Jawaharlal Nehru National Urban Renewal Mission, India
JWP   Joint Work Programmes
KNUST   Kwame Nkrumah University of Science and Technology, Ghana
LSC   Land, Services, and Citizenship programme
MAEE   Ministère des affaires étrangères et européennes
MLGRD   Ministry of Local Government and Rural development, Ghana
MLIT   Ministry of Land, Infrastructure, Transport and Tourism, Japan
MoLHUD   Ministry of Lands, Housing, and Urban Development (Uganda)
NUSP   National Upgrading Support Programme (South Africa)
NUUP   National Urban Upgrading Programme, Vietnam
PAF   Policy Advisory Forum (Cities Alliance)
RAY   Rajiv Awas Yojana
SDI   Shack/Slum Dwellers International
TSUPU   Transforming Settlements of the Urban Poor in Uganda
UAAU   Urban Authorities Association of Uganda
UCLG   United Cities and Local Governments
UNDP   United Nations Development Programme
UNEP   United Nations Environment Programme
UNHCR   United Nations High Commission for Refugees
URA   Urban Risk Assessments
USAID   United States Agency for International Development
VUF   Vietnam Urban Forum
WUF   World Urban Forum

Cities Alliance
Cities Without Slums