



*Empowered lives.
Resilient nations.*

Consolidated Annual Financial Report on Activities Implemented under the Central African Republic Common Humanitarian Fund

Report of the Administrative Agent of the CAR CHF
for the period 1 January – 31 December 2012

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme

<http://mpf.undp.org>

15 May 2013

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization
(FAO)



United Nations Children's Fund
(UNICEF)



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United Nations Development
Programme (UNDP)



United Nations Educational Scientific
and Cultural Organization (UNESCO)



United Nations High Commissioner
for Refugees (UNHCR)



UN Office for the Coordination of
Humanitarian Affairs (OCHA)



United Nations Population Fund
(UNFPA)



World Food Programme (WFP)



World Health Organization (WHO)

CONTRIBUTORS



Irish AID



Netherlands



Norway



Swedish International Development
Cooperation (Sida)



UK Department For International
Development (DFID)

DEFINITIONS

Approved Project

A project document, including budget that is approved by the Humanitarian Coordinator for fund allocation purposes.

Delivery rate

A financial indicator of the percentage of funds that have been utilized by comparing the expenditures reported by a Participating Organization against the 'net funded amount' [i.e. the amount transferred to the Participating Organization by the Multi-Partner Trust Fund Office (MPTF Office), less any refunds transferred back by the Participating Organization]. The delivery rate may be calculated for an individual project within a Fund or for a Participating Organization across a Fund.

Donor Commitment

An amount intended to be contributed by a donor to a Fund based on a signed Standard Administrative Arrangement (SAA) with the UNDP MPTF Office, in its capacity as the Administrative Agent of the CAR CHF. The commitment may have been fulfilled through a deposit received from the donor to the Fund or expected to be fulfilled through a future deposit.

Donor Deposit

A deposit of cash for the Fund received and applied by the UNDP MPTF Office.

Indirect support costs

A general cost that cannot be directly related to any particular project or activity of the Participating Organizations. As per UNDG policy, all UN entities may charge a maximum of 7 percent as indirect costs.

Managing Agent

A UN Organization that has signed the MOU as a Participating Organization and performs an oversight function vis-à-vis NGOs receiving funding. In the case of the CAR CHF UNDP is the Managing Agent. The Managing Agent has the same obligations as any other Participating Organization that has signed the MOU, including for reporting.

Net funded / Net transferred amount

The amount transferred to a Participating Organization by the MPTF Office, less any refunds transferred back by the Participating Organization.

Participating Organizations

The Organizations that have signed a Memorandum of Understanding (MoU) with the MPTF Office.

Project Expenditure

The sum of expenses reported by all Participating Organizations irrespective of which basis of accounting each entity follows.

Total Approved Budget

Amount approved by the Humanitarian Coordinator.

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1. INTRODUCTION

This Consolidated Annual Financial Report of the Central African Republic Common Humanitarian Fund (CAR CHF) is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent of the CAR CHF, contained under the CAR CHF Concept Note, the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangements (SAAs) signed with donors.¹

The MPTF Office, as Administrative Agent for the CAR CHF, is responsible for concluding a MOU with Participating Organizations and SAAs with donors. It receives, administers and manages contributions from Donors, and disburses these funds to the Participating Organizations in accordance with the decisions of the Humanitarian Coordinator (HC). The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements on the CAR CHF account to the HC, for transmission to donors.

This consolidated financial report covers the period 1 January to 31 December 2012 and provides financial data on progress made on the implementation of projects funded by the CAR CHF. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/HCF10>).

¹ This Report has been shared by the Administrative Agent with the Humanitarian Coordinator for CAR, and OCHA for inclusion in the final CAR CHF Annual Report. For increased public transparency, it is posted on the MPTF Office GATEWAY (<http://mptf.undp.org>).

2. FINANCIAL OVERVIEW

The CAR CHF was established in July 2008 as an expansion of the Emergency Response Fund (ERF). By the end of 2012, total contributions of US\$ 47.17 million have been received from five donors as further described in Section 3. From 2011 to 2012 there was a drop in donor contributions of 35 percent.

Table 1 provides an overview of the overall sources, uses, and balance of the CAR CHF as of 31 December 2012. Out of US\$ 47.17 million received from donors and US\$ 675,026 earned in interest income, as further described below, US\$ 44.90 million has been transferred to the Participating Organizations.

The CAR CHF also receives funds from interest income earned on the balance of funds. Earned interest comprises of two sources of interest income: (1) interest earned on the balance of funds held by the Administrative Agent ('fund earned interest'); and (2) interest earned on the balance of funds held by Participating Organizations ('agency earned interest') where the Financial Regulations and Rules of the Participating Organization permit remittance of interest. By the end of 2012, the total earned interest amounted to US\$ 675,026. All interest credited to the Fund is used for additional projects as determined by the Humanitarian Coordinator.

The Administrative Agent (AA) fee is charged at the standard rate of 1 percent of donor contributions received. In 2012, the AA fees charged to the CAR CHF totaled US\$ 53,843.

Table 1: Financial Overview for the period ending 31 December 2012 (in US Dollars)

	Annual 2011	Annual 2012	Cumulative
Sources of Funds			
Gross Donor Contributions	8,225,880	5,384,250	47,166,670
Fund Earned Interest Income	66,427	13,563	340,440
Interest Income received from Part Organizations	113,448	108,435	334,586
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MPTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	8,405,755	5,506,248	47,841,697
Use of Funds			
Transfer to Participating Organizations	13,366,517	6,731,874	44,901,118
Refunds received from Participating Organizations	-47,017	26,070	-35,104
Net Funded Amount to Participating Organizations	13,319,500	6,757,943	44,866,014
Admin Agent Fees	82,259	53,843	471,667
Direct Costs: (Secretariat...etc.)	-	-	-
Bank Charges	452	13	597
Other Expenditures	-	-	51,715
Total: Uses of Funds	13,402,210	6,811,799	45,389,993
Change in Fund cash balance with Admin Agent	-4,996,455	-1,305,551	2,451,704
Opening Fund balance (1 January)	8,753,711	3,757,255	-
Closing fund balance (31 December)	3,757,255	2,451,704	2,451,704
Net Funded Amount to Participating Organizations	13,319,500	6,757,943	44,866,014
Participating Organizations' Expenditure	10,159,480	12,176,512	43,464,932
Balance of Funds with Participating Organizations			1,401,082

3. PARTNER CONTRIBUTIONS

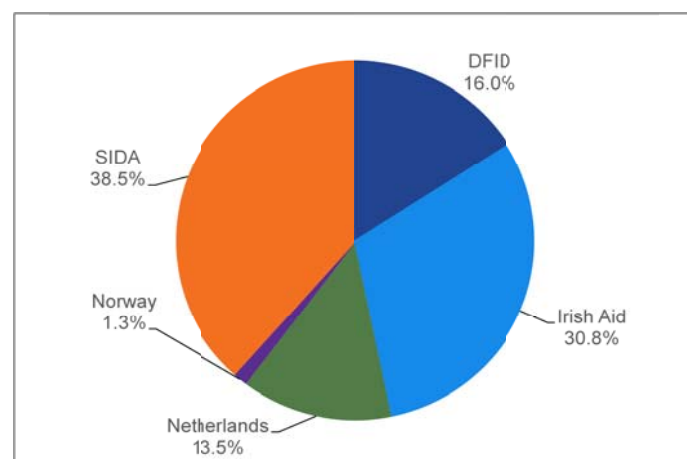
Table 2 displays the breakdown of the received contributions. The CAR CHF is currently being financed by five donors that have signed SAAs, namely the UK's Department for International Development (DFID), Irish Aid, the Governments of the Netherlands and Norway and the Swedish International Development Cooperation (SIDA). **In 2012 CAR CHF received US\$ 5.38 million in donor contributions**, bringing the total fund contributions to US\$ 47.17 million.

Table 2: Contributions (in US Dollars)

Contributors	Deposits		
	Prior Years as of 31 Dec 2011	Current Year Jan – Dec 2012	Total
DFID	7,525,080	-	7,525,080
Irish Aid	12,054,650	2,465,550	14,520,200
Netherlands	6,390,078	-	6,390,078
Norway	592,675	-	592,675
SIDA	15,219,938	2,918,700	18,138,638
Total	41,782,420	5,384,250	47,166,670

As shown in Figure 1, the biggest contributors to the CAR CHF have been SIDA (39 percent) and Irish Aid (31 percent).

Figure 1: Deposits by Donor, cumulative as of 31 December 2012 (in percentages)



4. INTEREST EARNED

Table 3 provides a summary of the interest earned.

Table 3: Earned Interest and Investment Income (in US Dollars)

Administrative Agent	Prior Years as of 31 Dec 2011	Current Year Jan – Dec 2012	Total
Fund Earned Interest and Investment Income	326,877	13,563	340,440
Total – Fund Earned Interest and Investment Income	326,877	13,563	340,440
UNDP	218,747	108,435*	327,183
UNESCO	1,700	-	1,700
UNFPA	5,704	-	5,704
Total - Interest Income received from PO	226,151	108,435	334,586
Total	553,028	121,998	675,026

* The 2011 earned interest reported in 2012.

4.1 ADMINISTRATIVE AGENT (FUND-LEVEL) EARNED INTEREST

During the reporting period, the CAR CHF AA (Fund-level) earned interest income was US\$ 13,563, which when combined with the interest income for prior years brings the total Fund-level earned interest to US\$ 340,440.

4.2 INTEREST EARNED BY PARTICIPATING ORGANIZATIONS

All interest earned by the Participating Organizations is credited to the CAR CHF account unless the governing bodies of the said Participating Organizations have approved decisions that govern the specific use of interest earned on donor contributions. In 2012 US\$ 108,435 in interest earnings was received from UNDP.

5. TRANSFER OF FUNDS

With the overall aim of improving timeliness and coherence of the humanitarian response, upon decision of the Humanitarian Coordinator transfers are made to the projects of the eleven Sectors of the CAR CHF namely Coordination and Support Services, Early Recovery, Education, Emergency Reserve, Food Security, Health, Multi-Sector Assistance to Refugees, Nutrition, Protection, Shelter and Non-Food Items (NFI), and Water and Sanitation (WASH). .

5.1 TRANSFERS TO PARTICIPATING ORGANIZATIONS

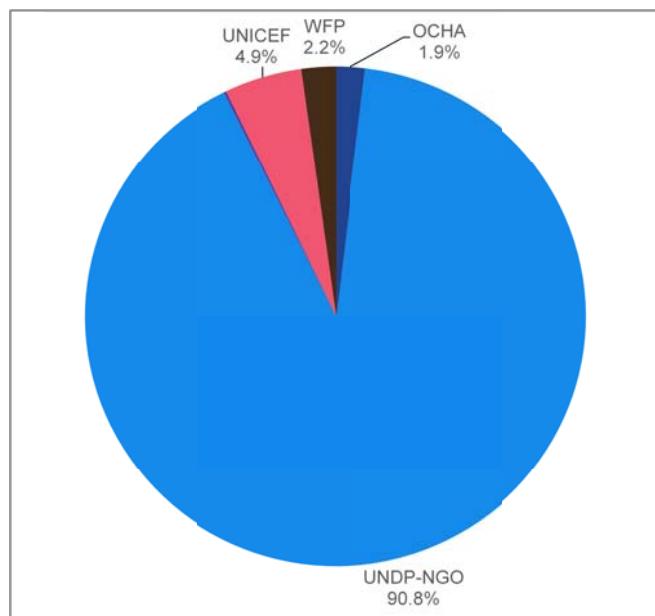
Nine Participating Organizations have signed the MOU for the CAR CHF since its inception in July 2008. **In 2012 the Administrative Agent, based on the approval of the HC, transferred US\$ 6.73 million to four Participating Organizations, bringing the total cumulative amount transferred to US\$ 44.90 million.** The distribution of transferred funding, consolidated by Participating Organization, is summarized in Table 4.

Table 4: Transfers, Refunds and Net Transferred Amount by Participating Organization (in US Dollars)

Participating Organization	Prior Years as of 31 Dec 2011			Current Year Jan - Dec 2012			Total		
	Transfers	Refunds	Net Transferred Amount	Transfers	Refunds	Net Transferred Amount	Transfers	Refunds	Net Transferred Amount
OCHA	400,000	-	400,000	129,669	-	129,669	529,669	-	529,669
UNDP/NGO	30,292,448	-	30,292,448	6,152,205	-	6,152,205	36,444,652	-	36,444,652
UNDP	180,000	-	180,000	-	-	-	180,000	-	180,000
UNESCO	169,800	-	169,800	-	-8,711	-8,711	169,800	-8,711	161,089
UNFPA	276,611	-14,157	262,454	-	-	-	276,611	-14,157	262,454
UNHCR	533,000	-	533,000	-	-	-	533,000	-	533,000
UNICEF	3,591,376	-47,017	3,544,359	300,000	34,781	334,781	3,891,376	-12,236	3,879,140
WFP	1,960,762	-	1,960,762	150,000	-	150,000	2,110,762	-	2,110,762
WHO	765,248	-	765,248	-	-	-	765,248	-	765,248
Grand Total	38,169,245	-61,174	38,108,071	6,731,874	26,070	6,757,943	44,901,118	-35,104	44,866,014

UNDP serves as a Managing Agent (MA) for funds approved by the HC for implementation by NGOs. In 2012 UNDP received the largest share of funding for NGO implemented projects (US\$ 6.15 million or 91 percent), followed by UNICEF (US\$ 334,781 or 5 percent), WFP (US\$ 150,000 or 2 percent) and OCHA (US\$ 129,669 or 2 percent), as shown in Figure 2.

Figure 2: Net funded amount by Participating Organization for the period of 1 January to 31 December 2012 (in percentages)



5.2 TRANSFERS BY CLUSTER

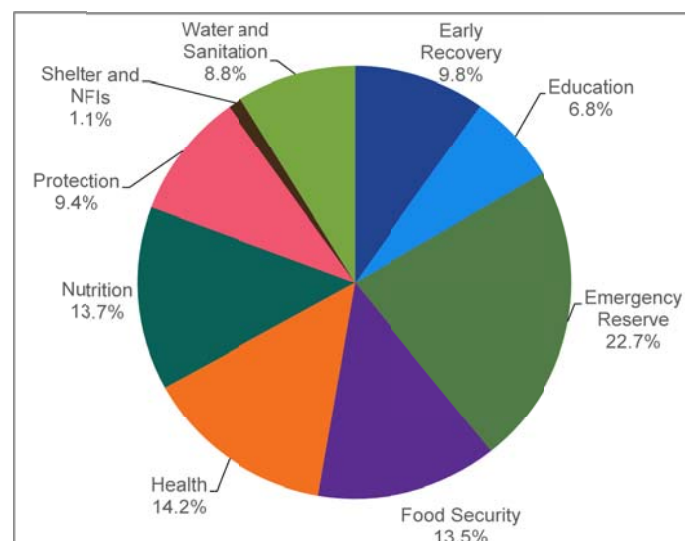
Table 5 shows the total approved funding by Cluster. Since prior to 2011 all the transfers and expenditure for the CAR CHF were recorded against the *JP-CAR Emergency Response Fund* sub-fund code, this Cluster shows a much higher transfer amount relative to the other Clusters.

Table 5: Cumulative Net funded amount by Cluster as of 31 December 2012 (in US Dollars)

Clusters	Total Net Funded Amount
Early Recovery	1,969,023
Education	1,361,032
Emergency Reserve	4,552,911
Food Security	2,714,238
Health	2,861,773
JP-CAR Emergency Response Fund	24,767,624
Nutrition	2,752,585
Protection	1,898,923
Shelter and NFIs	214,000
Water and Sanitation	1,773,906
Total	44,866,014

*Prior to 2011 all the budgets, transfers and expenditure for CAR-CHF were recorded against *JP CAR Emergency Response Fund* sub-fund code.

Figure 3: Transferred amount by Cluster for the period of 1 January to 31 December 2012 (in percentages)



6. EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATIONS

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed upon categories for inter-agency harmonized reporting.

The reported expenditures were submitted to the MPTF Office by the Participating Organizations via UNEX – the MPTF Office’s expenditure reporting tool. The 2012 expenditure data has been posted on the [MPTF Office GATEWAY](#) and can be found in this report in Tables 6 and 7.

6.1 OVERALL EXPENDITURE AND FINANCIAL DELIVERY RATES

Table 6a presents the net funded amount, expenditures incurred and the financial delivery rates with breakdown by Participating Organization, and Table 6b shows the net funded amount, expenditures incurred and the financial delivery rates, by Cluster. In 2012, Participating Organizations **reported US\$ 12.18 million in expenditure**. Most of UNDP’s 2012 expenditure reporting has corrected previous reporting issues due to challenges in project mapping; remaining issues will be addressed in 2013 reporting.

The cumulative **delivery rate** as of 31 December 2012 is **97 percent**. This delivery rate is an indicator of the CAR CHF’s capacity to deliver humanitarian assistance.

Table 6a: Expenditure with breakdown by Participating Organization (in US Dollars)

Participating Organization	Current Year Jan-Dec 2012		Total		Delivery Rate (%)
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
NGO/UNDP	6,152,205	11,586,113	36,444,652	36,196,799	99
OCHA	129,669	46,591	529,669	446,591	84
UNDP	-	-552,612	180,000	180,000	100
UNESCO	-8,711	-	161,089	161,089	100
UNFPA	-	191,267	262,454	262,454	100
UNHCR	-	-	533,000	533,000	100
UNICEF	334,781	743,036	3,879,140	3,495,038	90
WFP	150,000	162,117	2,110,762	2,052,459	97
WHO	-	-	765,248	137,502	18
Total	6,757,943	12,176,512	44,866,014	43,464,932	97

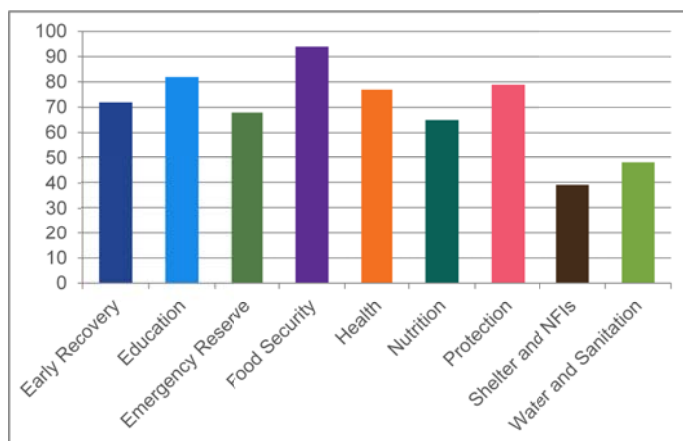
Table 6b: Expenditure with breakdown by Cluster (in US Dollars)

Clusters	Current Year Jan-Dec 2012		Total		Delivery Rate (%)
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Early Recovery	428,000	1,419,460	1,969,023	1,419,460	72
Education	321,000	805,125	1,361,032	1,122,376	82
Emergency Reserve	2,949,024	2,877,415	4,552,911	3,102,244	68
Food Security	508,250	2,301,363	2,714,238	2,539,243	94
Health	802,500	2,213,331	2,861,773	2,213,331	77
JP-CAR Emergency Response Fund	26,070	-1,383,647	24,767,624	28,841,813	116
Nutrition	514,000	1,795,723	2,752,585	1,795,723	65
Protection	267,500	1,209,365	1,898,923	1,492,365	79
Shelter and NFIs	214,000	83,265	214,000	83,265	39
Water and Sanitation	727,600	855,112	1,773,906	855,112	48
Total	6,757,943	12,176,512	44,866,014	43,464,932	97

The Clusters that have reported the highest expenditure cumulatively were Emergency Reserve with US\$ 3.10 million in expenditure; Food Security with US\$ 2.54 million and Health with US\$ 2.21 million, as shown in figure 4.

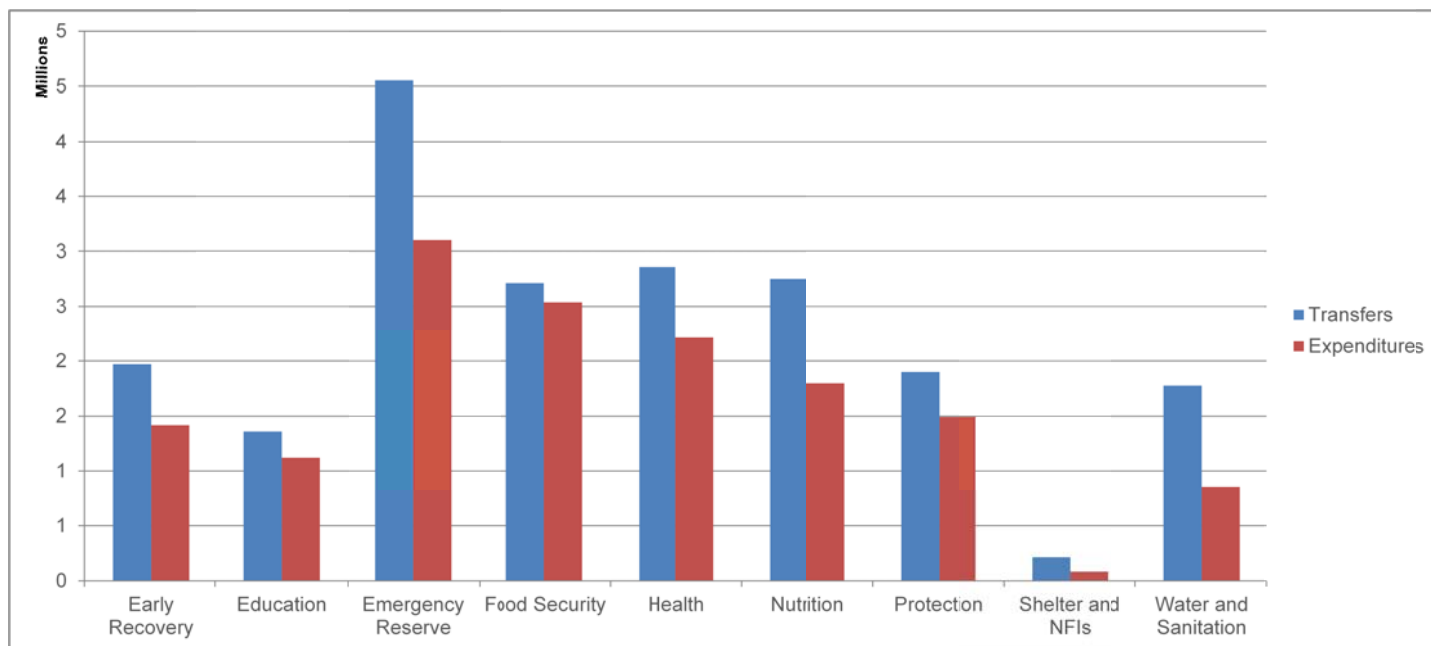
Figure 5 depicts the delivery rate by Cluster for 2011 and 2012. Food Security reported 94 percent; Education reported 82 percent, Protection reported 79 percent and Health reported 77 percent delivery rate over this period.

Figure 5*: Delivery Rate by Cluster 2011 and 2012 (in percentages)



* This Figure covers only 2011-2012 data, because prior to 2011 all the transfers and expenditure for CAR CHF were recorded against JP CAR Emergency Response Fund sub-fund code.

Figure 4: Cumulative 2011-2012* Net Funded Amount and Expenditure with Breakdown by Cluster



*Note: This Figure covers only 2011-2012 data, because prior to 2011 all the transfers and expenditure for CAR CHF were recorded against JP CAR Emergency Response Fund sub-fund code.

6.2 TOTAL EXPENDITURE REPORTED BY CATEGORY

Table 7 shows the expenditure of the CHF as per the agreed upon reporting categories. In 2006 the UN Development Group (UNDG) set six categories against which UN entities must report project expenditures. Effective 1 January 2012, the UN Chief Executive Board modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditures reported up to 31 December 2011 are presented in the previous six categories, and all expenditures reported from 1 January 2012 are presented in the new eight categories. The old and new categories are noted to the right.

2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

2006 UNDG Expense Categories

1. Supplies
2. Personnel
3. Training
4. Contracts
5. Other direct costs
6. Indirect costs

Table 7: Total Expenditure by Category (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL	
Supplies, Commodities, Equipment and Transport (Old)	1,727,554	-	1,727,554	4.24
Personnel (Old)	1,202,457	-	1,202,457	2.95
Training of Counterparts (Old)	88,715	-	88,715	0.22
Contracts (Old)	2,478,989	-	2,478,989	6.08
Other direct costs (Old)	23,911,100	-	23,911,100	58.66
Staff & Personnel Cost (New)	-	100,769	100,769	0.25
Suppl, Comm, Materials (New)	-	250,353	250,353	0.61
Equip, Veh, Furn, Depn (New)	-	10,876,891	10,876,891	26.68
Contractual Services (New)	-	243,795	243,795	0.60
Travel (New)	-	-551,012	-551,012	-1.35
Transfer and Grants(New)	-	225,515	225,515	0.55
General Operating Expenses (New)	-	207,877	207,877	0.51
Programme Costs Total	29,408,814	11,354,187	40,763,002	100.00
Indirect Support Costs Total	1,879,605	822,325	2,701,930	6.63
Grand Total	31,288,420	12,176,512	43,464,932	0.00

7. COST RECOVERY

The cost recovery for the CAR CHF is guided by the applicable provisions of the CAR CHF Concept Note, the SAAs concluded by the MPTF Office as the AA of the CAR CHF, with donors, and the MOU concluded with the Participating Organizations.

For the period ending 31 December 2012, the actual costs were as follows:

- a) The AA fee of US\$ 471,667, charged for the entire duration of the fund, is one percent of total contributions deposited in the fund bank account as per the SAA and the MOU, and is in line with the approved AA fee charged by UNDP MPTF Office for administering funds. The AA fee is less than the interest earned.
- b) The cumulative indirect support costs of the Participating Organizations as of 31 December 2012 were US\$ 2.70 million, which represents 6.63 percent of total programme costs, which is within the ceiling of 7 percent specified in the CAR CHF Concept note, MOU and SAA.

This information is also presented in Tables 1 and 7.

8. ACCOUNTABILITY AND TRANSPARENCY

The MPTF Office continued to provide information on its GATEWAY (<http://mptf.undp.org>)—a knowledge platform providing real-time data, with a maximum two-hour delay, on financial information from the MPTF Office accounting system on donor contributions, programme budgets and transfers to Participating Organizations. All MPTF Office reports are published on the MPTF Office GATEWAY which provides easy access to nearly 9,600 relevant reports and documents, with tools and tables displaying financial and programme data. By providing easy access to the growing number of progress reports and related documents uploaded by users in the field, it facilitates knowledge sharing and management among UN Organizations. It is designed to provide transparent, accountable fund-management services to the UN system to enhance its coherence, effectiveness and efficiency. The MPTF Office GATEWAY has been recognized as a 'standard setter' by peers and partners.