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Second Consolidated Annual Progress Report on Projects Implemented under the Maldives One UN Fund

**Report of the Administrative Agent of the Maldives One UN 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>

31 May 2013

Maldives One UN Fund

PARTICIPATING ORGANISATIONS

	Food and Agriculture Organization (FAO)
	International Labour Organization (ILO)
	United Nations Children’s Fund (UNICEF)
	United Nations Development Fund for Women (UNIFEM)
	United Nations Development Programme (UNDP)
	United Nations Industrial Development Organization (UNIDO)
	United Nations Office for Project Services (UNOPS)
	United Nations Office on Drugs and Crime (UNODC)
	United Nations Population Fund (UNFPA)
	World Health Organization (WHO)

CONTRIBUTING DONORS

	Denmark
	Expanded DaO Funding Window

Abbreviations and Acronyms

AA	Administrative Agent
AWP	Annual Work Plan
CSO	Civil Society Organisations
EFW	Expanded Funding Window
FAO	Food and Agriculture Organization
GCA	Government Coordinating Agency
HDI	Human Development Index
ILO	International Labour Organization
LDC	Least Developed Countries
LECReD	Low Emission Climate-Resilient Development
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MOFT	Ministry of Finance and Treasury
MOFT-DNP	Ministry of Finance and Treasury - Department of National Planning
MOFT-ERMD	Ministry of Finance and Treasury - External Resources Management Department
MOU	Memorandum of Understanding
MPTF Office	Multi-Partner Trust Fund Office UNDP
RC	Resident Coordinator
SAP	Strategic Action Plan - Framework for Development
TOR	Terms of Reference
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNIDO	United Nations Industrial Development Organization
UNICEF	United Nations Children Fund
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
WHO	World Health Organization

Definitions¹

Allocation

Amount approved by the relevant steering committee for a project/programme.

Annual Work Plan (AWP)

Annual plans that set out the activities to be undertaken during the year to reach the results specified in the project/programme. AWP's include a timeframe, budget and responsibilities for completing the activities.

Approved Project/Programme

A project or programme that has been approved by the Maldives One UN Fund Board for fund allocation purposes.

Contributor Commitment

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

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund.

Direct Cost

A financial indicator of the percentage of funds that have been utilized by comparing the expenditures report by a Participating Organization against the 'net funded amount'.

Indirect Support Cost

A general cost that cannot be directly related to any particular programme or activity of the Participating Organisations. Under UN MPTFs, these costs amount to 7 percent as per the UNDG agreed MPTF cost recovery.

Net Funded Amount

Amount transferred to a Participating Organisation less any refunds transferred back by a Participating Organisation.

Participating Organisations

Organisations that have signed a Memorandum of Understanding (MOU) with the MPTF Office.

Project Expenditure

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

Project Financial Closure

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

¹ Common definitions used by the MPTF Office in annual progress reporting.

Project Operational Closure

A project or programme is considered operationally closed when all activities for which a Participating Organisation is responsible under the approved programmatic document have been completed.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organisation.

Total Approved Budget

Amount approved by the Steering Committee.

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Executive Summary

Introduction

The Maldives One UN Fund was established in December 2010, as one of several funding instruments to support the implementation of the UN Development Assistance Framework (UNDAF) and UNDAF Action Plan. The Fund will remain active throughout the UNDAF cycle 2011-2015. The MOU was concluded between 10 Participating Organisations and UNDP Multi-Partner Trust Fund Office (MPTF Office) in its capacity as the Administrative Agent (AA) of the Maldives One UN Fund.

The Maldives One UN Fund will enhance the flexibility and predictability of funding to the UN system to implement the UNDAF and the UNDAF Action Plan in support of national priorities and emerging needs. The Maldives One UN Fund will ensure that funding and implementation are undertaken with special attention to transparency and accountability as well as efficient delivery and utilisation of resources.

Strategic Framework

The UN Country Team (UNCT) in the Maldives developed the UNDAF 2011-2015 aligned with national priorities to guide the UN system's assistance to Government of the Maldives, while promoting national ownership. The UNDAF process built on existing cooperation and was formulated through a nationally-owned, consultative, and participatory process and signed by the Ministry of Finance and Treasury (MOFT) as the Government Coordinating Agency (GCA). The UNDAF is aligned with the National Strategic Action Plan Framework for Development 2009–2013 (SAP), which has twenty-six commitments in three broad categories: Democratic Governance, Social Justice, and Economic Development.

Project Approval and Financial Performance

As of 31 December 2012, a total of \$ 10,187,288 had been deposited in the Maldives One UN Fund with contributions received from the Government of Denmark and the Expanded Delivering as One (DaO) Funding Window (EFW) for Achievement of the Millennium Development Goals (MDGs). The Maldives One UN Fund Board approved its first programme for a total of \$445,500 in 2011 on aid-effectiveness and UN coherence. In 2012 a second programme was approved namely "Low-Emission Climate Resilient Development Programme Development" and net transfers of \$423,255 were made. The total net transfer amounts to \$868,755 with a reported expenditure of \$421,870. As of 31 December 2012, the current balance available for future programming is \$9,307,323.

Transparency and Accountability

The MPTF Office provides regular information on the operations of the [Maldives One UN Fund](#) on its GATEWAY. The [MPTF Office GATEWAY](#) is 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 Organisations. All narrative reports are posted on the 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 Organisations. 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 recognised as a 'standard setter' by peers and partners.

2 Strategic Framework

The Maldives has achieved five of the eight MDGs. Its relatively high average per capita income has led the Maldives to graduate from the status of Least Developed Country (LDC) in January 2011. The new status, however, also presents new development challenges for the Maldives that require further adjustments in its relationship with international partners and particularly in relation to trade matters.



Maldives is a country experiencing democratic transition characterised by separation of the three branches of government, creation of independent bodies, the establishment of a legal grounding for a party political system, and rolling-out of decentralised governance. Social unrest due to tensions among political parties continues in the Maldives and has been intensified since the February 2012 change of government.

The Maldives is ranked as the third most endangered nation due to flooding caused by global warming. The extreme impact of climate change on the Maldives' future caught the world's attention through the leadership role for small island states taken by the Government of the Maldives in the global negotiations during the 2010 Climate Change Conference in Copenhagen.

Furthermore, the country is facing a period of acute fiscal constraints due to several years of growing budget deficit. The Maldives is experiencing reduced demand for two of its primary income generating industries - tourism and fishery. The growth in global fuel and food prices has also impacted heavily on the Maldives as both items are major imports.

The impact of these external factors has contributed to a growing budget deficit. The situation has been somewhat eased through budget support provided by the Government of India, the International Monetary Fund, the World Bank and the Asian Development Bank.

2.2 UNDAF 2011 -2015

The United Nations Development Assistance Framework (UNDAF) 2011-2015, signed between the Government of the Maldives and the UN system in April 2010 presents a coherent vision and strategy for a unified approach to assist the country in reaching its national development priorities where the UN system has a comparative advantage.

The process of UNDAF formulation was inclusive, participatory and evidence-based. In identifying the UNDAF areas of cooperation, national stakeholders considered the dramatic political and governance changes, the significant developments in the economic, socio-cultural, and natural environment of the country, and the major challenges to achieving the nation's development goals and international commitments. The vulnerabilities of the Maldives to global crises, natural disasters, climate change, and other external factors were also considered. The UNDAF is the framework that guided the UN system in

planning its assistance to address these risks and to sustain its development gains as the country transitioned to middle-income status.

The UNDAF has **fifteen outcome areas** that are broadly grouped in **four clusters**:

- **Social Equity:** Health, Education, Social Protection, Social Security Floor, and Substance Abuse and HIV Prevention
- **Economic Development and Environment:** Economic Sector, Decent Work, Environment Management and Water and Sanitation, Climate Change and Disaster Risk Reduction
- **Good Governance:** Transparency and Accountability, Access to Justice and Strengthened Rule of Law, Human Rights Promotion, Civil Society Empowerment, and Evidence-based Development Planning and Administration
- **Gender Equality and Women's Empowerment**

2.3 UNDAF Action Plan

The Government and the UN have formulated a UNDAF Action Plan to operationalise their commitments under the UNDAF. The UNDAF Action Plan is a critical tool for more efficient and effective programming of UN assistance, by ensuring strategic priorities identified in the UNDAF are operationalised in a coherent way creating synergies among programmes, identifying opportunities for joint programming, and avoiding duplication. It also elaborates on a common budgetary framework of the UNDAF by presenting activities that would need additional financial resources from the Maldives One UN Fund.

2.4 Strategic Action Plan: Framework for Development 2009-2013 (SAP)

The UNDAF is aligned with the Strategic Action Plan (SAP): Framework for Development 2009-2013 (SAP); its five key pledges, 26 other commitments, and cross-cutting themes in the areas of democratic governance, social justice, economic development, environmental sustainability, gender and human rights. Programmes under the UNDAF should complement or fill the gaps identified in the Government work plans formulated under the SAP.

2.5 The Maldives One UN Fund

The Maldives One UN Fund was established as one of several funding instruments to support the implementation of the UNDAF and the UNDAF Action Plan. The Fund will remain active throughout the UNDAF cycle 2011-2015. The MOU was concluded between 10 Participating Organisations and UNDP MPTF Office in its capacity as the AA of the Maldives One UN Fund.

The Maldives One UN Fund will enhance the flexibility and predictability of funding to the UN system to implement the UNDAF Action Plan in support of national priorities and emerging needs. It will ensure that funding and implementation are undertaken with special attention to transparency and accountability as well as efficient delivery and utilisation of resources.

3 Governance Arrangements

The Maldives One UN Fund TOR outlines the governance arrangements and decision-making process. The Governance Structure is outlined below.

2.1 Board

The Maldives One UN Fund Board is composed of representatives from the Government, the UN system, and the donor community. The Government is represented by the MOFT, Department of National Planning (DNP), Ministry of Foreign Affairs, and the Office of the President. The heads of the Participating Organisations are members of the Board as UN representatives. The Board is co-chaired by the MOFT as head of the GCA and the Resident Coordinator (RC).

The Board is responsible for:

- Reviewing and approving the TOR and Rules of Procedures
- Ensuring alignment of allocations with UNDAF and national priorities
- Establishing criteria for allocation of un-earmarked funds
- Reviewing and approving proposals from Participating Organisations
- Ensuring consultations with key stakeholders
- Reviewing periodic reports, audits, and lesson learned reviews

2.2 Resident Coordinator (RC)

The overall management of the Maldives One UN Fund is led and coordinated by the RC. In line with the overall objective of enhanced UN coherence in the Maldives, the RC is responsible for:

- Providing strategic leadership of the One UN Fund on the basis of the UNDAF and UNDAF Action Plan
- Advocating and mobilising resources for the One UN Fund in collaboration with Participating Organisations
- Leading a consultative process on allocations from the One UN Fund, and taking final decisions if consensus cannot be reached, with documented process and rationale for such decisions
- Holding the head of the Participating Organisations accountable for the funds allocated to their respective organisation under the One UN Fund
- Providing substantive support to the Maldives One UN Fund, including liaising regularly with the AA to ensure the proper coordination of the Fund

2.3 Resident Coordinator's Office (RCO)

The Resident Coordinator's Office (RCO) supports the RC in the management of the Maldives One UN Fund. The RCO acts as the Secretariat for the Board, working closely with MOFT External Resources Management Department (ERMD).

The RCO and MOFT-ERMD together compiled, reviewed and assessed the proposed priorities for funding allocations and ensure that proposals are in line with the UNDAF Action Plan and other national priorities before submitting the appropriate recommendation to the Board.

2.4 Theme Groups

To coordinate effectively and efficiently, the Maldives UNCT has established several inter-agency groups or Theme Groups. The groups were established to be the mechanism to develop strategies that will support the achievement of the UNDAF outcome, ensure that the UN agencies collaborate efficiently and effectively, and facilitate partnership with various stakeholders and donors. The groups reports and recommends appropriate action to the UNCT.

The following are the UN inter-agency groups established under the UNDAF New Programming Cycle 2011-2015: Social Equity, Economic Sector and Environment, Democratic Governance, Gender, M&E, HIV/AIDS, Communications, and Operation Management.

2.5 Administrative Agent (AA)

As the AA for the Maldives One UN Fund, the UNDP MPTF Office is responsible for the receipt, administration and management of contributions from Donors; disbursement of funds to the Participating Organisations in accordance with instructions from the Board, through the RC, and consolidation of narrative and financial reports produced by each of the Participating Organisations as well as the provision of these reports to the Board and Donors. The MPTF Office performs the full range of AA functions in accordance with the UNDG-approved "Protocol on the Administrative Agent for MDTF and JP, and One UN Funds".

In line with the MOU concluded between Participating Organisations and the MPTF Office, a clear delineation, including distinct reporting lines and an accountability framework, has been established and is maintained within UNDP between its functions as an AA performed by the MPTF Office and its functions as a Participating Organisation performed by UNDP Maldives.

4 Decision-Making Process

Guided by the UNDAF and UNDAF Action Plan, the UNCT prepares Annual Work Plans (AWPs), documenting planned activities, budgets and resources for the year. Based on the indicative work plans, the Theme Groups/Inter-Agency Groups submit proposed funding priorities and an updated resources matrix indicating sources of funds and funding gaps. Proposals for funding reviewed and compiled by the RCO and the MOFT-ERMD are submitted to the Board. The Board submits an overview of the resource gap matrix to Donors in December each year to request funding.

The Board reviews the proposed priorities to ensure that they are aligned with the UNDAF/UNDAF Action Plan and emerging national priorities based on which Participating Organisations develop and submit proposals. The Board utilises the allocation criteria to finalise and approve funding with the available un-earmarked funds. Decisions are based on a consultative process and documented jointly by the RCO Office and the MOFT-ERMD.

When earmarked contributions are received, the Board allocates the resources based on the following criteria:

- Alignment with the UNDAF and UNDAF Action Plan strategic priorities
- Implementation capacity of the relevant partner(s)
- Comparative advantages of the Participating Organisation in supporting the implementation of activities
- Priorities which would otherwise not be funded with realistic outcome budgets
- Additional criteria for subsequent allocations include: previous track record of the implementing partner and the Participating Organisation on delivering results, absorptive capacity, and timely, accurate, and meaningful reporting

5 Approval and Implementation Updates

5.1 Programme Allocation Overview and Status

The Board of the Maldives One UN Fund allocates funds to programmes with funding gaps that are contained in the AWP, which is guided by the national priorities of the SAP. Therefore, the full scope of activities and achievements may not be fully attributed to the specific Maldives One UN Fund allocations.

Table 5.1 Approved Programmes, as of 31 December 2012

Allocation Transfer Date	Programme	Participating Organisation	Net Total Amount
23 Sept 2011	Aid Coordination and M&E	UNDP	445,500
23 Feb 2012	Low Emission Climate-Resilient Development	UNDP	423,255
TOTAL			868,755

The first allocation approved in September 2011 supported Aid Coordination and Monitoring and Evaluation (M&E) as highlighted in Table 4.1 above for a total of \$445,500. In February 2012, \$423,255 was allocated to UNDP for the implementation of the “Low Emission Climate-Resilient Development Programme (LECRd)”. The purpose of this project is to assist in preparatory activities for the LECReD programme, including the design of the programme framework, development of a full-fledged programme document and a detailed implementation plan for the first two years of programme implementation.

4.2 Implementation Achievements

The section below provides an overview of the main implementation achievements during the reporting period as reported by the Participating Organisations.

4.2.1 UNDAF Outcome: Institutional capacity strengthened and framework in place to coordinate and plan national development at local and national levels

The Programme “Strengthening UN Coherence, Aid Effectiveness and M&E” is an inter-agency initiative with four distinct activities that contribute to specific UNDAF outputs. Each programme activity is implemented closely with a lead partner. The following paragraphs give an overview of the activities funded under the programme including the lead partners, objectives and achievements to date.

The programme is designed to support the country in accelerating the achievement of the MDGs through relevant and evidence-based development planning, budgeting, implementation, monitoring and effective coordination of development assistance. The expected outcome is to ‘enhance capacities to formulate, implement, and monitor progress in implementing the national strategy for MDG acceleration, including coordination capacities for coherent UN and other development assistance’.

Component One: MDG Acceleration

The objective of this component is to strengthen national development planning, budgeting, and monitoring capacities, and MDG advocacy. The lead partner is the Ministry of Finance and Treasury - Department of National Planning (MOFT-NDP).

Key activities and achievements: A concept note and detailed timeline for developing the MDG Acceleration Framework (MAF) was presented to the UNCT. Based on this the UNCT identified critical gaps. A national coordinator was engaged to lead and manage the MAF process and a research report prepared for shortlisting of the MDGs. Stakeholder orientation meetings were held to identify the specific MDG goal for which the MAF methodology will be applied. Research papers were developed for two goals selected: Goal 1: Eradicate Extreme Poverty and Hunger and Goal 7: Ensure Environmental Sustainability and a Cabinet Paper submitted to national authorities. The process has however been delayed, awaiting the decision by the Cabinet on the MAF goal selection. The UN will continue to work with the Government on this in 2013. In order to raise awareness of MDGs among school children, the UN Maldives carried out multi-sectoral advocacy activities with specific focus on MDGs. The main activities included an art competition and exhibition where over 500 children took part in the competition from schools in Male' and the atolls. The best 25 art works from the primary and secondary categories were displayed at an exhibition in Male' City Hall.



Component Two: Managing for Development Results (MFDR)

Under this component, the UN Agencies supported the Government to develop a results framework for each of the SAP sectors to mainstream Management for Development Results approach to national planning and budgeting. The lead partners are the MOFT-NDP and the line ministries.

Key activities and achievements: The Maldives Government uses the SAP Results Framework for planning, budgeting and monitoring. A workshop was convened in 2011 to guide ministries in the development of result frameworks for each of the sectors under the national SAP and UN agencies were invited to key sectorial discussions. The UN emphasised mainstreaming gender in the formulation of the frameworks. The SAP Framework enabled the Government to prepare a programme-based budget for the first time. All sectorial results frameworks were completed in 2011, and subsequently used for budget preparation. The UN will further provide support to the formulation of the new national development plan and related Results and Evaluation Frameworks based on MFDR principles. Gender responsive planning and budgeting capacity was built in 2012 in key Ministries and the Local Government Authority. To encourage evidence based decision making, the UN supported the initial work of establishing the Maldives Institute for Policy Studies (MIPS) and will continue the work in 2013.

Component Three: Aid Effectiveness

Aid Effectiveness is one of the main mandates of the RC and the RCO who are responsible for managing the country programme and coordinating with other UN agencies to ensure coherence in the UN system's support to programming. The focus of this component is strengthening strategic partnerships with key Donors and ensuring development assistance is better utilised in support of the achievement of MDGs and national priorities.

Key activities and achievements: A key achievement in this area was the Maldives Government endorsement of the Paris Declaration in September 2011. This was the result of advocacy efforts made by the UN system for the need to strengthen partnerships with international actors. To enhance aid-coordination, several meetings were held in 2012 with the donor community in the region (Maldives, Sri Lanka, and India) to discuss consolidation of the crisis, democratic transition and future engagement and specific meetings were further held to mobilise support for upcoming presidential elections in 2013.

In order to address bottlenecks, hindering programme implementation and to address coordination issues, sectoral coordination meetings were held with Environment and Health Sector implementing partners which resulted in the identification of possible interventions such as the need for a robust aid-coordination mechanism in the two forums. The UNCT is now working with the MOFT to establish a simple and robust Aid Coordination Mechanism and monitoring system of the government. To support and strengthen the process, mapping and consolidation of donor funding information will be undertaken which will assist in streamlining donor coordination; reduce duplication of donor support; aid in resource mobilisation and transparent management of donor funding.

There is a political and socio-cultural transition following the graduation of the Maldives to a MIC. The Government has generally expressed preference for more infrastructure support rather than to policy formulation and development. This will be further reviewed when the UN undertakes the Mid-Term Review (MTR) of the UNDAF in 2013.

Component Four: UN Coherence

This component aims to support UN Agencies to work more coherently to achieve the UNCT AWP objectives. In the area of aid coordination, the lead partners are the MOFT, the UN systems' coordinating government agency. The UN M&E Working Group is the inter-agency coordination mechanism for this programme and other programmes contributing to the relevant UNDAF Outcome.

Key activities and achievements: The Integrated Governance Programme launched in August 2012 provided a platform for inter-agency coordination in the area of democratic consolidation and human rights. In support of this, activities were jointly undertaken in the area of human rights such as support to strengthening the capacities of the Human Rights Commission.

Gender mainstreaming is a key priority for the UN and a gender score card exercise was conducted to measure performance on gender-related work and across UN's operations. Recommendations from the exercise included strengthening gender considerations in M&E and engaging with religious institutions. A management response was developed by the UNCT to pursue this further. Substantial inter-agency work was undertaken to establish institutional mechanisms for the protection of women, children and vulnerable groups. These include the ratification of the Domestic Violence Act, setting up of the Family Protection Authority, and formulation of prevention strategies for abuse and domestic violence. Furthermore an international consultant was engaged to provide technical assistance to support the Ministry of Gender, Family and Human Rights to enhance its capacity and develop a system to collect and analyse data on vulnerable groups. The UN System also supported the Training of Trainers (ToT) and refresher trainings for Gender Trainers.

To support the achievement of the UNDAF outcomes, promote greater coherence and synergies among communications activities of the UN agencies, an UNDAF Communication Strategy was developed and finalised. The UN team will undertake an UNDAF MTR to assess the effectiveness in delivery of the of UN system support as per the needs of the country and to assist the UN in aligning its programmes based on

the changed environment and circumstances. The UNDAF MTR process will include the development of a Situation Analysis based on which the UNDAF Action Plan will be revised.

Challenges and Lesson Learned: Given the political situation in the country the UNCT had to rethink its strategy of engagement especially with Government, and chose not to engage in high-profile activities or initiate new initiatives that would require longer-term commitment, because of the uncertainty in the situation. This has also affected the implementation of the regular programmes. In view of political uncertainty and the upcoming presidential elections in 2013 the UN will need to strengthen its capacity to respond to the challenges in the political and socio-economic environment.

4.2.2 UNDAF Outcome: Enhanced capacities at national and local levels to support low carbon lifestyles, climate change adaptation and risk reduction

The "Low Emission Climate Resilient Development (LECReD)" Programme, takes an integrated ecosystem based approach to addressing the environmental, social and economic vulnerabilities facing the Maldives. The premise of the programme is the recognition that in order to meet the challenges and uncertainties of climate change, development must be more resilient to its adverse impacts and produce fewer emissions.

The LECReD programme implementation is supported by UNDP and builds upon existing interventions by the UN team and Government on climate change adaptation, bio-diversity conservation, renewable energy, energy efficiency, sustainable livelihood generation and waste management. It explicitly addresses major elements of the SAP, the National Sustainable Development Strategy 2009 (NSDS), the National Adaptation Programme of Action 2007 (NAPA), and the UNDAF. The expected outputs are; 1) a programme framework and fully fledged programme document; 2) establishment of a knowledge management set up for (LECReD); and 3) support to the Government of identification of Renewable Energy interventions.



Key activities and achievements: With support from the Maldives MDTF, the vulnerabilities of the Laamu atoll population were identified following participatory processes. A scoping mission was conducted to ten islands of the Laamu Atoll to assess the capacity of the population to adapt to impact of climate change and other vulnerabilities; outline preliminary adaptation measures; identify synergies across thematic areas, establish key local contacts and to inform the development of a

framework program, including indicative activities, resources required and appropriate phasing. The programme concept developed, reflected the community knowledge, visions and voice on different thematic areas such as waste disposal, energy efficiency and climate change. The information generated was presented and discussed at a workshop held in Laamu atoll where participants from each inhabited island of Laamu, and different actors engaged in development activities, such as the utility company, industries and education sector took part. Based on vulnerabilities, the main thematic areas were identified and interventions were suggested in the areas of low carbon development, protecting communities, local capacity and governance, economic resilience and food security and health. The Programme will build upon existing interventions by the UN team and Government and explicitly addresses major elements of the Government's Strategic Action Plan (SAP), the *National Sustainable Development Strategy 2009 (NSDS)* and the *National Adaptation Programme of Action 2007 (NAPA)*; and the *United Nations Development Assistance Framework*. The Programme will be implemented as a UN joint programme, bringing together the experience and expertise of all the relevant UN agencies in the Maldives. It is expected among other things that the programme will help target communities become better protected and able to adapt to the impact of climate change and that local governance capacity will be strengthened to respond to climate related vulnerabilities at island and atoll level.

Following the extensive consultations with the communities where problems and solutions were derived, the draft programme framework was prepared and validated by the LECRED technical working committee, comprised of participating UN agencies and national partners. While the programme framework was nearly finalised, due to political instability in the country, its actual implementation was put on hold at the request of the funder, and therefore, the programme has not yet been finalised for implementation. The process of programme finalisation has been resumed in early 2013.

The five programme outcomes initially identified, but still subject to modification, include:

- Target communities are better protected and able to adapt to the impact of climate change
- Local governance capacity is strengthened to respond to climate related vulnerabilities at island and atoll level
- Economic resilience and food security of target communities is strengthened to cope with climate shocks
- Climate related impact on human health and nutrition is reduced

- Energy systems are improved to be low carbon, reliable and secure, such that communities are empowered and external dependency is reduced

Challenges and Lesson Learned: The unstable political conditions in the country have delayed the implementation of the project. The establishment of a sustainable knowledge management setup for LECReD was not implemented for several reasons, partly due to the counterpart offices were dissolved and the portfolio was shifted to another minister following the shift in government in February 2012. The support to the Government on identification of possible interventions in the Laamu Atoll was also not initiated as this outcome was part of a larger programme for which the funds were locked, at the request of the donors, when the Government changed.

6 Financial Performance

The Financial Performance section includes key financial data on the Maldives One UN Fund. Financial information is also available on the <http://mptf.undp.org/factsheet/fund/MV100> on the MPTF Office GATEWAY.

Table 5.1 provides an overview of the entire Maldives One UN Fund financial portfolio by providing the source, use and balance of funds.

5.1 Financial Overview, as of 31 December 2012

	Annual 2011	Annual 2012	Cumulative
Sources of Funds			
Gross Contributions	10,187,288	-	10,187,288
Fund Earned Interest and Investment Income	35,335	55,965	91,299
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MPTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	10,222,623	55,965	10,278,587
Use of Funds			
Transfer to Participating Organizations	445,500	423,255	868,755
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	445,500	423,255	868,755
Administrative Agent Fees	101,873	-	101,873
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	240	396	637
Other Expenditures	-	-	-
Total: Uses of Funds	547,613	423,651	971,265
Change in Fund cash balance with Administrative Agent	9,675,009	-367,687	9,307,323
Opening Fund balance (1 January)	-	9,675,009	-
Closing Fund balance (31 December)	9,675,009	9,307,323	9,307,323
Net Funded Amount to Participating Organizations	445,500	423,255	868,755
Participating Organizations` Expenditure	130,047	291,823	421,870
Balance of Funds with Participating Organizations			446,885

Contributions to the Maldives One UN Fund of \$10,187,288 were deposited in 2011. The Government of Denmark contributed \$9,737,288 and the EFW \$450,000. Of this amount \$445,500 was transferred to Participating Organisations in 2011 and \$423,255 in 2012.

Apart from donor contributions, the Maldives One UN Fund can also receive funds from the interest earned income. Fund earned interest income in 2012 was \$55,965. The AA fee is charged at an approved

rate of 1 percent on deposits to the Maldives One UN Fund. In 2011, the AA fee totalled \$101,873 and as no additional contributions were received in 2012, no AA fee was deducted in 2012.

5.2 Donor Contributions

Table 5.2 displays the breakdown of the contributions received. Total un-earmarked contributions received as of 31 December 2012 is \$10,187,288.

Table 6.2 Donor Contributions, as of 31 December 2012

Contributors	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	Total
DENMARK	9,737,288	-	9,737,288
Expanded DaO Funding Window	450,000	-	450,000
Grand Total	10,187,288	-	10,187,288

5.3 Interest Earned

The interest earned from Maldives One UN Fund donor contributions is reported from two sources. Fund earned interest is the interest earned by the MPTF Office as the AA on the balance of funds remaining in the Maldives One UN Fund (maintained by UNDP/Treasury). Agency earned interest is the amount earned by Participating Organisations on the undisbursed balance of the Maldives One UN Funds that have been transferred to them for project implementation. Fund earned interest as of 31 December 2012 was \$91,299. There was no reported interest from Participating Organisations.

Table 6.3 Fund Earned Interest, as of 31 December 2012

	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL
Fund Earned Interest (Administrative Agent)	35,335	55,965	91,299
Total Interest Earned	35,335	55,965	91,299

5.4 Transfer of Approved Funding to Participating Organisations

As of 31 December 2012, the Maldives One UN Fund had transferred a total amount of \$868,755 to UNDP in support of the UNDAF Outcomes as highlighted in Tables 5.4 and 5.5 below.

Table 6.4 Net Funded Amounts by Participating Organisations, as of 31 December 2012

Participating Organisation	Net Funded Amount		
	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL
UNDP	445,500	423,255	868,755
Total	445,500	423,255	868,755

Table 6.5 Net Funded Amount by UNDAF Outcome, as of 31 December 2012

UNDAF Outcome / Programme	Net Funded Amount		
	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL
Aid Coordination and M&E	445,500	-	445,500
Economic Development & Environment		423,255	423,255
Gender Equality and Women's Empowerment		-	-
Social Equity		-	-
Good Governance		-	-
Total	445,500	423,255	868,755

In 2012, \$423,255 was allocated to UNDP for the implementation of the “Low Emission Climate-Resilient Development Programme (LECRd)” as highlighted in table 5.5 above. This is the first phase of a large programme under development in support of the UNDAF Outcome Economic Development & Environment.

5.5 Expenditure

The first transfer was made on 23 September 2011 and the second transfer on 23 February 2012. Due to political instabilities and changes that took place in February 2012, the finalisation and implementation of the LECReD Programme was put on hold in 2012 as per the request of the donors. Therefore, no expenditure was reported for 2012. The total expenditure reported amounts to \$421,870 (48.56 percent) as of 31 December 2012. The process of programme finalisation for the LECReD programme resumed in early 2013.

All expenditure reports were submitted by the Headquarters of the Participating Organisations through the MPTF Office's UNEX Financial Reporting Portal, and extracted and analysed by the MPTF Office. The below tables provide different cuts on this expenditure data. Additional tables on expenditure, including expenditure tables by Participating Organisation with breakdowns by budget category are available on the [MPTF Office GATEWAY](#).

Tables 5.6 and 5.7 below display expenditures by UNDAF Outcome and by Participating Organisations. The financial delivery rates are measured in terms of expenditure as a proportion of the amount transferred. The delivery rate as of 31 December 2012 was 48.56 percent.

Table 6.6 Expenditure by UNDAF Outcome, as of 31 December 2012

UNDAF Outcome / Programme	Net Funded Amount	Prior Years as of 31 Dec 2011	Expenditure		
			Current Year Jan-Dec 2012	TOTAL	Delivery Rate (%)
Aid Coordination and M&E	445,500	130,047	148,983	279,030	62.63
Economic Development & Environment	423,255	-	142,840	142,840	33.75
Gender Equality and Women's Empowerment	-	-	-	-	-
Social Equity	-	-	-	-	-
Good Governance	-	-	-	-	-
Total	868,755	130,047	291,823	421,870	48.56

Table 6.7 Expenditure by Participating Organisation, as of 31 December 2012

Participating Organisation	Net Funded Amount	Prior Years as of 31 Dec 2011	Expenditure		
			Current Year Jan-Dec 2012	TOTAL	Delivery Rate (%)
UNDP	868,755	130,047	291,823	421,870	48.56
Total	868,755	130,047	291,823	421,870	48.56

Table 5.8 below shows a total of \$421,870 was expended with the majority of funds used for personnel costs associated with the primary objective of Aid Coordination and the M&E programme to enhance coordination. Indirect costs totalled \$26,764 or 6.77 percent.

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

UNDG Categories

Current UNDG Categories/	Revised Harmonized Categories
1. Personnel (staff, consultants, travel and training)	1. Staff and other personnel costs
2. Supplies, commodities, equipment and transport	2. Supplies, Commodities, Materials
3. Training of counterparts	3. Equipment, Vehicles and Furniture including Depreciation
4. Contracts	4. Contractual Services
5. Other direct costs	5. Travel
6. Indirect Support Costs	6. Transfers and Grants Counterparts
	7. General Operating and Other Direct Costs
	8. Indirect support costs

Table 6.8 Expenditure by Budget Category, as of 31 December 2012

Category	Prior Year as of 31 Dec2011	Expenditure		Percentage of Total Programme Cost
		Current Year Jan-Dec 2012	Total	
Supplies, Commodities, Equipment and Transport (Old)	-	-	-	0.00
Personnel (Old)	117,657	-	117,657	29.78
Training of Counterparts(Old)	-	-	-	0.00
Contracts (Old)	-	-	-	0.00
Other direct costs (Old)	3,882	-	3,882	0.98
Staff & Personnel Cost (New)	-	89,625	89,625	22.68
Supplies, Commodities, Materials (New)	-	103,732	103,732	26.25
Equip, Vehicles, Furniture, Depreciation (New)	-	-	-	0.00
Contractual Services (New)	-	-	-	0.00
Travel (New)	-	42,725	42,725	10.81
Transfer and Grants (New)	-	-	-	0.00
General Operating (New)	-	37,485	37,485	9.49
Programme Costs Total	121,539	273,567	395,106	100.00
Indirect Support Costs Total	8,508	18,256	26,764	6.77
Total	130,047	291,823	421,870	

5.6 Balance of Funds

As per the Financial Overview (Table 5.1), a total net amount of \$868,755 has been transferred to Participating Organisations. The AA Fee deducted was \$101,873 and interest earned \$91,299 leaving a balance available of \$9,307,323 as of 31 December 2012. As indicated earlier, due to the political context throughout 2012, the donors to the Maldives One UN fund request to put the LECReD Programme on hold so the funding was not approved in 2012.

5.7 Cost Recovery

The cost recovery for the Maldives One UN Fund is guided by the applicable provisions of the TOR, the MOU concluded between the AA and Participating Organisations, and the SAAs concluded between the AA and Donors.

Cost recovery, as of 31 December 2012, was as follows:

- **The Administrative Agent fee:** One per cent charged at the time of donor deposits and is for the entire duration of the Maldives One UN Fund. The AA fee deducted amounts to \$101,873.
- **Indirect Costs of Participating Organisations:** As stipulated in the Maldives One UN Fund TOR, Participating Organisations may charge 7 percent indirect costs. As of 31 December 2012 the indirect costs were \$26,764.

- **Direct Costs:** May be charged to the Fund to cover costs associated with the support to the Board. In 2012 there were no direct costs approved or reported.

5.8 Transparency and Accountability of the Maldives One UN Fund

The MPTF Office provides regular information on the operations of the [Maldives One UN Fund](#) on its GATEWAY. The [MPTF Office GATEWAY](#) is 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 Organisations. All narrative reports are posted on the 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 organisations. 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 recognised as a 'standard setter' by peers and partners.