





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 2013

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

http://mptf.undp.org

15 May 2014

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization (FAO)



United Nations Children's Fund (UNICEF)



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.

Contributor 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.

Contributor 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 2013 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 (https://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 (https://mptf.undp.org).

2. FINANCIAL OVERVIEW

The CAR CHF was established in July 2008 as an expansion of the CAR Emergency Response Fund (ERF). By the end of 2013, total contributions of US\$ 56.77 million have been received from five donors as further described in Section 3. From 2012 to 2013 there was an increase in donor contributions of 78 percent.

Table 1 provides an overview of the overall sources, uses, and balance of the CAR CHF as of 31 December 2013. Out of US\$ \$56.77 million received from donors and US\$ 686,064 earned in interest income, as further described below, US\$ 53.21 million has been net 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 2013, the total earned interest amounted to US\$ 686,064. 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 2013, the AA fees charged to the CAR CHF totaled US\$ 95,988.

Table 1: Financial Overview for the period ending 31 December 2013 (in US Dollars)

	Annual 2012	Annual 2013	Cumulative
Sources of Funds			
Gross Donor Contributions	5,384,250	9,598,800	56,765,470
Fund Earned Interest Income	13,563	11,038	351,478
Interest Income received from Participating Organizations	108,435	-	334,586
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MPTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	5,506,248	9,609,837	57,451,534
Use of Funds			
Transfer to Participating Organizations	6,731,874	8,446,104	53,347,222
Refunds received from Participating Organizations	26,070	(106,669)	(141,773)
Net Funded Amount to Participating Organizations	6,757,943	8,339,435	53,205,449
Administrative Agent Fees	53,843	95,988	567,655
Direct Costs: (Secretariatetc.)	-	384,339	384,339
Bank Charges	13	372	969
Other Expenditures	-	-	51,715
Total: Uses of Funds	6,811,799	8,820,134	54,210,126
Change in Fund cash balance with Administrative Agent	(1,305,551)	789,704	3,241,408
Opening Fund balance (1 January)	3,757,255	2,451,704	-
Closing fund balance (31 December)	2,451,704	3,241,408	3,241,408
Net Funded Amount to Participating Organizations	6,757,943	8,339,435	53,205,449
Participating Organizations' Expenditure	12,176,512	4,597,310	48,062,242
Balance of Funds with Participating Organizations			5,143,207

3. PARTNER CONTRIBUTIONS

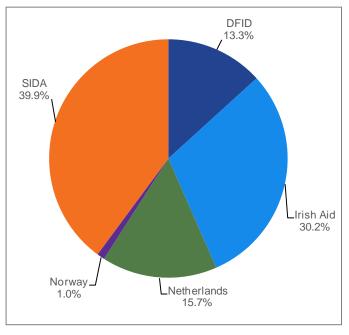
Table 2 displays the breakdown of the received contributions. The CAR CHF is currently being financed by five donors that have signed SAAs, namely the UK's Department for International Development (DFID), Irish Aid, the Governments of the Netherlands and Norway and the Swedish International Development Cooperation (Sida). In 2013, the CAR CHF received US\$ 9.6 million in donor contributions, bringing the total fund contributions to US\$ 56.77 million.

Table 2: Contributions (in US Dollars)

	Deposits				
Contributors	Prior Years as of 31 Dec 2012	Current Year Jan – Dec 2013	Total		
DFID	7,525,080	-	7,525,080		
Irish Aid	14,520,200	2,603,200	17,123,400		
Netherlands	6,390,078	2,500,000	8,890,078		
Norway	592,675	-	592,675		
Sida	18,138,638	4,495,600	22,634,238		
Total	47,166,670	9,598,800	56,765,470		

As shown in Figure 1, the biggest contributors to the CAR CHF have been SIDA (39.9 percent) and Irish Aid (30.2 percent).

Figure 1: Deposits by Donor, cumulative as of 31 December 2013 (in percentages)



4. INTEREST EARNED

Table 3 provides a summary of the interest earned.

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

Administrative Agent	Prior Years as of 31 Dec 2012	Current Year Jan – Dec 2013	Total
Fund Earned Interest and Investment Income	340,440	11,038	351,478
Total – Fund Earned Interest and Investment Income	340,440		351,478
NGO/UNDP	205,435	-	205,435
UNDP	121,747	-	121,747
UNESCO	1,700	-	1,700
UNFPA	5,704	-	5,704
Total - Interest Income received from PO	334,586	-	334,586
Total	675,026	-	686,064

4.1 ADMINISTRATIVE AGENT (FUND-LEVEL) EARNED INTEREST

During the reporting period, the CAR CHF AA (Fund-level) earned interest income was US\$ 11,038, which when combined with the interest income for prior years brings the total Fund-level earned interest to US\$ 351,478.

4.2 INTEREST EARNED BY PARTICIPATING ORGANIZATIONS

Table 3 shows interest refunded by Participating Organizations where its rules and regulations allow for the refund of interest. Many UN agencies have revised their financial rules relating to interest refunds and, as a result, no interest income was received from Participating Organizations in 2013.

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 ten clusters of the CAR CHF namely, Early Recovery, Education, Emergency Reserve, Food Security, Health, Logistics, Nutrition, Protection, Shelter and Non-Food Items (NFI), and Water and Sanitation (WASH).

5.1 TRANSFERS TO PARTICIPATING ORGANIZATIONS

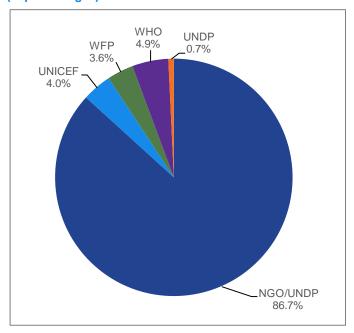
Eight Participating Organizations have signed the MOU for the CAR CHF since its inception in July 2008. In 2013 the Administrative Agent, based on the approval of the Humanitarian Coordinator, net transferred US\$ 8.34 million to five Participating Organizations, bringing the total cumulative net transferred amount to US\$ 53.21 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)

	Prior Years as of 31 Dec 2012			Currer	Current Year Jan - Dec 2013			Total		
Participating Organization	Transfers	Refunds	Net Transferred Amount	Transfers	Refunds	Net Transferred Amount	Transfers	Refunds	Net Transferred Amount	
OCHA	529,669	-	529,669	-	-	-	529,669	-	529,669	
UNDP/NGO	36,444,652	-	36,444,652	7,233,996	-	7,233,996	43,678,648	-	43,678,648	
UNDP	180,000	-	180,000	62,108	-	62,108	242,108		242,108	
UNESCO	169,800	(8,711)	161,089	-	-	-	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	3,891,376	(12,236)	3,879,140	350,000	(17,102)	332,898	4,241,376	(29,338)	4,212,038	
WFP	2,110,762	-	2,110,762	300,000	-	300,000	2,410,762		2,410,762	
WHO	765,248	-	765,248	500,000	(89,567)	410,433	1,265,248	(89,567)	1,175,681	
Grand Total	44,901,118	(35,104)	44,866,014	8,446,104	(106,669)	8,339,435	53,347,222	(141,773)	53,205,449	

UNDP serves as a Managing Agent for funds approved by the HC for implementation by NGOs. In 2013 UNDP received the largest share of funding for NGO implemented projects (US\$ 7.23 million or 86.7 percent), followed by WHO (US\$ 410,433 or 4.9 percent), UNICEF (US\$ 332,898 or 4 percent) and WFP (US\$ 300,000 or 3.6 percent), as shown in Figure 2.

Figure 2: Net funded amount by Participating Organization for the period of 1 January to 31 December 2013 (in percentages)



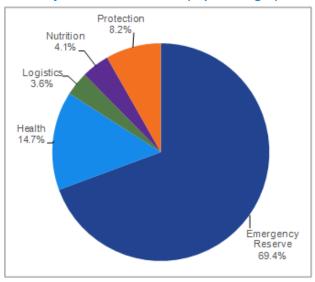
5.2 TRANSFERS BY CLUSTER

Table 5, Table 6b and Figure 3 show the net funded amount by cluster. Prior to 2011 all the transfers and expenditure for the CAR CHF were recorded against the *JP-CAR Emergency Response Fund* sub-fund code. In 2013, this sub-fund code was separated into two sub-fund codes: 1) CAR Emergency Response Fund (US\$ 4 million); and 2) CAR CHF 2008-2010 (US\$ 20.66 million). This is to reflect transfers that were made when the fund was first created as an Emergency Response Fund in 2007.

Table 5: Cumulative net funded amount by cluster as of 31 December 2013 (in US Dollars)

Clusters	Total Net Funded Amount
CAR Emergency Response Fund	4,002,916
CAR CHF 2008-2010	20,660,762
Early Recovery	1,969,023
Education	1,358,309
Emergency Reserve	10,412,350
Food Security	2,714,238
Health	4,101,748
Logistics	300,000
Nutrition	3,102,585
Protection	2,595,613
Shelter and NFIs	214,000
Water and Sanitation	1,773,906
Total	53,205,449

Figure 3*: Net funded amount by cluster for the period of 1 January to 31 December 2013 (in percentages)



^{*} Due to corrections made, this figure excludes data related to the CAR ERF and CAR CHF 2008-2010 sub-fund codes

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 2013 expenditure data has been posted on the MPTF Office GATEWAY and can be found in this report in Tables 6a, 6b 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 2013, Participating Organizations reported **US\$ 4.6 million in expenditure**. The cumulative **delivery rate** as of 31 December 2013 is **90 percent**. This delivery rate is an indicator of the CAR CHF's capacity to deliver humanitarian assistance under extremely challenging conditions.

The sub-fund code CAR CHF 2008-2010 shows over-expenditure due to historical mapping issues of project expenditure. Steps were taken in 2013 to resolve these issues, including the movement of

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

	Current Year Jan-Dec 2013		То		
Participating Organization	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Delivery Rate (%)
NGO/UNDP	7,233,996	3,470,265	43,678,648	39,667,064	91
OCHA	-	-	529,669	446,591	84
UNDP	62,108	59,397	242,108	239,397	99
UNESCO	-	-	161,089	161,089	100
UNFPA	-	-	262,454	262,454	100
UNHCR	-	-	533,000	533,000	100
UNICEF	332,898	306,981	4,212,038	3,802,019	90
WFP	300,000	300,000	2,410,762	2,352,459	98
WHO	410,433	460,667	1,175,681	598,169	51
Total	8,339,435	4,597,310	53,205,449	48,062,242	90

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

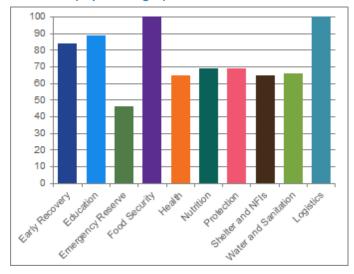
	Current Year Jan-Dec 2013		То		
Clusters	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Delivery Rate (%)
CAR CHF 2008-2010	(4,106,862)	(3,380,600)	20,660,762	25,461,213	123
CAR Emergency Response Fund	4,002,916	3,944,613	4,002,916	3,944,613	99
Early Recovery	-	219,740,	1,969,023	1,639,200	83
Education	(2,722)	90,841	1,358,309	1,213,216	89
Emergency Reserve	5,859,439	1,667,960	10,412,350	4,770,204	46
Food Security	-	257,882	2,714,238	2,797,126	103
Health	1,239,975	472,238	4,101,748	2,685,569	65
Logistics	300,000	300,000	300,000	300,000	100
Nutrition	350,000	357,080	3,102,585	2,152,803	69
Protection	696,690	293,705	2,595,613	1,786,070	69
Shelter and NFIs	-	56,617	214,000	139,882	65
Water and Sanitation	-	317,233	1,773,906	1,172,345	66
Total	8,339,435	4,597,310	53,205,449	48,062,242	90

expenditures that related to the CAR Emergency Response Fund (US\$ 4 million). Due to the challenging situation in CAR during 2013, these corrections could not be completed. Further corrections will be made in 2014.

Excluding these corrections, between 2011 and 2013 the clusters that have reported the highest expenditure were the Emergency Reserve with US\$ 4.77 million and Food Security with US\$ 2.8 million, as shown in Figure 4.

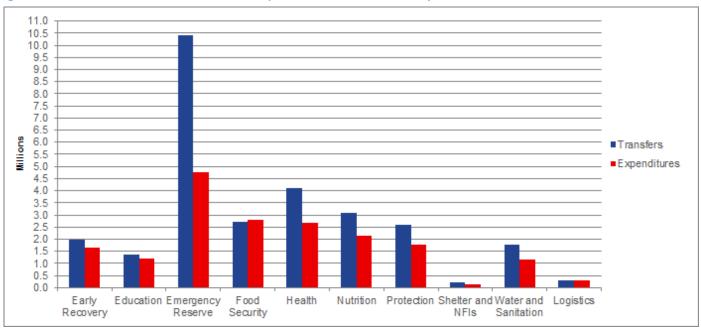
Figure 5 depicts the delivery rate by cluster from 2011 to 2013. Food Security reported a delivery rate slightly over 100 percent; Logistics reported 100 percent and Education reported 89 percent delivery.

Figure 5*: Delivery rate by cluster 2011- 2013 (in percentages)



* This figure covers 2011-2013 data. Due to corrections, it excludes data related to the CAR ERF and CAR CHF 2008-2010 sub-fund codes.

Figure 4: Cumulative net funded amount and expenditure with breakdown by cluster, 2011-2013*



^{*} This figure covers 2011-2013 data. Due to corrections, it excludes data related to the CAR ERF and CAR CHF 2008-2010 sub-fund codes.

6.2 TOTAL EXPENDITURE REPORTED BY CATEGORY

Table 7 shows the expenditure of the CHF as per the agreed upon expense 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	Prior Years as of 31 Dec 2012	Current Year Jan-Dec 2013	TOTAL	Percentage of Total Programme Cost
Supplies, Commodities, Equipment and Transport (Old)	1,727,554	-	1,727,554	3.83
Personnel (Old)	1,202,457	-	1,202,457	2.67
Training of Counterparts (Old)	88,715	-	88,715	0.20
Contracts (Old)	2,478,989	-	2,478,989	5.50
Other direct costs (Old)	23,911,100	-	23,911,100	53.07
Staff & Personnel Cost (New)	100,769	228,215	328,983	0.73
Suppl, Comm, Materials (New)	250,353	323,465	573,819	1.27
Equip, Veh, Furn, Depn (New)	10,876,891	(10,760,779)	116,111	0.26
Contractual Services (New)	243,795	(91,264)	152,530	0.34
Travel (New)	(551,012)	679,096	128,085	0.28
Transfer and Grants(New)	225,515	14,602,773	14,828,288	32.91
General Operating Expenses (New)	207,877	(686,869)	(478,992)	(1.06)
Programme Costs Total	40,763,002	4,294,637	45,057,639	100.00
Indirect Support Costs Total	2,701,930	302,673	3,004,603	6.67
Grand Total	43,464,932	4,597,310	48,062,242	

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 2013, the actual costs were as follows:

- a) The AA fee of US\$ 567,655, 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 similar funds.
- b) The cumulative indirect support costs of the Participating Organizations as of 31 December 2013 were US\$ 3 million, which represents 6.67 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

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (http://mptf.undp.org). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.