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Consolidated Annual Financial Report on Activities Implemented under the Darfur Community Peace and Stability Fund

Report of the Administrative Agent of
the Darfur Community Peace and Stability Fund
for the period 1 January - 31 December 2012

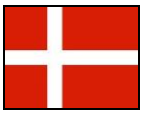
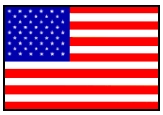
Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
http://mptf.undp.org

17 May 2013

Darfur Community Peace and Stability Fund

PARTICIPATING UN ORGANIZATIONS	
	Food and Agriculture Organization (FAO)
	United Nations Environment Programme (UNEP)
	United Nations Children's Fund (UNICEF)
	United Nations Development Programme (UNDP)
	United Nations Human Settlements Programme
	United Nations High Commissioner for Refugees (UNHCR)
	United Nations Office for Project Services (UNOPS)
	United Nations Population Fund (UNFPA)
	United Nations Development Fund for Women (UNWOMEN)
	World Food Programme (WFP)
	World Health Organization (WHO)
PARTICIPATING NON-UN ORGANIZATIONS	
	International Organization for Migration (IOM)

Darfur Community Peace and Stability Fund

CONTRIBUTORS	
Denmark	
UK Department For International Development (DFID)	
Germany	
Italy	
Netherlands	
Norway	
Swedish International Development Cooperation Agency (Sida)	
Switzerland	
United States Agency for International Development (USAID)	

Definitions

Allocation
Amount approved by the DCPSF Steering Committee for a project/programme.

Approved Project/Programme
A project/programme document, including budget, etc., that is approved by the DCPSF Steering Committee for fund allocation purposes.

Contributor Commitment
A contribution expected to be received or already deposited by a contributor based on a signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent of the DCPSF.

Contributor Deposit
Cash deposit received by the UNDP MPTF Office for the DCPSF.

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 MPTF Office, less any refunds transferred back by the Participating Organization).

Indirect support costs
A general cost that cannot be directly related to any particular programme 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
UN Organization that has signed the MOU as a Participating UN Organization (PUNO) and performs an oversight function vis-à-vis NGOs receiving DCPSF funding. In the case of the DCPSF, UNDP is the Managing Agent. The Managing Agent has the same obligations as any other PUNO that has signed the MOU, including for reporting.

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

Participating Organizations
Organizations that have signed a Memorandum of Understanding (MOU) with the UNDP MPTF Office.

Project Expenditure

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

Total Approved Budget

Amount approved by the DCPSF Steering Committee.

Table of Content

1. Introduction 7

2. Sources, Uses, and Balance of Funds 7

3. Partner Contributions 9

4. Transfer of Funds to Participating Organizations 10

5. Expenditure Reported by Participating Organizations..... 12

5.1. Overall Expenditure and Financial Delivery Rates 13

5.2. Total Expenditure Reported by Category 13

6. Cost Recovery..... 14

6. Accountability and transparency..... 15

1. Introduction

This Consolidated Annual Financial Report of the Darfur Community Peace and Stability Fund (DCPSF) 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 DCPSF, contained under the DCPSF Terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangements (SAAs) signed with contributors.

The MPTF Office, as Administrative Agent, receives, administers and manages contributions from Contributors, and disburses these funds to the Participating Organizations in accordance with the decisions of the Steering Committee. In addition it prepares and submits annual consolidated financial reports, as well as regular financial statements on the DCPSF account to the Steering Committee, for transmission to contributors. Some Administrative Agent (AA) functions of the DCPSF were exercised by the UNDP Sudan Country Office under a delegation of authority issued by the MPTF Office Executive Coordinator to the UNDP Sudan Country Director.

This consolidated financial report covers the period 1 January to 31 December 2012 and provides financial data on progress made in the implementation of projects[1] funded by the DCPSF. It is posted on the MPTF Office GATEWAY at (http://mptf.undp.org/factsheet/fund/DPS00).

2. Sources, Uses, and Balance of Funds

The DCPSF was established in 2007 to promote peacebuilding and reconciliation in Darfur through the implementation of community-based recovery and development activities. The DCPSF Phase II was approved by the DCPSF Steering Committee during the last quarter of 2012 and hence extended the duration of the Fund until December 2015.

By the end of 2012, a total of **US$ 52.74 million** was received from nine contributors: the Governments of Denmark, Germany, Italy, the Netherlands, Norway, and Switzerland, the United Kingdom Department for International Development (DFID), the United States Agency for International Development (USAID) and the Swedish International Development Cooperation Agency (Sida).

[1] Project in this report covers both Projects and Programmes.

Table 1 provides an overview of the overall sources, uses, and balance of the DCPSF as of 31 December 2012. Out of US$ 53.39 million available for programming, US$ 51.40 million was transferred to the Participating Organizations.

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

	Annual 2011	Annual 2012	Cumulative
Sources of Funds			
Gross Contributions	7,948,379	11,263,787	52,735,516
Fund Earned Interest and Investment Income	60,238	39,762	452,005
Interest Income received from Participation Organizations	40,597	148,141	205,497
Refunds by Admin Agent to Contributors	-	-	-
Fund balance transferred to another MPTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	**8,049,213**	**11,451,689**	**53,393,018**
Use of Funds			
Transfer to Participating Organizations	5,823,418	23,566,243	51,403,277
Refunds received from Participating Organizations	(1,554)	(2,629,836)	(2,631,389)
Net Funded Amount to Participating Organizations	**5,821,864**	**20,936,407**	**48,771,888**
Admin Agent Fees	79,484	112,638	527,355
Direct Costs: (Steering Comm., Secretariat… etc.)	600,000	896,820	3,970,908
Bank Charges	410	300	709
Other Expenditures	-	-	-
Total: Uses of Funds	**6,501,758**	**21,946,164**	**53,270,860**
Change in Fund cash balance with Administrative Agent	**1,547,456**	**(10,494,475)**	**122,158**
Opening Fund balance (1 January)	9,069,177	10,616,633	-
Closing Fund balance (31 December)	**10,616,633**	**122,158**	**122,158**
Net Funded Amount to Participating Organizations	5,821,864	20,936,407	48,771,888
Participating Organizations' Expenditure	8,273,962	7,850,772	24,641,195
Balance of Funds with Participating Organizations			**24,130,693**

Note: Due to rounding, totals in this and subsequent tables may not add up.

Apart from contributions, the DCPSF also receives funds from interest income earned on the balance of funds. Earned interest comprises two sources of interest income: (1) interest earned on the balance of funds held by the Administrative Agent; and (2) interest earned on the balance of funds held by Participating Organizations where the Financial Regulations and Rules of the Participating Organization permit remittance of interest. By the end of 2012, the Fund earned interest amounted to US$ 0.45 million and interest income from Participating Organizations was US$ 0.21 million for a cumulative total interest of $ 0.66 million.

The Administrative Agent fee is charged at the standard rate of 1 percent of contributions received. As of 31 December 2012, the cumulative AA fees charged to the DCPSF total

US$ 0.53 million. It is to be noted that the Administrative Agent fee is fully covered by the amount of cumulative interest earned.

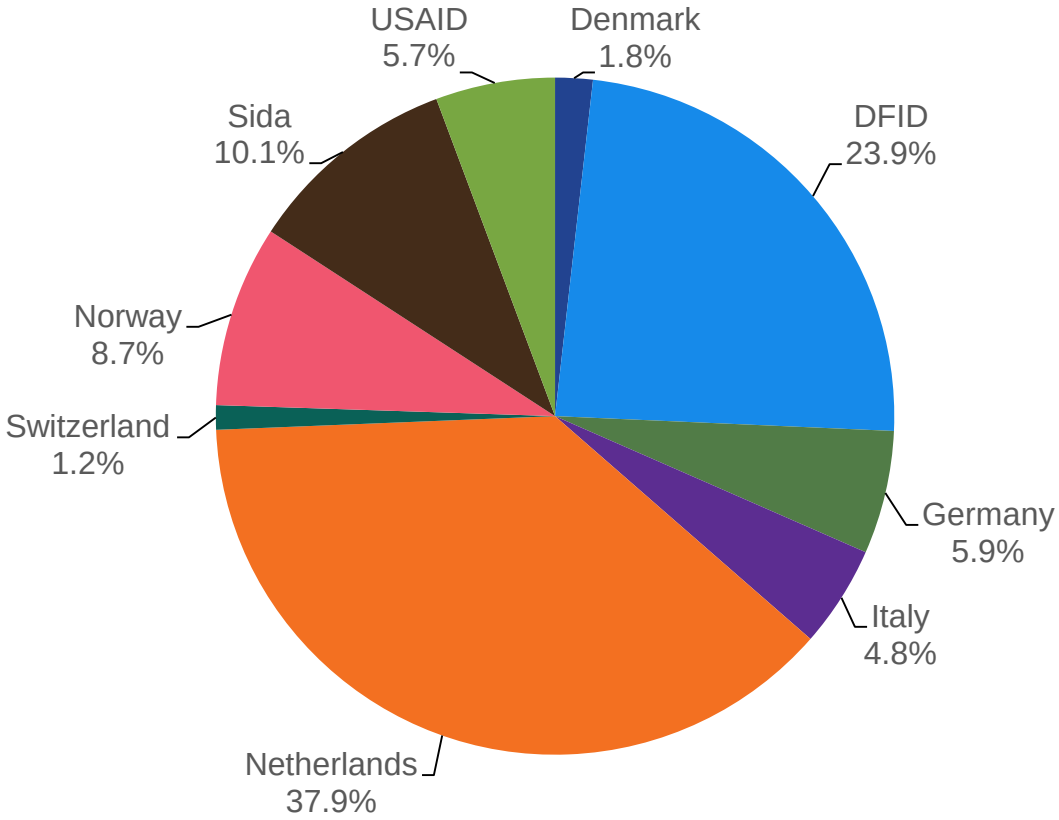
3. Partner Contributions

Table 2 displays the breakdown of the received contributions. The DCPSF is currently being financed by nine contributors that signed the SAAs, namely the Governments of Denmark, Germany, Italy, the Netherlands, Norway and Switzerland, DFID, USAID, and Sida. The DCPSF **received US$ 11.26 million in contributions in 2012,** bringing the total fund contributions to US$ 52.74 million.

Table 2: Contributions (in US Dollars)

Contributors	Prior Years as of 31 Dec 2011	Current Year Jan – Dec 2012	Total
Denmark	942,076	-	942,076
Department For Int'l Development (DFID)	9,759,437	2,850,433	12,609,871
Germany	512,750	2,591,000	3,103,750
Italy	2,556,800	-	2,556,800
The Netherlands	20,000,000	-	20,000,000
Norway	4,569,066	-	4,569,066
Swedish Int. Development Coop-n (SIDA)	2,831,600	2,508,841	5,340,441
Switzerland	300,000	313,512	613,512
USAID	-	3,000,000	3,000,000
Grand Total	**41,471,729**	**11,263,787**	**52,735,516**

Figure 1: Deposits by Contributor, cumulative as of 31 December 2012 (in percentages[2])



As shown in Figure 1, the three biggest contributors to the DCPSF were the Netherlands (37.9 percent), DFID (23.9 percent), and Sida (10.1 percent).

4. Transfer of Funds to Participating Organizations

Since the establishment of the DCPSF four Participating Organizations received funding. The distribution of approved funding, consolidated by Participating Organization, is summarized in Table 3. **The Net Funded Amount in 2012** was **US$ 20.94 million**, bringing the cumulative net funded amount to US$ 48.77 million. The term "Net funded amount" refers to amounts transferred to a Participating Organization by the MPTF Office, less refunds transferred back by the Participating Organization.

[2] Due to rounding error the percentages might not add up to 100 percent. This applies to all Figures in this report.

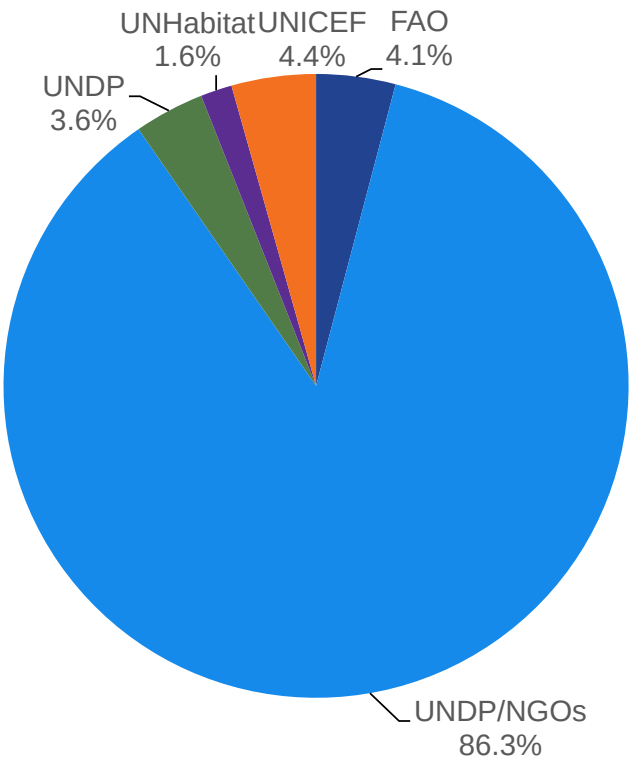
Table 3: Net funded amount by Participating Organization (in US Dollars)

Participating Organizations	Prior Years as of 31 Dec 2011	Current Year Jan – Dec 2012	Total
FAO	1,000,000	1,000,000	2,000,000
UNDP/NGOs	24,030,050	18,052,652	42,082,702
UNDP	775,097	990,993	1,766,090
UNHABITAT	-	793,982	793,982
UNICEF	2,030,333	98,780	2,129,113
Total:	**27,835,481**	**20,936,407**	**48,771,888**

In 2012 UNDP serving as a Managing Agent for the NGO projects received US$ 18.05 million or 86.2 percent), FAO US$ 1.00 million or 4.8 percent, UNDP US$ 0.99 million or 4.7 percent, UNHABITAT US$ 0.79 million or 3.8 percent, and UNICEF US$ 0.10 million or 0.5 percent.

As shown in Table 3 and Figure 2, cumulatively UNDP as the Managing Agent for NGO projects, received the largest share of funding (US$ 42.08 million or 86.3 percent), followed by UNICEF (US$ 2.13 million or 4.4 percent), and FAO (US$ 2.00 million or 4.1 percent).

Figure 2: Cumulative net funded amount by Participating Organization as of 31 December 2012 (in percentages)



5. Expenditure Reported by Participating Organizations

Project expenditures are incurred and monitored by each Participating Organization and are reported in accordance with the agreed categories for inter-agency harmonized reporting. 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 the International Public Sector Accounting Standards (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 below.

2006 UNDG Expense Categories

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

2012 UN Chief Executive Board 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

The reported expenditures were submitted to the MPTF Office by the Participating Organizations that received funding through the UNEX – the MPTF Office's reporting tool. The 2012 expenditure data is posted on the MPTF Office GATEWAY and can be found in this report in tables 4 and 5.

5.1. Overall Expenditure and Financial Delivery Rates

Table 4 below shows the net funded amount, expenditures incurred and the financial delivery rates with breakdown by Participating Organization. The net funded amount to Participating Organizations was US$ 20.94 million in 2012 and **the 2012 reported expenditure amounted to US$ 7.85 million**. The delivery rate of Participating Organizations varied from 0 percent to 92 percent. The cumulative delivery rate as of 31 December 2012 was 51 percent. When interpreting this delivery rate it is important to note that around US$ 14.44 out of US$ 23.57 transfers to Participating Organizations was made in November – December 2012.

Table 4: Financial Overview (in US Dollars)

	Prior Years as of 31 Dec 2011		Current Year Jan-Dec 2012		TOTAL		Delivery rate (%)
	Net Funded Amount	Expendi-ture	Net Funded Amount	Expendi-ture	Net Funded Amount	Expendi-ture	
FAO	1,000,000	901,541	1,000,000	56,424	2,000,000	957,965	47.9
UNHABITAT	-	-	793,982	-	793,982	0	0.0
NGOs/UNDP	24,030,050	6,295,655	18,052,652	14,494,857	42,082,702	20,790,512	49.4
UNICEF	2,030,333	1,839,221	98,779	111,552	2,129,113	1,950,773	91.6
UNDP	775,097	7,754,007	990,993	(6,812,061)	1,766,090	941,946	53.3
Total	**27,835,481**	**16,790,423**	**20,936,407**	**7,850,772**	**48,771,888**	**24,641,195**	**50.5**

5.2. Total Expenditure Reported by Category

Table 5 shows the DCPSF expenditure in the old and new categories agreed to by the UNDG organizations.

Table 5: Total Expenditure by Category (in US Dollars)

Category	Expenditure			% of Total Programme Costs
	Prior Years as of 31 Dec 2011	Current Year Jan – Dec 2012	Total	
Supplies, Commodities, Equipment and Transport (Old)	291,870	-	291,870	1.26
Personnel (Old)	1,231,722	-	1,231,722	5.33
Training of Counterparts(Old)	49,805	-	49,805	0.22

Contracts (Old)	1,311,950	-	1,311,950	5.68
Other direct costs (Old)	13,039,964	-	13,039,964	56.46
Staff & Personnel Cost (New)	-	-1,420	-1,420	-0.01
Suppl, Comm, Materials (New)	-	104,584	104,584	0.45
Equip, Veh, Furn, Depn (New)	-	13,827,696*	13,827,696	59.87
Contractual Services (New)	-	41,308	41,308	0.18
Travel (New)	-	(6,908,412)	(6,908,412)	(29.91)
Transfer and Grants (New)	-	103,176	103,176	0.45
General Operating (New)	-	4,159	4,159	0.02
Programme Costs Total	15,925,311	7,171,091	23,096,402	100.00
Indirect Support Costs Total	865,112	679,681	1,544,793	6.69
Total	16,790,423	7,850,772	24,641,195	

*Due to account code mapping, a large part of the NGO expenditures reported by UNDP as the Managing Agent were consolidated to *Equipment*, *Vehicles*, *Furniture*, *Depreciation* budget line instead of *Transfers and Grants*. The negative expenditure in the Travel category in 2012 is also the result of account code mapping issues.

6. Cost Recovery

The cost recovery for the DCPSF is guided by the applicable provisions of the DCPSF TOR, the SAAs concluded by the UNDP MPTF Office, as the AA of the DCPSF, with contributors, 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$ 527,355, charged for the entire duration of the fund, is one per cent of total contributions deposited in the fund bank account as per the SAA and the MOU, and is in line with the AA fee charged by UNDP MPTF Office for administering similar funds.

b) The cumulative indirect support costs of the Participating Organizations as of 31 December 2012 were US$ 1,544,793, which represents 6.7 percent of total programme costs.

This information is presented in Tables 1 and 5.

7. Accountability and transparency

The MPTF Office continued to provide information on the operations of the DCPSF on its GATEWAY (http://mptf.undp.org/factsheet/fund/DPS00)—a knowledge platform providing real-time data, with a maximum two-hour delay, on financial information from the MPTF Office accounting system on contributions, programme budgets and transfers to Participating UN Organizations. All narrative reports are published on the MPTF Office GATEWAY which provides easy access to over 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.