

# FINANCIALS

The background of the page is a faded, light-colored image. It shows a city skyline with several tall buildings in the distance. In the foreground, there is a dense residential area with many small, simple houses and some trees. The overall tone is light and somewhat desaturated.

*In 2006, nearly 30 percent of core funds were approved for programmes in sub-Saharan Africa.*

## Fiscal Year 2006 Highlights

**D**uring fiscal year 2006, Cities Alliance members sponsored nearly \$12 million in approved core funding allocations, and more than \$29 million in total allocations. Both figures established new records for the Alliance. These activities are linked to \$2.0 billion in committed or prospective investments, bringing the Alliance's links to investment to more than \$8.2 billion over the past six years.

Since the Alliance's founding in December 1999, its members have pledged more than \$100 million in financing and approved \$92 million of funding applications. Nearly \$54 million has been disbursed.

Significant new programmes were started during the year in all developing regions. Nearly 30 percent of core funds were approved for programmes in sub-Saharan Africa, with \$4.4 million in total allocated for programmes in Benin, Burkina Faso,

Cameroon, Ghana, Mozambique, Rwanda, Senegal, South Africa and Zambia.

There were also record funding approvals for programmes in Asia, with total allocations of \$3.5 mil.

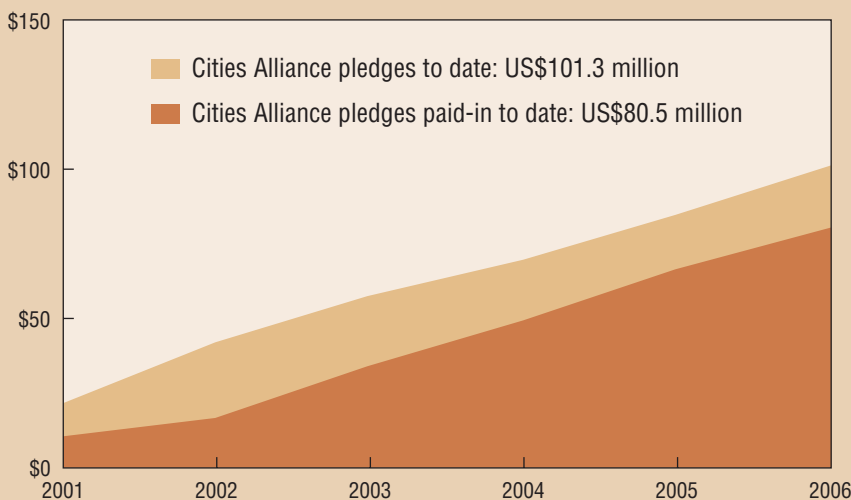
A major new non-core (earmarked) funding commitment by the Government of Italy resulted in approval of \$7.2 million in support of the statewide slum upgrading programme in Bahia, Brazil. Final approval was also provided for the \$10 million allocation from the UK-Department for International Development (DFID) to UN-Habitat's Slum Upgrading Facility (SUF), which will initially focus on mobilizing domestic capital for slum upgrading in four countries—Ghana, Indonesia, Sri Lanka and Tanzania.

New non-core funding of \$750,000 was provided by Japan for Asia CDS activities; £600,000 by DFID to support the Alliance's knowledge generation and learning activities, to enhance the Alliance's engagement with United Cities and Local Govern-

ments; and, \$225,000 was contributed by Norway to support the Alliance's urban finance initiative. Sweden also renewed its support for a Cities Alliance advisor to work with clients in southern and eastern Africa, and had previously provided funding for a secondment to the Cities Alliance Secretariat staff.

The Asian Development Bank renewed its membership in the Alliance for three years, and South Africa joined Brazil and Nigeria as developing country members of the Alliance, signing a membership agreement for \$250,000 over five years.

Millions of U.S. dollars



## SOURCES OF FUNDS FY00–FY06 (Unaudited)

(US\$ as of June 30, 2006)

### SUMMARY

Type of funding	Pledge	Paid-in
Core funding	42,235,000	36,017,672
Non-core funding	51,375,000	37,771,958
Non-core secretariat funding	7,678,000	6,688,405
<b>Total funding</b>	<b>101,288,000</b>	<b>80,478,035</b>

Donor	Pledges	Duration	Paid-in <sup>a</sup>
<b>Core funding</b>			
ADB	1,250,000	2002-2003, 2005-2007	500,000
Brazil	150,000	2004-2006	50,000
Canada	1,500,000	2000-2001, 2003-2006	1,585,293
France	1,200,000	2000, 2002-2005	1,190,327
Germany	2,200,000	2000-2007	1,744,052
Italy	3,080,000	2000-2006	2,632,905
Japan	1,750,000	2000-2005	1,750,000
Netherlands	2,750,000	2000-2004	2,750,000
Nigeria	50,000	2005	50,000
Norway	2,530,000	2000-2005	2,612,086
South Africa	250,000	2006-2010	
Sweden	4,125,000	2000-2007	2,829,383
UNEP	1,000,000	2003-2006	900,000
UN-HABITAT	200,000	2004-2005	200,000
United Kingdom	6,600,000	2000-2005	6,977,299
United States	1,750,000	2000-2006	1,500,000
World Bank	11,850,000	2002-2007	8,746,326
<b>Total core</b>	<b>42,235,000</b>		<b>36,017,672</b>
<b>Non-core funding<sup>b</sup></b>			
Canada	75,000	2004	73,608
Italy	13,135,000	2001-2008	7,461,948
Japan	4,250,000	2000-2005	4,250,000
Netherlands	350,000	2003-2004	350,000
Norway	2,075,000	2002-2005	2,131,802
Sweden	6,070,000	2003-2008	5,544,861
United Kingdom	22,620,000	2001-2008	16,794,736
United States	2,100,000	2003-2007	465,000
World Bank	700,000	2001	700,000
<b>Total non-core</b>	<b>51,375,000</b>		<b>37,771,958</b>
<b>Non-core Secretariat funding<sup>c</sup></b>			
World Bank	3,043,000	2000-2002, 2006	3,043,000
UN-Habitat	2,033,000	2000-2007	1,633,000
Sweden	685,000	2005-2007	455,405
Other	1,917,000	2001-2007	1,557,000
<b>Total</b>	<b>7,678,000</b>		<b>6,688,405</b>

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

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

b. Non-core 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 Community Water & Sanitation Facility, and the Slum Upgrading Facility.

c. Secretariat funding includes in-kind funding for staff secondments from UN-HABITAT, Germany, the United Kingdom and the World Bank Staff Exchange Program with the Caisse des dépôts et consignations.

## USES OF FUNDS, FY00—FY06 (Unaudited)

(US\$ as of June 30, 2006)

### SUMMARY

Funding source	FY06		Cumulative	
	Allocations	Disbursements	Allocations	Disbursements
Core activities	11,810,882	6,474,244	40,958,800	25,271,717
Non-core activities	17,246,680	5,596,686	50,820,907	28,503,379
<b>Total uses of funds</b>	<b>29,057,562</b>	<b>12,070,930</b>	<b>91,779,707</b>	<b>53,775,096</b>

### APPROVALS BY TYPE OF ACTIVITY

Region	FY06		Cumulative	
	Core funds	Non-core funds	Core funds	Non-core funds
City development strategies	4,409,231	616,100	12,724,243	3,012,720
Scaling up upgrading	2,787,000	14,736,580	11,776,111	36,965,492
CDS and upgrading	2,864,651	1,719,000	10,908,446	5,150,195
Secretariat	1,750,000	175,000	5,550,000	5,692,500
<b>Total approved grants</b>	<b>11,810,882</b>	<b>17,246,680</b>	<b>40,958,800</b>	<b>50,820,907</b>

### APPROVALS BY REGION

Region	FY06		Cumulative	
	Core funds	Non-core funds	Core funds	Non-core funds
Sub-Saharan Africa	3,410,000	1,060,000	8,623,240	2,672,620
Asia	2,470,651	1,019,400	9,608,076	3,202,000
Eastern Europe & Central Asia	571,000	0	2,159,227	0
Latin America & the Caribbean	1,507,000	6,958,280	6,068,165	14,377,475
Middle East & North Africa	979,231	0	3,613,231	0
Global/Multiregional	1,123,000	8,034,000	5,336,861	24,876,312
Secretariat	1,750,000	175,000	5,550,000	5,692,500
<b>Total approved grants</b>	<b>11,810,882</b>	<b>17,246,680</b>	<b>40,958,800</b>	<b>50,820,907</b>

### SECRETARIAT EXPENDITURES

Expense	FY06	FY05	FY04	Cumulative
<b>Operational</b>				
Secretariat staff	910,708	885,442	516,468	4,112,571
Consultants, other labour	52,387	951	14,480	466,916
Travel	342,524	374,504	234,195	1,605,464
Other costs	36,798	24,945	24,901	698,410
<b>Subtotal</b>	<b>1,342,417</b>	<b>1,285,842</b>	<b>790,044</b>	<b>6,883,361</b>
<b>Management and administration</b>				
Secretariat staff	772,551	782,318	673,563	4,110,787
Rent, computing, other costs	293,068	273,658	191,803	1,091,870
<b>Subtotal</b>	<b>1,065,619</b>	<b>1,055,976</b>	<b>865,366</b>	<b>5,202,657</b>
<b>Total</b>	<b>2,408,037</b>	<b>2,341,818</b>	<b>1,655,410</b>	<b>12,086,019</b>

## NEW AND ON-GOING ALLOCATIONS

(US\$ as of June 30, 2006)

	<i>Grant amount (US\$)</i>	<i>Start date</i>	<i>Country</i>	<i>Activity</i>
<b>SUB-SAHARAN AFRICA</b>				
	380,640	Mar-03	Burkina Faso	CDSs and local Poverty Reduction Strategy Papers for the local governments of Bobo-Dioulasso, Banfora and Ouahigouya
FY06	330,000	Apr-06	Burkina Faso	Strategy for Developing Greater Ouagadougou and Improving Basic Infrastructure and City Services in Underprivileged Areas
FY06	330,000	Apr-06	Benin	Development Strategy for Greater Cotonou
FY06	500,000		Cameroon	Urban Development and Poverty Reduction Strategy: City of Douala and its Greater Urban Area
	580,000	Jul-04	Ethiopia, South Africa	Participation of Johannesburg and Addis Ababa in the Johannesburg—Addis Ababa Partnership Programme
	75,000	Jul-03	Ghana	Preparing for a CDS in the Kumasi Region
FY06	75,000	Oct-05	Ghana	Preparatory Assistance for Ghana Municipal Finance and Management Initiative
FY06	75,000	Oct-05	Mozambique	Slum Improvement Demonstration Project for Maputo City
FY06	500,000	May-06	Mozambique	Improving Water and Sanitation in Quelimane City
	245,000	Mar-04	Niger	CDSs for Poverty Reduction for Dosso and Maradi
	215,000	Jul-03	Regional	Building Partnerships for <i>Cities Without Slums</i> in Eastern and Southern Africa
	215,000	May-04	Regional	Cities Without Slums: toward implementing a support programme for countries and cities of Western and Central French-speaking Africa
	246,600	Dec-04	Regional	Housing Upgrading Finance Initiative
FY06	240,000	May-06	Rwanda	Financial Management Modernization and Development Strategy for Kigali
FY06	380,000	Apr-06	Senegal	Greater Dakar Urban Development Strategy
FY06	430,000		Senegal	National Programme for Slum Improvement and Slum Upgrading in Senegal's Cities: "Senegalese Cities Without Slums"

## NEW AND ON-GOING ALLOCATIONS (continued)

(US\$ as of June 30, 2006)

	<i>Grant amount (US\$)</i>	<i>Start date</i>	<i>Country</i>	<i>Activity</i>
<b>SUB-SAHARAN AFRICA (Continued)</b>				
	500,000	Mar-04	South Africa	South African Municipal Water and Sanitation Partnership Initiative
	75,000	May-05	South Africa	Preparation of the South African National Upgrading Support Programme
FY06	500,000	Sep-05	South Africa	Support for the Preparation of 2006 State of South African Cities Report
FY06	500,000	Jun-06	South Africa	Upgrading for Growth: Implementing the Breaking New Ground Policy within Ekurhuleni's City Development Strategy
FY06	535,000	Jun-06	South Africa	The Tshwane Sustainable Human Settlement Strategy and Financing Plan
	500,000	Jul-04	Swaziland	Development of a Comprehensive Urban Upgrading Programme for Mbabane
	360,000	Sep-04	Tanzania	Action Plan to Upgrade All Informal Settlements in Dar es Salaam by 2015
FY06	75,000	Jun-06	Zambia	Linking CDSs to Zambia's Emerging Intergovernmental Fiscal System
<b>ASIA</b>				
	215,000	Nov-05	Bhutan	Bhutan National Urban Development Strategy and Thimphu City Development Strategy
FY06	298,450	Dec-05	China	Urban Upgrading Strategy, Yangzhou
FY06	500,000	Oct-05	China	Economic Revitalization by Cities in Heilongjiang Province
FY06	250,000		China	Shanghai Development Strategy in Regional Context
	70,000	Oct-03	India	Tamil Nadu Urban Land Market Assessment for Chennai, Coimbatore, and Tiruppur
	450,000	Feb-03	India	Scaling-up the Provision of Universal Minimum Sanitation to slums in cities
	182,600	Jul-04	India	Community-Led Sangli Toilet Construction Activity
	495,000	Jul-05	India	Transformation of Mumbai into a World Class City
	180,700	Feb-05	India	Hyderabad City-Wide Slum Upgrading Action Plan

## NEW AND ON-GOING ALLOCATIONS (continued)

(US\$ as of June 30, 2006)

	<i>Grant amount (US\$)</i>	<i>Start date</i>	<i>Country</i>	<i>Activity</i>
<b>ASIA (Continued)</b>				
	154,700	Mar-05	India	Visakhapatnam City Development Strategy and Slum Upgrading Action Plan
FY06	184,268	Dec-05	India	City Development Strategy for Hubli-Dharwad
FY06	478,300		India	Cauvery Agamana—Extension of Water Supply and Sanitation Services to the Urban Poor in Bangalore City
FY06	237,933		India	City Development Strategy for Pro poor Economic Growth for the Heritage City of Agra
FY06	500,000	Nov-05	Mongolia	Citywide Pro-poor “Ger Upgrading Strategy and Investment Plan” (GUSIP)
	75,000	Feb-05	Pakistan	Towards a CDS System in Punjab
	500,000	Mar-05	Philippines	Integrated Approaches to Poverty Reduction at the Neighborhood Level—a Cities Without Slums Initiative
FY06	541,100	Oct-05	Philippines	City Development Strategies in the Philippines: An Enabling Platform for Good Governance and Improving Service Delivery
FY06	500,000	Jul-06	Philippines	A Metro Manila ‘Cities Without Slums’ Strategy
	500,000	Sep-01	Regional	City Networking and Investment Marketplace Development initiative in Asia
	248,320	Jul-04	Democratic Republic of Timore Leste	City Upgrading Strategy for Urban Dili
	250,000	Jul-04	Vietnam	CDSs in Medium Cities
<b>EASTERN EUROPE AND CENTRAL ASIA</b>				
	500,000	Jul-05	Azerbaijan	City and Regional Development Strategies in Azerbaijan
	458,427	Mar-03	Latvia	Cities Programme—CDS for Economic Development
FY06	71,000	Mar-06	Moldova	Moldova – City Development Strategy
	230,000	Jul-05	Russian Federation	Vologda Development Strategy Alliance
FY06	250,000	Sep-05	Russian Federation	Stavropol Regional Development Strategy—Financial Assessment and Investment Review



## NEW AND ON-GOING ALLOCATIONS (continued)

(US\$ as of June 30, 2006)

	<i>Grant amount (US\$)</i>	<i>Start date</i>	<i>Country</i>	<i>Activity</i>
<b>EASTERN EUROPE AND CENTRAL ASIA (Continued)</b>				
FY06	250,000	Sep-05	Russian Federation	Chuvash Republic Regional Development Strategy—Financial Assessment and Investment Review
<b>LATIN AMERICA AND THE CARIBBEAN</b>				
	165,700	Feb-02	Brazil	Anti-poverty and Anti-Exclusion Socio-economic Action Plan: City Networks for Development and Social Inclusion (Rio Grande do Sul)
	500,000	Dec-04	Brazil	National Urban Development Policy: Support to the National Programme for Land Tenure Regularization and Socio-Environmental Risk Prevention in Precarious Settlements
FY06	450,000	Oct-05	Brazil	Strategies for the Sustainable Planning, Financing and Implementation of Low-Income Housing and Urban Development Policy (Municipality of São Paulo)
FY06	7,208,280	Dec-05	Brazil	Bahia Integrated Urban Development Programme—Viver Melhor/BIRD: Technical and Methodological Assistance Project
FY06	232,000	Apr-06	Brazil	Enhancing Territorial Equity and Social Inclusion in Brasilia's Land Markets
	324,120	May-04	Colombia	Slum Upgrading and Land Tenure Regularization
	298,000	Apr-05	Colombia	Housing and Land for the Urban Poor
FY06	500,000	Jul-06	El Salvador	Preparation of an Urban Development Strategy for the Region La Paz in the Department of La Paz and San Vicente
FY06	75,000	Sep-05	Guatemala	0
	256,445	Nov-02	Jamaica	Kingston and St. Andrew Sustainable Development Plan
	879,195	Jul-04	Regional	Scaling Up Successful Methodologies in the Latin America and Caribbean Region (Italy)
<b>MIDDLE EAST AND NORTH AFRICA</b>				
	74,000	Jul-05	Egypt	Preparatory Assistance Proposal for Egypt Urban Sector, Slum Upgrading and City Development Strategies
FY06	350,000	Dec-05	Egypt	Alexandria City Development Strategy for Sustainable Development: Phase II



## NEW AND ON-GOING ALLOCATIONS (continued)

(US\$ as of June 30, 2006)

	<i>Grant amount (US\$)</i>	<i>Star date</i>	<i>Country</i>	<i>Activity</i>
<b>MIDDLE EAST AND NORTH AFRICA (Continued)</b>				
	75,000	Mar-05	Iran	Preparatory assistance to the Ministry of Housing and Urban Development for the institutionalization of the CDS into the urban planning process in Iran
	200,000	Mar-04	Jordan	Greater Amman Development Strategy
FY06	379,231		Lebanon	Al Fayhaa Sustainable Development Strategy
	295,000	Aug-01	Morocco	Upgrading project for the Koraat Sbaa neighborhood in Tetouan
	245,000	Apr-03	Morocco	Metropolitan Cooperation in the Tetouan Region: the Role of the CDS
	490,000	Sep-05	Morocco	Partnership Framework Agreement for Ministry of Housing and Supporting and Monitoring of the Programme Urban Development “Cities Without Slums”
	250,000	Feb-05	Regional	Establishing a Regional City Development Strategy Facility at the Arab Urban Development Institute (AUDI), Riyadh, Saudi Arabia
	200,000	Jan-05	Yemen	Medium to Long Term City Development Strategy for Local Economic Development for Hodeidah and Mukalla Cities
FY06	250,000		Yemen	Sana’a City: Medium to Long-Term City Development Strategy for Sustainable Development
<b>GLOBAL AND MULTIREGIONAL ACTIVITIES</b>				
	100,000	Nov-04	Global	Knowledge Dissemination—increase (website, publications)
FY06	150,000	Nov-05	Global	Knowledge Generation and Learning—increase
FY06	75,000	Nov-05	Global	Consultative Group and Public Policy Forum meeting—increase (Marrakech)
FY06	100,000	Nov-05	Global	Policy Advisory Board Semi-Annual Meeting increase
FY06	15,000	Nov-05	Global	Technical Peer Reviews—increase
	10,000,000	Oct-02	Global	Development of the Community-led Infrastructure Finance Facility—UK Department of International Development funding
	2,300,000	Apr-03	Global	The Development of the Community-led Infrastructure Finance Facility—Swedish International Development funding

## NEW AND ON-GOING ALLOCATIONS *(continued)*

(US\$ as of June 30, 2006)

	<i>Grant amount (US\$)</i>	<i>Start date</i>	<i>Country</i>	<i>Activity</i>
	249,666	Feb-03	Global	Building a Solid Foundation: Overcoming the Obstacles to Scalability of Housing Microfinance for the Poor
FY06	1,750,000	Jul-05	Global	Secretariat Budget FY06—Core Trust Fund
FY06	175,000	Jul-05	Global	Secretariat Budget FY06—Norway Non-core
FY06	75,000	Nov-05	Global	Final Project Evaluations—increase
	75,000	Dec-04	Global	Capacity Enhancement for Direct Sub-Sovereign Borrowing
	127,000	Jul-05	Global	Municipal Finance Task Force
	75,000	Jan-05	Global	Strengthening CA Collaboration with UCLG
	250,000	Feb-06	Global	Developing MDG-based CDSs
	250,000	Feb-06	Global	UCLG Municipal Finance Commission
FY06	517,000	Apr-06	Global	Mainstreaming Cities Alliance Engagement with UCLG
	685,000	Feb-05	Global	Secondment to Cities Alliance Secretariat (Sweden)
	3,000,000	Apr-05	Multiregional	Slum Upgrading Facility (SUF—Pilot Programme)
FY06 (incr.)	7,000,000	Jul-05	Multiregional	Slum Upgrading Facility (SUF)—Pilot Programme
	242,500	Mar-05	Global	Incubating Local Economic Development (LED) Partnerships
	525,000	Mar-05	Global	Advancing the Cities Alliance Knowledge Generation and Dissemination Agenda (DFID)—including MFTF and Urban Finance cofinancing
FY06	75,000	Dec-05	Global	CLIFF Independent Evaluation
FY06	610,000	Oct-05	Global	Enhancing Urban Development in National Policy Dialogues
FY06	240,000	Nov-05	Global	CA Independent Evaluation 2006
FY06	125,000	Nov-05	Global	CA Management Succession
FY06	100,000	Jan-06	Global	CA Urban Environment Initiative
FY06	75,000	Jan-06	Global	Peer Review on Slum Estimations

## ACTIVITIES CLOSED OR CANCELLED DURING FY06

<i>Grant amount (US\$)</i>	<i>Completion date</i>	<i>Country</i>	<i>Activity</i>	
<b>SUB-SAHARAN AFRICA</b>				
249,000	Sep-04	Ethiopia	Addis Ababa CDS	
75,000	Jun-05	Ethiopia	Ethiopia Housing Sector Study	
74,750	Jun-05	Nigeria	Preparatory Assistance for Lagos Strategy Development	
750,000	Jun-06	South Africa	South Africa Cities Support and Learning Network	
<b>ASIA</b>				
900,000	Mar-05	China	City-Region Development Strategies	
98,065	Terminated Aug-05	India	Improving Access of the Poor to Basic Urban Services in the Ludhiana Municipal Corporation	
250,000	Jun-05	Indonesia	Yogyakarta (DIY): Regional Development and Poverty Reduction Plan through Strategic Urban–Rural Linkages and Regional Integration	
250,000	Dec-05	Mongolia	Development Strategy for Secondary Cities	
31,000	Sep-04	Philippines	Preparation of a Proposal on Strengthening Urban Shelter Programmes in the Philippines	
600,000	Aug-05	Regional	South Asia Regional Adviser	
<b>LATIN AMERICA AND THE CARIBBEAN</b>				
560,000	Jun-05	Brazil	Building an Enabling Strategy for Moving to Scale	
5,565,000	Mar-06	Brazil	Salvador, Bahia, Technical and Social Assistance Project	
498,400	Jun-06	Chile	Local Development Strategies for Housing Solutions to Overcome Poverty	
500,000	Cancelled	Panama	Public-Private Partnership for the Provision of Sanitation Services in La Cabima, Panama City	
250,000	Dec-04	Peru	Metropolitan Lima City Poverty Strategy	
213,500	Mar-05	Regional	Build capacities in Urban Knowledge Management	
<b>MIDDLE EAST AND NORTH AFRICA</b>				
200,000	Feb-06	Egypt	Alexandria	CDS for Sustainable Development
250,000	Jun-04	West Bank and Gaza		Establishment of an Integrated Strategic Planning Process for the Neighboring Towns of Ramallah, Al-Bireh and Beitunia
150,000	Jun-04	Yemen		Aden Medium- to Long-Term CDS for Local Economic Development
<b>GLOBAL AND MULTIREGIONAL ACTIVITIES</b>				
500,000	Jun-05	Global		Pro-Poor slum upgrading frameworks in India, the Philippines and South Africa
1,450,000	Jun-05	Global		Secretariat Budget FY05—Core Trust Fund
75,000	Jun-05	Global		Secretariat Budget FY0—Norway Non-core
225,000	Sep-05	Global		CDS Impacts Study
70,312	Jun-06	Multiregional		Support for Slum Upgrading Facility Pre-Implementation Plan