

Financials

Scaling up to Meet Financial Targets

The Cities Alliance met its initial three-year funding target of US\$40 million during FY02, with US\$42 million committed as of June 2002.

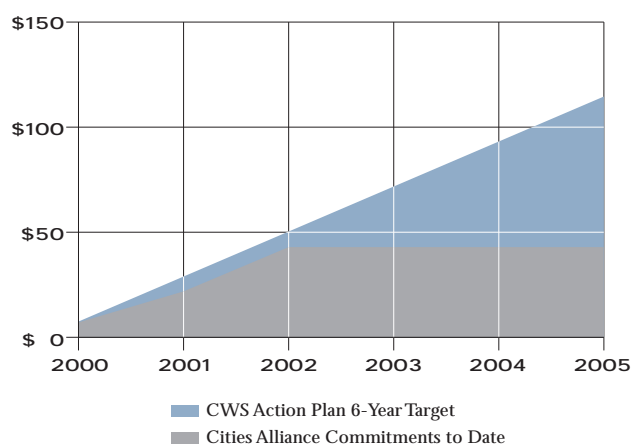
The Alliance is now mobilising for the goal of US\$115 million in grant support, which is targeted in the Cities Without Slums Action Plan for the 2000-2005 period. Meeting this goal will require bridging a financial gap of US\$25 million per year over the next three years.

To provide more options for Alliance members to expand and leverage their commitments towards the Action Plan goals, Alliance members are considering the establishment of more open and flexible mechanisms and facilities. The Community-Led Infrastructure Finance Facility (CLIFF) is the first of these facilities approved by the Consultative Group in FY02. Such facilities

are particularly needed in regions where the process of decentralisation – and thus the capacity of cities and civic groups to partner in the development process – is less advanced.

In response to this need, a Sub-Saharan Africa Facility has been proposed by Norway to support the efforts of partners in the region (national and local authorities, civil society) to design and implement programmes of action and to set local targets as part of the Cities Without Slums initiative. This facility would provide Alliance members with an efficient vehicle for earmarking assistance within the framework of the Alliance's existing strategic approach, work programming, governance, administration, and reporting protocols. Preliminary discussions are also underway on a facility to assist towns and cities in the Middle East and North Africa region to carry out CDS.

Progress in Meeting Cities Without Slums Grant Assistance Targets



2000-2005 Targets: US\$115 million in grant assistance

Cities Alliance Commitments to Date*: US\$42 million

* Includes Italy's US\$5.0 million non-core contribution to the Salvador, Bahia, Brazil slum upgrading initiative, and the U.K.'s US\$10 million non-core contribution for CLIFF

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SOURCES OF FUNDS FY00-FY02 (Unaudited) (U.S. dollars as of 30 June 2002)*

Summary	Pledges	Paid-In
Core Funding	18,400,000	9,872,053
Non-Core Funding	18,312,000	2,624,714
Secretariat Funding	5,295,000	4,172,152
Total Funding	42,007,000	16,668,919

Core Funding	Pledges	Duration	Paid In**
Asian Dev. Bank	250,000	2002	0
Canada	500,000	2000-2001	502,717
France	500,000	2000, 2002	243,184
Germany	1,000,000	2000-2003	373,233
Italy	950,000	2000-2002	713,207
Japan ***	1,750,000	2000-2002	1,500,000
The Netherlands	2,250,000	2000-2002	2,250,000
Norway	750,000	2000-2002	499,215
Sweden	1,250,000	2000-2004	468,063
United Kingdom	6,000,000	2000-2005	2,072,434
United States	750,000	2000-2002	500,000
World Bank	2,450,000	2002-2003	750,000
Total Core	18,400,000		9,872,053

Secretariat Funding****			
World Bank	2,950,000	2000-2002	2,950,000
UN-HABITAT	1,107,000	2000-2003	772,152
Other	1,238,000	2001-2005	450,000
Total	5,295,000		4,172,152

Non Core Funding*****			
Asian Dev. Bank	420,000	2002	0
Italy	5,475,000	2001-2003	1,424,714
Japan	1,250,000	2000-2002	500,000
United Kingdom	10,467,000	2001-2005	0
World Bank	700,000	2001	700,000
Total Non-Core	18,312,000		2,624,714

* Fiscal year covers the period July 1 to June 30.

** Amounts may vary from amount pledged due to exchange rate fluctuation.

*** Japan's FY00 included \$750,000 earmarked for Asian CDS activities, but this contribution is reflected here as part of Core Funding since the funds were programmed as part of the regular CoreWork Program development.

**** Secretariat funding includes in-kind funding for staff secondments from UN-HABITAT, Germany and U.K.

***** Non-Core funding is earmarked for specific region or type of activity. Italy earmarked \$5,000,000 for Salvador, Bahia, Brazil slum upgrading programme (including \$2,500,000 for technical assistance) and \$475,000 for Latin America and Caribbean activities; Japan for Asian CDS networking activities; DFID \$10,000,000 for CLIFF \$400,000 for China CDS, and \$67,000 for Kolkata PPF; and World Bank \$700,000 (FY01) for United Nations partnerships. The ADB's Non-Core funding will be administered by the ADB as a parallel contribution.

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USES OF FUNDS FY00-FY02 (Unaudited) (U.S. dollars as of 30 June 2002)

Summary	FY02		Cumulative	
	Allocations	Disbursements	Allocations	Disbursements
Core Activities	3,941,850	3,134,003	12,509,150	5,291,060
Non-Core Activities	10,967,000	617,995	17,142,000	1,747,247
Secretariat	1,543,000	1,656,562	4,210,000	4,155,562
Total Uses of Funds	16,451,850	5,408,560	33,861,150	11,193,869

Approvals by Type of Activity	FY02		Cumulative	
	Core Funds	Non-Core Funds	Core Funds	Non-Core Funds
City Development Strategies	1,701,785	900,000	3,921,585	1,600,000
Scaling up Upgrading	1,865,065	10,000,000	4,989,065	15,000,000
Both CDS & Upgrading	375,000	67,000	3,598,500	542,000
Total Approved Grants	3,941,850	10,967,000	12,509,150	17,142,000

Approvals by Region	FY02		Cumulative	
	Core Funds	Non-Core Funds	Core Funds	Non-Core Funds
Sub-Saharan Africa	1,364,640	0	2,786,640	0
Asia	1,135,065	900,000	4,163,065	1,150,000
E. Europe & C. Asia	0	0	399,800	0
Latin America & Caribbean	917,145	0	2,615,645	5,475,000
M. East & N. Africa	150,000	0	575,000	0
Global/ Multi-Regional	375,000	10,067,000	1,969,000	10,517,000
Total Approved Grants	3,941,850	10,967,000	12,509,150	17,142,000

Secretariat Expenditures	FY02	FY01	FY00	Cumulative
Operational:				
Secretariat Staff	625,295	527,215	196,000	1,348,510
Consultants, Other Labour	70,819	104,000	219,000	393,819
Travel	208,708	117,000	121,000	446,708
Other Costs	71,926	72,000	390,000	533,926
Sub-Total	976,748	820,215	926,000	2,722,963
Management & Administration:				
Secretariat Staff	533,784	428,785	297,000	1,259,569
Rent, Computing, Other Costs*	146,030	7,000	20,000	173,030
Sub-Total	679,814	435,785	317,000	1,432,599
Total Secretariat Costs	1,656,562	1,256,000	1,243,000	4,155,562

* FY01 and FY00 rent and computing costs were incorporated as part of staff payroll costs.

APPROVED PARTNERSHIP ALLOCATIONS

(U.S. dollars as of 30 June 2002)

	Allocation Amount (US\$)	Start Date	Country	Activity Title
SUB-SAHARAN AFRICA REGION				
FY02	380,640	finalising agreement	Burkina Faso	CDS and Local PRSPs for the Local Governments of Bobo-Dioulasso, Banfora and Ouahigouya
FY02	249,000	Jun-02	Ethiopia	Addis Ababa CDS
	0	cancelled	Kenya	Nairobi CDS and Upgrading of Informal Settlements
FY02	240,000	Jul-02	Kenya	Collaborative Nairobi Initiative on Slum Upgrading Policy Frameworks
	152,000	Sep-00	Madagascar	Slum Upgrading and Community Development in Four Major Cities: Antsirabe, Antsiranana, Mahajanga and Toamasina
	286,000	Jun-01	Madagascar	CDS for Antananarivo - Infrastructure Development, Urban Services Improvement and City Poverty Strategy
	75,000	completed Jun-01	Mauritania	Slum Upgrading and Urban Poverty Alleviation
FY02	495,000	Jul-02	Mozambique	Slum Upgrading and Vulnerability Reduction in Flood Prone Cities/Towns in Mozambique
	254,000	Nov-00	Nigeria	Scaling up Upgrading through a CDS Approach in Karu
	100,000	completed Oct-01	Regional	Regional Roundtable on Upgrading Low Income Settlements in Africa
	165,000	completed May-02	Rwanda	Kigali Economic Development Strategy
	350,000	completed Mar-02	South Africa	Johannesburg City Level Comprehensive Development Framework
	40,000	completed Mar-02	South Africa	Preparation of Southern Africa Cities Alliance

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	Allocation Amount (US\$)	Start Date	Country	Activity Title
ASIA REGION				
FY02	500,000	Sep-01	Asia regional	City Networking and Investment Marketplace Development Initiative in Asia
	150,000	completed Dec-00	Asia regional	Asian CDS Workshop 2000
	0	cancelled Jan-02	Bangladesh	Khulna: Options for Sustainable Upgrading
	185,000	Mar-01	Cambodia	Scaling up Community-Driven Development Process in Phnom Penh
	500,000	Oct-00	China	Metropolitan Level CDS in One Major City-Region and One Provincial Capital
	250,000	Jun-01	China	Changsha City-Region, Guiyang and Shengyan City Development Strategies: Urban Indicators Project
FY02	900,000	Dec-01	China	City-Regional Development Strategies in China
	226,000	Jun-01	India	Local Partnership for Poverty-focused CDS in Hyderabad
	67,000	May-01	India	Preparation of Gujarat State Urban Slum Policy
FY02	150,000	Mar-02	India	Citywide Scaling Up of Slum Upgrading (Ahmedabad)
FY02	387,000	finalising agreement	India	Creating Community Federations for Urban Partnerships (Orissa)
FY02	98,065	finalising agreement	India	Improving Access of Poor to Basic Urban Services in the Ludhiana Municipal Corporation
	30,000	completed Mar-01	Indonesia	Proposal Preparation: Poverty-focused CDSs
	600,000	Mar-01	Indonesia	Institutionalizing Poverty-focused CDSs
	160,000	completed Aug-01	Nepal	Katmandu CDS and Informal Settlement Study
	30,000	completed Apr-01	Pakistan	Proposal Preparation: Peshawar CDS & City Assistance Program
	150,000	Apr-01	Pakistan	CDS and Cities Without Slums Initiative for Peshawar
	30,000	completed May-01	Philippines	Proposal Preparation: Expansion of the CDS Program
	600,000	May-01	Philippines	Upscaling Poverty-Focused CDSs
	300,000	Apr-01	Vietnam	Enhancing Access of the Urban Poor and Vulnerable Groups to Basic Infrastructure and Housing

	Allocation Amount (US\$)	Start Date	Country	Activity Title
EASTERN EUROPE & CENTRAL ASIA REGION				
	75,000	Jun-01	Bosnia-Herzegovina	Preparation of Mostar's Local Economic Development- Capacity Building and Business Improvement Program
	75,000	completed Jun-01	Bulgaria	Sofia CDS - Phase I
	249,800	Jun-01	Bulgaria	Sofia CDS - Phase II
LATIN AMERICA & CARIBBEAN REGION				
FY02	195,000	finalising agreement	Bolivia	Slum Improvement and Disaster Management Mitigation in the City of La Paz
	180,000	Jan-01	Brazil	Recife Metropolitan Region Development Strategy
	560,000	Apr-01	Brazil	Building an Enabling Strategy for Moving to Scale in Brazil
	5,000,000	Jun-01	Brazil	Salvador, Bahia, Technical and Social Assistance Project
FY02	300,000	Jun-02	Brazil	"Bairro Legal" Program (São Paulo)
FY02	165,700	Feb-02	Brazil	Anti-Poverty and Anti-Exclusion Socio-Economic Action Plan: City Networks for Development & Social Inclusion (Rio Grande do Sul)
	96,000	completed Jul-01	Central America	Urban Review
	84,000	Sep-00	Central America	Regional Coordination towards a Sustained Programme for Upgrading
	320,000	Mar-01	El Salvador	Improving Execution Capacity for Urban Upgrading Program in Metropolitan Area of San Salvador
FY02	256,445	finalising agreement	Jamaica	The Kingston and St. Andrew Sustainable Development Plan
	475,000	Apr-01	LAC Region	Moving to Scale in Latin America and the Caribbean
	213,500	Jun-01	Latin America	Build LAC Capacities in Urban Knowledge Management
	245,000	Jun-01	Mexico	Scaling up Upgrading and Managing Informal Urban Growth in the Metropolitan Mexico City Area

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	Allocation Amount (US\$)	Start Date	Country	Activity Title
MIDDLE EAST & NORTH AFRICA REGION				
	130,000	Sep-00	Egypt	Upgrading Informal Areas in Ismailia Governorate
	295,000	Aug-01	Morocco	Upgrading Project for the Koraat Sbaa Neighborhood in Tetouan
FY02	150,000	Feb-02	Yemen	Aden Medium to Long-Term CDS for Local Economic Development
GLOBAL & MULTI-REGIONAL ACTIVITIES				
	500,000	Sep-01	Global	Pro-Poor Slum Upgrading Frameworks in India, the Philippines and South Africa
	210,000	Jun-01	Global	Housing Finance for the Poor — Innovations and Good Practices from the Field
	450,000	May-01	Global	Consolidation of the Experience from Seven City Development Strategies of the UMP
FY02	10,000,000	finalising agreement	Global	The Development of the Community-Led Infrastructure Finance Facility (CLIFF)
FY02	195,000	Nov-01	Global	Cities Alliance Independent Evaluation
	50,000	Mar-00	Global	Urban Indicators Linkages
	150,000	Mar-00	Global	Preparatory Assistance Fund
	99,000	Mar-00	Global	Knowledge Dissemination (website, publications)
	50,000	completed Jul-00	Global	Public Policy Forum - June 2000
	60,000	completed Jun-01	Global	Urban Upgrading: A Resource Framework
	75,000	Jun-01	Global	CDS Action Plan
	212,000	Jun-00	Global	CG/PPF Meetings
	70,000	May-01	Global	Policy Advisory Board Meetings
	20,000	Jun-00	Global	Building Political Commitment
	5,000	Sep-00	Global	Millennium Summit Product/Activity
	20,000	Jun-00	Global	Short Note Series
	20,000	Jun-00	Global	Technical Peer Reviews
	300,000	Mar-01	Regional	Regional Action Plans
29,651,150				TOTAL APPROVED ALLOCATIONS

Acronyms

ADB	Asian Development Bank	HIPC	Heavily Indebted Poor Countries
AfD	Agence française de développement [French Development Agency]	IFC	International Finance Corporation
CBO	community-based organisation	KfW	Kreditanstalt für Wiederaufbau [German Development Bank]
CDS	city development strategies	MFI	micro-finance institutions
CGAP	Consultative Group to Assist the Poorest	NGO	non-governmental organisation
CLIFF	Community-Led Infrastructure Finance Facility	PRSP	Poverty Reduction Strategy Paper
DFID	Department for International Development [UK]	SEWA	Self-Employed Women's Association
EU	European Union	UMP	Urban Management Programme
FAO	Food and Agriculture Organization of the United Nations	UN	United Nations
GIS	geographic information system	UN-HABITAT	United Nations Human Settlements Programme
GTZ	Gesellschaft für Technische Zusammenarbeit [German Agency for Technical Co-operation]	UNDP	United Nations Development Programme
		USAID	U.S. Agency for International Development

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Contributors

Andrea Merrick: Editor

Randy Cook: Designer

Cities Alliance
Cities Without Slums

1818 H Street, NW

Washington, DC 20433 USA

Tel: (202) 473-9233

Fax: (202) 522-3224

info@citiesalliance.org

www.citiesalliance.org