

Cities Alliance

Cities Without Slums

Consultative Group Meeting
Maputo, Mozambique
8 November 2011

Handout No. 7: Cities Alliance Business Matters
Support Document: Financial and Budget Report, FY11-FY12

Background:

Financial reporting for the financial year ended June 30, 2011 (FY11) is presented in summarized form, including sources and uses of funds, listings of approved funding allocations, and actual versus budgeted costs for the CA Secretariat.

Also presented is the FY12 overall CA program budget as well as the FY12 Secretariat budget, which were reviewed and approved by EXCO at its July 2011 meeting in Accra.

This is the first time the CA has operated under an overall Program Budget, a change that was introduced as part of the new annual business planning process and other reforms that resulted from the Mexico City meeting of the Consultative Group.

The new Charter adopted in Mexico City gave EXCO the responsibility to approve CA budgets, and the CG the responsibility to ratify the budgets.

Recommended Action:

Ratify the FY12 Program and Secretariat budgets.

Cities Alliance Financial and Budget Report
FY11-FY12

As of October 7, 2011

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FINANCIAL SUMMARY

(In US\$ millions)

As of June 30, 2011

	FY06	FY07	FY08	FY09	FY10	FY11	FY11- FY10 % Change
Contributions Paid In:							
Core	6.689	7.782	10.158	7.001	7.101	7.075	-0.4%
Facilities*	4.371	4.565	1.355	16.844	2.000	0.000	0%
Other Non-Core	2.605	3.244	4.404	0.788	1.955	1.274	-33%
Total Paid In	13.665	15.591	15.917	24.633	11.056	8.348	-24%
Disbursements:							
Core	6.474	8.264	7.145	7.451	8.503	8.023	-6%
Facilities*	3.562	1.559	3.583	3.417	3.266	0.929	-72%
Other Non-Core	2.035	2.888	4.250	0.870	2.954	1.921	-35%
Total Disbursements	12.071	12.711	14.978	11.738	14.723	10.873	-26%
Approved Funding Allocations:							
Core	11.811	4.641	7.662	8.983	10.746	8.604	-20%
Facilities*	8.538	4.392	0.392	1.515	3.274	2.047	-37%
Other Non-Core	8.709	0.626	1.578	0.475	2.000	1.681	-16%
Total Allocations	29.058	9.659	9.633	10.973	16.020	12.332	-23%

* *Facilities include: Africa Facility; Land Services & Citizenship (Gates); and closed facilities: CLIFF; Slum Upgrading Facility ; and Community W&S Facility (closed).*

Excludes In-kind contributions for staff secondments to Secretariat.

FY11 FINANCIAL SUMMARY

The fiscal year ended June 30, 2011 continued a period of transition for Cities Alliance finances. The final funding proposals from the old grant facility were processed, with \$3.6m in Core funds approved for 13 projects. That old facility had closed in March 2010, and the new Catalytic Fund was launched in January 2011. Approvals for the first cohort of Catalytic Fund projects, estimated at \$1.6m, will be made during first half of FY12. Programmatic budgeting and business planning processes were also introduced during the year as part of the changes in Cities Alliance business model adopted by the Cities 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 finances. The evolving World Bank internal control environment for administering global programs like the Cities Alliance has led to increased transaction and grant overhead costs. The Cities Alliance's Executive Committee 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 FY12.

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

Over \$12.3m of funding allocations were approved during the year. Most of the approved funding, \$8.2m, went to country/regional projects. The remainder was used to fund global knowledge and communication activities and the costs of the Cities Alliance secretariat. Nearly 45% of the country and regional approvals were for Sub-Saharan Africa, reflecting an increased prioritization on the region agreed by the Cities Alliance membership at its 2010 annual meeting held in Mexico City.

UNAUDITED

CITIES ALLIANCE
Sources & Uses of Funds -
SUMMARY
as of 30 June 2011

CORE FUND		NON-CORE FUNDS		
<u>Cumulative</u>	<u>FY11</u>	<u>FY11</u>	<u>Cumulative</u>	
\$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
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80,875,548	7,230,985	Total Sources of Funds	1,892,734	84,623,867
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(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
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(65,641,543)	(8,087,481)	Total Uses of Funds	(3,271,860)	(64,478,631)
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15,234,005		Fund Balance S		20,145,236
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(11,491,250)		Less: Undisbursed Allocations		(9,027,131)
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\$3,742,755		Funds Available for Allocation		\$11,118,105

FY11 Sources & Uses of Funds -- Combined Sources

FY11 Totals, as of 30 June 2011

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<u>COMBINED CORE & NON-CORE FUNDS</u>	<u>FY11 Actuals</u>	<u>FY 11 Actuals by Funding Source</u>		
		<u>Core</u>	<u>Gates (LSC)</u>	<u>Other*</u>
FUNDS AVAILABLE FOR ALLOCATION - Estimated				
Balance Forward from FY10 - Unallocated Funds	17,849,811	4,625,166	11,033,237	2,191,408
Contributions Received	7,074,623	7,074,623	0	0
Investment Income	255,560	156,272	99,288	0
Allocation Cancellations, Reflows & Adjustments **	2,168,758	555,778	0	1,612,980
Less WB TF Admin Fees Paid	(64,595)	(64,595)	0	0
FUNDS AVAILABLE FOR ALLOCATION	<u>27,284,157</u>	<u>12,347,244</u>	<u>11,132,525</u>	<u>3,804,388</u>
ALLOCATION OF FUNDS				
Partnership Operations (incl Secretariat Costs)	3,459,152	3,260,000	0	199,152
Global Program Operations:				
Grant Facility (old) - Country/Regional Activities	5,076,147	3,594,427	0	1,481,720
Catalytic Fund (new)	125,000	125,000	0	0
Knowledge & Learning Work Programme	323,500	323,500	0	0
Communications & Advocacy Work Programme	250,000	250,000	0	0
Monitoring & Evaluation Work Programme	125,000	125,000	0	0
Country / Regional Partnership Programming:				
Land, Services & Citizenship Programme	1,272,855	145,855	1,127,000	0
Country Partnership Programmes (Brazil, Phil, & India)	574,500	574,500	0	0
Other Country/ Regional Programming & Support	1,126,207	206,207	0	920,000
BUDGETED ALLOCATION OF FUNDS	<u>12,332,361</u>	<u>8,604,489</u>	<u>1,127,000</u>	<u>2,600,872</u>
ENDING BALANCE - UNALLOCATED FUNDS	<u>14,951,796</u>	<u>3,742,755</u>	<u>10,005,525</u>	<u>1,203,516</u>

* Other funding sources include Africa Facility and non-core funding from Japan and Netherlands.

* Cancellations include allocations for Abomey, Benin CDS (\$250,000) and partial cancellation for Doualla, Cameroon CDS \$285,000).

FY11 Sources & Uses of Funds -- Core Fund

FY11 Totals, as of 30 June 2011

UNAUDITED

Notes	<u>CORE FUNDS</u>	<u>CORE FUNDS</u>		Variance
		FY11 Budget	FY11 Actuals	
FUNDS AVAILABLE FOR ALLOCATION				
	Balance Forward from FY10 - Unallocated Funds	4,625,166	4,625,166	0
1	Contributions Expected	10,000,000	7,074,623	(2,925,377)
2	Investment Income Received	330,000	156,272	(173,728)
3	Allocation Cancellations, Reflows & Adjustments	0	555,778	555,778
	Less WB TF Admin Fees Paid	(111,750)	(64,595)	47,155
	FUNDS AVAILABLE FOR ALLOCATION	14,843,416	12,347,244	(2,496,172)
ALLOCATION OF FUNDS				
	Partnership Operations (incl Secretariat Costs)	3,200,000	3,260,000	(60,000)
	Global Program Operations:			
4	Grant Facility (old) - Country/Regional Activities	4,281,500	3,594,427	687,073
5	Catalytic Fund (new)	2,400,000	125,000	2,275,000
6	Knowledge & Learning Work Programme	500,000	323,500	176,500
7	Communications & Advocacy Work Programme	1,500,000	250,000	1,250,000
8	Monitoring & Evaluation Work Programme	250,000	125,000	125,000
	Country / Regional Partnership Programming:			
9	Land, Services & Citizenship Programme	600,000	145,855	454,145
10	Country Partnership Programmes (Brazil, Phil, & India)	1,100,000	574,500	525,500
11	Other Country/ Regional Programming & Support	600,000	206,207	393,793
	BUDGETED ALLOCATION OF FUNDS	14,431,500	8,604,489	5,827,011
	ENDING BALANCE - UNALLOCATED FUNDS	411,916	3,742,755	3,330,839

See Notes on following pages.

FY11 Sources & Uses of Funds -- Non-Core Funds

FY11 Totals, as of 30 June 2011

UNAUDITED

Notes	NON-CORE FUNDS	Gates (LSC) Funding		Other Non-core*	
		FY11 Budget	FY11 LSC Actuals	FY11 Budget	FY11 Actuals
	FUNDS AVAILABLE FOR ALLOCATION				
	Balance Forward from FY10 - Unallocated Funds	11,033,237	11,033,237	2,191,498	2,191,408
	Contributions Expected	0	0	0	0
	Investment Income Received	150,000	99,288	0	0
	Allocation Cancellations, Reflows & Adjustments	0	0	0	1,612,980
	Less WB TF Admin Fees Paid	0	0	0	0
	FUNDS AVAILABLE FOR ALLOCATION	11,183,237	11,132,525	2,191,498	3,804,388
	ALLOCATION OF FUNDS				
	Partnership Operations (incl Secretariat Costs)	0	0	0	199,152
	Global Program Operations:				
	Grant Facility (old) - Country/Regional Activities	0	0	0	1,481,720
	Catalytic Fund (new)	0	0	0	0
	Knowledge & Learning Work Programme	0	0	0	0
	Communications & Advocacy Work Programme	0	0	0	0
	Monitoring & Evaluation Work Programme	0	0	0	0
	Country / Regional Partnership Programming:				
12	Land, Services & Citizenship Programme	8,000,000	1,127,000	0	0
	Country Partnership Programmes (Brazil, Phil, & India)	0	0	0	0
13	Other Country/ Regional Programming & Support	0	0	1,000,000	920,000
	BUDGETED ALLOCATION OF FUNDS	8,000,000	1,127,000	1,000,000	2,600,872
	ENDING BALANCE - UNALLOCATED FUNDS	3,183,237	10,005,525	1,191,498	1,203,516

* Other Non-core funding sources include Africa Facility and non-core funding from Japan and Netherlands.

See Notes on following pages.

NOTES to FY11 Sources & Uses of Funds reporting

CORE FUNDS

1. The FY11 Contributions budget had included a \$3m increase from FY10 levels. Norway increased its contribution by approximately \$0.5m, but other funding remained similar to FY10 level.
2. Investment income was lower than budgeted due to low interest rates and a more conservative investment approach by the Bank on its trust fund portfolio assets.
3. Projects approved in prior years were cancelled or closed during FY11, freeing up funds for reallocation, including Abomey (Benin) CDS and Douala (Cameroon) CDS.
4. Closing of the old grant facility resulted in \$687,073 less allocations than budgeted, due to dropping of the Fiji CDS/SU project (\$350,500) and Medellin urban program (Colombia) (\$75,000), and various adjustments to other proposals (\$261,532).
5. Catalytic Fund was launched during the second half of FY11, with \$2,000,000 budget for regular Cat Fund and \$400,000 for small grants fund (Kitty Fund). Seven concept notes totaling \$1,624,300 were invited to be submitted as full proposals during the year, but approvals for the final proposal will not be made until FY12. Two small grant projects totaling \$125,000 were approved from Kitty Fund. .
6. The focus of knowledge and learning work programme during FY11 was implementation/supervision of previously funded knowledge projects, as well as consolidation of lessons and outputs from the CA's grant-funded country portfolio. Only two-thirds of FY11 knowledge and learning budget was utilized during FY11.
7. Most of the communications and advocacy budget went unutilized because of lack of consensus around plans for advocacy in Europe, and pending contribution increases to fund the plans (see Note 1).
8. The terms of reference for the 2011 Independent Evaluation were scaled back to reduce cost to about half of the cost of 2006 evaluation, based on guidance from the CA Consultative Group at the Mexico City meeting, and considering the funding provided in the previous year for an Evaluation of Project Implementation Modalities.
9. Proposals for CDS and SU projects in Uganda secondary cities, to be programmed in conjunction with the LSC program in Uganda, were deferred to FY12 because of timing of local elections.
10. New allocations in support of country partnership programmes with Brazil, India and Philippines were less than budgeted because of the cancellation of a project in India (city development plans for satellite towns of mega-cities), resulting from a

process to realign the work programmes to be consistent with the new business model.

11. Joint work programmes with members were still in development at end of FY11, with only three small grants approved during FY11 from Core funds – with UCLG, UN-H, and SDI.

NON-CORE FUNDS

12. LSC country program project approvals for Ghana will be made during first half of FY12 instead of during FY11 as was budgeted. Approval for the Burkina Faso country program was made in mid-FY11, with project grant approvals expected in FY12. A country program for Mozambique was approved early in FY12.
13. A significant joint work programme with WB's Africa region was developed and approved during the year from Africa Facility funds.

Approved Funding Allocations – Detailed FY11

FY11 Totals, as of 30 June 2011

Country	Activity Title	Allocation Amount (USD)	Core	Gates Found.	Africa Facility	Other Non-Core
Partnership Operations		3,459,152	3,260,000	0	0	199,152
Management, finance and administrative operations		1,700,000	1,700,000	0	0	0
	Secretariat - Management, finance communication and administrative operations	1,700,000	1,700,000	0	0	0
Technical, knowledge, communications and M&E operations		1,589,152	1,390,000	0	0	199,152
	Secretariat - Technical, knowledge, and M&E operations	1,330,000	1,330,000	0	0	0
	Regional Advisors, East & Southern Africa - increase (Sweden Non-Core)	199,152	0	0	0	199,152
	Regional Advisor, South Asia	60,000	60,000	0	0	0
Governance and Administration		170,000	170,000	0	0	0
	Consultative Group/ EXCO Meetings	170,000	170,000	0	0	0
Global Programme Operations						
Country/Regional Project Allocations (old Grant Facility)		5,076,147	3,594,427	0	0	1,481,720
Projects supporting the implementation of policies and strategies		1,730,720	249,000	0	0	1,481,720
Brazil	Bahia Integrated Urban Development Program (Italy-Non-Core)	1,481,720	0	0	0	1,481,720
Malawi	Grant for Lilongwe City Development Strategy (Phase 3)	249,000	249,000	0	0	0
Projects supporting the elaboration of policies and strategies		1,334,577	1,334,577	0	0	0
Central African Republic	Towards Sustainable Urban Management: Improving Bangui City Performance Through Capacity Building and Planning Tools Development	301,750	301,750	0	0	0
Colombia	Colombia National Low-income Megaprojects: Developing a Policy and Program Framework	215,000	215,000	0	0	0
Cote d'Ivoire	Cote d'Ivoire Restructuring of Slums in the 13 Municipalities of the District of Abidjan	284,927	284,927	0	0	0
Malawi	Malawi City Development Strategy and Slum Upgrading Programme (CDS/SUP) Framework Phase I	175,000	175,000	0	0	0

Approved Funding Allocations – Detailed FY11

FY11 Totals, as of 30 June 2011

Country	Activity Title	Allocation Amount (USD)	Core	Gates Found.	Africa Facility	Other Non-Core
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	357,900	0	0	0
Projects providing country specific data and knowledge		1,074,250	1,074,250	0	0	0
Ethiopia	Strengthen the Institutionalization and Support the Operation of the Ethiopian Cities Network	74,000	74,000	0	0	0
India	India State of the Cities Report	350,250	350,250	0	0	0
Kenya	Kenya Baseline State of the City Surve	400,000	400,000	0	0	0
Tanzania	Tanzania State of the Cities Report	250,000	250,000	0	0	0
Pacific Island Proposals		936,600	936,600	0	0	0
Papua New Guinea	Papua New Guinea Settlement Upgrading Programme	350,000	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	349,600			
Samoa	Samoa City Development Strategy Programme	237,000	237,000			
Catalytic Fund (New grant facility)		125,000	125,000	0	0	0
Kitty Fund		125,000	125,000	0	0	0
Bangladesh	Bangladesh's Urban Transformation: Exploring the Demographic and Economic Dimensions	75,000	75,000	0	0	0
Ukraine	Supporting Kiev for City Vision and Long-Term Development Strategy	50,000	50,000			
Catalytic fund		0	0	0	0	0
Global knowledge and advocacy activities		698,500	698,500	0	0	0
Theme: Slum Upgrading		75,000	75,000	0	0	0
Global	Making the Case for Incremental Housing (increase to FY09 allocation)	75,000	75,000	0	0	0

Approved Funding Allocations – Detailed FY11

FY11 Totals, as of 30 June 2011

Country	Activity Title	Allocation Amount (USD)	Core	Gates Found.	Africa Facility	Other Non-Core
Theme: Strategic City Development		100,000	100,000	0	0	0
Global	Global City Indicators Facility	100,000	100,000			
Theme: Environment/ Climate Change/ Disaster Risk Reduction		0	0	0	0	0
Theme: Finance		48,500	48,500	0	0	0
Global	Capital Investment Planning and Financing	48,500	48,500	0	0	0
Other Learning & Knowledge Sharing		100,000	100,000	0	0	0
Global	General Learning & Knowledge Sharing (FY11 increase)	100,000	100,000	0	0	0
Theme: Communications & Advocacy		250,000	250,000	0	0	0
Ghana	Ghana Cities Awareness and Advocacy Framework	200,000	200,000	0	0	0
Global	General Communications & Advocacy (FY11 increase)	50,000	50,000	0	0	0
Theme: Monitoring & Evaluation		125,000	125,000	0	0	0
Global	Cities Alliance Independent Evaluation 2011	125,000	125,000	0	0	0
Country / Regional Programming Allocations		2,973,562	926,562	1,127,000	920,000	0
Land, Services & Citizenship Programme		1,272,855	145,855	1,127,000	0	0
Ghana	Improving and Expanding Sanitation in Greater Accra Workshop	52,000		52,000		
Mozambique	Support for upgrading the Chamanculo C Neighbourhood in accordance with the Global Strategy for Urbanizing and Reordering Informal Settlements in the Maputo Municipality	575,000		575,000		
Uganda	Addressing the Land Information Requirements of the Urban Poor - Phase I: Piloting of the Social Tenure Domain Model (STDM)	75,000	75,000			

Approved Funding Allocations – Detailed FY11

FY11 Totals, as of 30 June 2011

Country	Activity Title	Allocation Amount (USD)	Core	Gates Found.	Africa Facility	Other Non-Core
Vietnam	Consolidating management and implementation of Community Development Fund (CDF) through the Association of Cities of Vietnam (ACVN)	70,855	70,855			
Vietnam	Strengthening of the Vietnam Urban Forum (VUF) and Operationalizing the National Urban Upgrading Program (NUUP)	500,000		500,000		
Country Partnership Programmes		574,500	574,500	0	0	0
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	74,500			
Philippines	Developing a National Slum Upgrading Strategy for the Philippines	500,000	500,000			
Other Country / Regional Programming & Support		1,126,207	206,207	0	920,000	0
Africa Regional	Supporting Africa's Urban Transition (JWP with WB)	920,000			920,000	
Africa Regional	Know Your City - A City of 2030 Without Slums	74,825	74,825			
Africa Regional	State of African Cities 2012: Urban Vulnerabilities, Adaptation and Resilience	75,000	75,000			
Africa Regional	UCLG Supervision of Lilongwe and Namibia CDS projects	56,382	56,382			
TOTAL ALLOCATIONS		12,332,361	8,604,489	1,127,000	920,000	1,680,872

CITIES ALLIANCE SECRETARIAT
FY11 BUDGET REPORT - Core Funds
Actual Costs as of June 30, 2011
(US\$)

See Notes	CORE FUNDS	FY11 Original Budget Plan	FY11 Actuals	Utilization rate (%)
	SOURCES OF FUNDS - Secretariat Budget			
	Core Funds - Approval Requested for FY11	3,300,000	3,200,000	
#1	Core Funds, carry-forward (estimated)	102,000	203,387	
	Staff secondments and JPO programs	0		
	On-going Regional Staff allocations	0		
	On-going Norway MTS Support	0		
	Funding from other Non-Core sources	0		
	WB/misc. funding	15,000		
	Travel Rebate	0		
	Total Sources of Funds - Secretariat	3,417,000	3,403,387	
	USES OF FUNDS - by Secretariat Funding Source*			
	Staff costs (salary + benefits) - HQ	2,297,761	1,757,126	76%
	Staff costs (salary + benefits) - Field	104,500	23,337	133%
#2	Total Staff Costs	2,402,261	1,780,463	79%
#3	Travel	315,000	124,745	42%
#4	Short-term consultants / other labor costs	110,000	114,329	110%
#5	Contract. Services (e.g. publishing costs, food services)	62,000	12,338	20%
#6	Overhead Costs	327,500	293,194	90%
	<i>Meeting & Events:</i>		0	
	- CG/PPF/EXCO Meetings	170,000	154,828	91%
	- WUF/ Africities / Urban Forum / Others	30,000	0	0%
	Total Meetings & Events:	200,000	154,828	77%
	Total Uses of Funds - Secretariat	3,416,761	2,479,899	73%
#7	Ending Balance - Secretariat (to FY12)	239	923,489	

Note 1. The Secretariat had finished FY10 with savings of \$203.4K vs. originally planned \$102K, or surplus of 99%

Note 2. Actual staff costs totaled 79% of the planned amount due to slow filling of vacant staff slots

Note 3. Travel expenses totaled 42% of estimated FY11 budget due to lower staffing set up and fewer number of trips
FY12 budget plan will include higher volume of operational travel though

Note 4. The new CA business model as well as the WB recently introduced requirements for the grant processing increased the demand in highly-qualified professionals (Clare Short, Martha Jarosewich-Holder). The interim consulting arrangements for the CA secretariat staff (mostly GPO and Communications teams) during their conversion to term staff added to the increase of STC original balance. Actual costs exceeded original budget by 4%

Note 5. Contractual services (designing of the CA materials, printing, copying, shipping, freight, other communications and publishing costs) totaled 20% of originally planned budget due to fewer number of printing materials produced in FY11

Note 6. There is 10% saving on Overhead expenses (office rent, IT and communications, representation and hospitality, supplies and miscellaneous) primarily due to reduced secretariat office space and subsequently lower rent payments

Note 7. The Balance of FY11 Core Allocation for Secretariat Costs - to be carried over to FY12 budget

CITIES ALLIANCE SECRETARIAT
FY11 BUDGET REPORT - In-Kind and Other Funding Sources

As of June 30, 2011

(US\$)

See Notes	<u>NON-CORE FUNDS</u>	FY11 Original Budget Plan	Actuals	Over (-)/Under (+) Plan
	SOURCES OF FUNDS - Secretariat Budget			
	Core Funds - Approval Requested for FY11	0	0	
	Core Funds, carry-forward (estimated)	0	0	
#1	Staff secondments and JPO programs	654,000	517,000	79%
#2	On-going Regional Staff allocations	358,300	219,521	61%
	On-going Norway MTS Support	149,500	126,546	85%
#3	Funding from other Non-Core sources	580,289	395,833	68%
	WB/misc. funding	0	0	
	Travel Rebate	0	0	
	Total Sources of Funds - Secretariat	1,742,089	1,258,900	72%
	USES OF FUNDS - by Secretariat Funding Source*			
	Staff costs (salary + benefits) - HQ	289,789	301,148	104%
	Staff secondments and JPO programs	654,000	517,000	79%
#4	Staff costs (salary + benefits) - Field	358,300	219,521	61%
	Total Staff Costs	1,302,089	1,037,669	80%
#5	Travel	245,000	60,943	25%
#6	Short-term consultants / other labor costs	15,000	42,486	283%
#7	Contractual Services (e.g., printing, graphics)	61,500	4,744	8%
#8	Overhead Costs	118,500	113,058	95%
	Meeting & Events:			
	- CG/PPF/EXCO Meetings	0	0	0%
	- WUF/ Africities / Urban Forum / Others	0	0	0
	Total Uses of Funds - Secretariat	1,742,089	1,258,900	72%

Note 1. Staff secondments from UN-Habitat, German cooperation, France (AFD), and from Italian JPO programme of the World Bank. The UN-H secondment remained un-filled for the year.

Note 2. On-going regional Allocations for the CA regional staff, funded by Italy, SIDA and the Africa Facility. Savings are due to (1) terminated ETC position of the Regional Advisor in Ethiopia and (2) the reference of the Sao Paulo's Program Assistant/CA Transaction Specialist costs to the Core TF.

Note 3. This primarily includes Secretariat staff costs covered by the Land, Services & Citizenship program (LCS). Actual costs totaled 68% of the original budget due to staffing shortage in the team and lower volume of LCS related operational trips

Note 4. Actual staff costs are 20% lower vs. planned due to non-replacement of terminated ETC posts in Brazil and Ethiopia

Note 5. Travel expenses totaled 25% of the originally planned allocation due to lower staffing, fewer number of trips and aggressive travel costs control measures. FY12 budget plan will include higher volume of operational travel though

Note 6. Short-term consulting appointment of the RA in Ethiopia increased originally planned budget by 183%

Note 7. Demand in contractual services significantly decreased in FY11 what resulted in 92% saving

Note 8. 5% saving is expected under overhead expenses (office rent, IT and communications, representation and hospitality, supplies and miscellaneous) category due to reduced representation and occupancy costs in local offices.

Sources & Uses of Funds -- FY 12 Program Budget

Approved by EXCO at July 2011 meeting in Accra

<u>COMBINED CORE & NON-CORE FUNDS</u>	<u>FY12 TOTAL</u>	<u>FY 12 Budget by Funding Source</u>		
		Core	Gates (LSC)	Other*
FUNDS AVAILABLE FOR ALLOCATION - Estimated				
Balance Forward from FY10 - Unallocated Funds	14,951,796	3,742,755	10,005,525	1,203,516
Contributions Expected	8,000,000	8,000,000	0	0
Investment Income	255,000	150,000	105,000	0
Allocation Cancellations, Reflows & Adjustments	0	0	0	0
Less WB TF Admin Fees Paid	(88,500)	(88,500)	0	0
FUNDS AVAILABLE FOR ALLOCATION	23,118,296	11,804,255	10,110,525	1,203,516
ALLOCATION OF FUNDS				
Partnership Operations (incl Secretariat Costs)	2,750,000	2,750,000	0	0
Global Program Operations:				
Grant Facility (old) - Country/Regional Activities	350,500	350,500	0	0
Catalytic Fund (new)	2,200,000	2,200,000	0	0
Knowledge & Learning Work Programme	500,000	500,000	0	0
Communications & Advocacy Work Programme	300,000	300,000	0	0
Monitoring & Evaluation Work Programme	100,000	100,000	0	0
Country / Regional Partnership Programming:				
Land, Services & Citizenship Programme	6,500,000	500,000	6,000,000	0
Country Work Programmes (Brazil, Phil, & India)	500,000	500,000	0	0
Other Country/ Regional Programming:	0			
> Sub-Saharan Africa Regional action plans	1,250,000	500,000		750,000
> Other regional action plans	500,000	500,000		
BUDGETED ALLOCATION OF FUNDS	14,950,500	8,200,500	6,000,000	750,000
ENDING BALANCE - UNALLOCATED FUNDS	8,167,796	3,603,755	4,110,525	453,516

* Other funding sources include Africa Facility and non-core funding from Japan and Netherlands.

CITIES ALLIANCE SECRETARIAT
 FY12 BUDGET
 (US\$)

Approved by EXCO at July 2011 meeting in Accra

See Notes		Core	Non-Core	In-Kind	TOTAL
	SOURCES OF FUNDS - Secretariat Budget				
	Core Funds - Approval Requested for FY12	2,750,000	0	0	2,750,000
	Core Funds, FY11 balance carry forward	923,489	0	0	923,489
#1	Staff secondments and JPO programs	0	0	546,113	546,113
#2	On-going Regional Staff allocations	0	157,661	0	157,661
#3	Funding from other Non-Core sources	0	578,555	0	578,555
	WB/misc. funding	0	0	0	0
	Total Sources of Funds - Secretariat	3,673,489	736,216	546,113	4,955,818
	USES OF FUNDS - by Secretariat Funding Source*				
#4	Staff costs (salary + benefits) - HQ	2,241,471	135,510	546,113	2,923,094
#4	Staff costs (salary + benefits) - Field	247,849	157,661	0	405,510
	Total Staff Costs:	2,489,320	293,171	546,113	3,328,604
#5	Travel	306,220	200,000	0	506,220
#6	Short-term consultants / other labor costs	217,000	99,045	0	316,045
#7	Contractual Services (e.g., printing, graphics)	62,000	41,500	0	103,500
#8	Overhead Costs	383,949	102,500	0	486,449
#9	Meeting & Events:				
	- CG/PPF/EXCO Meetings	185,000	0	0	185,000
	- WUF/ Africities / Urban Forum / Others	30,000	0	0	30,000
	Total Uses of Funds - Secretariat	3,673,489	736,216	546,113	4,955,818
	Budgeted Ending Balance-Secretariat	0	0	0	0

NOTES ON FY12 BUDGET

- Note 1.** In-kind contribution represents secondments from France (MFA), Germany (GTZ), a newcomer from UN-Habitat (to replace Jean-Christophe Adrian whose assignment with the CA terminated in May, 2010), and 6 month funding for the Italian Junior Professional Officer who joined the CA in January of 2010.
- Note 2.** On-going non-core allocations for regional advisory staff are funded from from Sida, Italy and the Africa Facility.
- Note 3.** This primarily includes Secretariat costs covered by the Land, Services & Citizenship programme.
- Note 4.** The proposed budget includes no additional staff slots beyond those already approved. Regional advisors for India and west Africa are now funded from the Core Fund, others (Latin America, South Africa and East Africa) are funded from Non-core sources. See notes above.
- Note 5.** The travel budget line excludes Secretariat travel to Events/Meetings.
- Note 6.** Due to increased demand in consulting services estimated costs of a safeguard, strategy development and implementation support as well as local consultants for the LSC program in 6 countries are estimated as short-term/other labor costs
- Note 7.** Contractual services line item represents estimated cost of services to be provided by various vendors during the course of FY12. The services would include contractual designing of CA materials, printing, copying, shipping, freight, other communications & publishing costs.
- Note 8.** Estimated overhead cost budget is mostly based on FY11 actuals. It covers sustaining expenses such as office rent, IT equipment, communications, representation/hospitality, supplies and other miscellaneous.
- Note 9.** Effective with the FY11 budget, recurring event/meeting costs are being budgeted and managed as part of the Secretariat budget. This would include direct costs of staging the events but also travel for staff and specially-invited guests.

CITIES ALLIANCE SECRETARIAT
FY12 PROPOSED BUDGET - BY SECRETARIAT TEAM
 (US\$)

BUDGETED USES OF FUNDS - by Team	Core	Non-Core	In-Kind	TOTAL
<u>Partnership Building & Management</u>				
Staff costs (salary + benefits) - HQ	929,385	31,642	0	961,027
Staff costs (salary + benefits) - Field	0	0	0	0
Travel	100,000	0	0	100,000
Short-term consultants / other labour costs	50,000	0	0	50,000
Total	1,079,385	31,642	0	1,111,027
<u>Knowledge/Advocacy/Communications</u>				
Staff costs (salary + benefits) - HQ	62,400	0	485,000	547,400
Staff costs (salary + benefits) - Field	0	0	0	0
Travel	45,000	0	0	45,000
Short-term consultants / other labour costs	100,000	0	0	100,000
Total	207,400	0	485,000	692,400
<u>Country Partnership Program</u>				
Staff costs (salary + benefits) - HQ	480,542	67,054	0	547,596
Staff costs (salary + benefits) - Field	213,120	146,085	0	359,205
Travel	113,220	200,000	0	313,220
Short-term consultants / other labour costs	10,000	99,045	0	109,045
Total	816,882	512,183	0	1,329,065
<u>Program Administration</u>				
Staff costs (salary + benefits) - HQ	708,031	36,814	0	744,845
Staff costs (salary + benefits) - Field	34,729	11,576	0	46,305
Travel	33,000	0	0	33,000
Short-term consultants / other labour costs	57,000	0	0	57,000
Total	832,760	48,390	0	881,150
<u>Catalytic Fund</u>				
Staff costs (salary + benefits) - HQ	61,113	0	61,113	122,226
Staff costs (salary + benefits) - Field	0	0	0	0
Travel	15,000	0	0	15,000
Short-term consultants / other labour costs	0	0	0	0
Total	76,113	0	61,113	137,226
<u>Total Uses of Funds - by Team</u>				
	3,012,540	592,216	546,113	4,150,869
<u>Secretariat variable costs:</u>				
Contractual Services	62,000	41,500	0	103,500
Overhead Costs	383,949	102,500	0	486,449
Event/Meeting costs	215,000	0	0	215,000
Total Uses of Funds by Secretariat	3,673,489	736,216	546,113	4,955,443