



## **Third Consolidated Annual Progress Report on Activities Implemented under the Lesotho One UN Fund**

**Report of the Administrative Agent of the Lesotho One UN Fund  
for the Period 1 January to 31 December 2013**

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

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## Lesotho One UN Fund

### PARTICIPATING ORGANISATIONS



**Food and Agriculture Organization of the United Nations (FAO)**



**International Labour Organization (ILO)**



**International Organization for Migration (IOM)**



**International Trade Centre (ITC)**



**Joint United Nations Programme on HIV/AIDS (UNAIDS)**



**United Nations Capital Development Fund (UNCDF) United**



**Nations Children's Fund (UNICEF)**



**United Nations Conference on Trade and Development (UNCTAD)**



**United Nations Development Programme (UNDP)**



**United Nations Educational, Scientific and Cultural Organization (UNESCO) United**



**Nations High Commissioner for Refugees (UNHCR)**



**United Nations Industrial Development Organization (UNIDO) United**



**Nations Office on Drugs and Crime (UNODC)**



**United Nations Population Fund (UNFPA)**



**World Health Organization (WHO)**

### CONTRIBUTING DONORS



**Expanded Delivering as One Funding Window for Achievement of the MDGs**  
*(The Netherlands, Norway, Spain and the United Kingdom/DFID)*

## Abbreviations and Acronyms

AA	Administrative Agent
AIDS	Acquired Immune Deficiency Syndrome or Acquired Immunodeficiency Syndrome
AWP	Annual Work Plan
DaO	Delivering as One
EFW	Expanded Delivering as One Funding Window for Achievement of the MDGs
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
MDGs	Millennium Development Goals
MOITCM	Ministry of Industry and Trade, Cooperatives and Marketing
MOGYSR	Ministry of Gender, Youth, Sports and Recreation
MOFDP	Ministry of Finance and Development Planning
MOHSW	Ministry of Health and Social Welfare
MoFDP	Ministry of Finance and Development Planning
MOU	Memorandum of Understanding
MPTF	Multi-Partner Trust Fund
MPTF Office	Multi-Partner Trust Fund Office
NASP	National HIV and AIDS Strategic Plan
NRA	Non-resident Agencies
PMT	Programme Management Team
PRS	Poverty Reduction Strategy
PSC	Programme Steering Committee
RC	Resident Coordinator
SAA	Standard Administrative Arrangement
TOR	Terms of Reference
UN	United Nations
UNCT	United Nation Country Team
UNDAF	United Nations Development Assistance Framework

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## **Executive Summary**

### **Introduction**

The Lesotho One UN Fund was established on 20 December 2009 with the conclusion of the Memorandum of Understanding (MOU) between seven Resident and seven Non-Resident Agencies (NRA) and one Participating Non-UN Organisation, the International Office for Migration (IOM), collectively referred to as Participating Organisations with UNDP's Multi-Partner Trust Fund Office (MPTF Office) in its capacity as the Administrative Agent (AA) of the Lesotho One UN Fund. The Lesotho One UN Fund became Operational on 10 March 2010 with the first contribution from Expanded Delivering as One (DaO) Funding Window (EFW) for Achievement of the Millennium Development Goals (MDGs). In 2012, the Fund end date was extended from December 2012 until December 2013 and in 2013 it was extended for a last time until December 2014.

### **Strategic Framework**

The Lesotho United Nations Development Assistance Framework 2008-2013 (UNDAF) and UNDAF Action Plan outline the UN System's contribution to Lesotho's priority development challenges. The Lesotho UN Country Team (UNCT) agreed to become a DaO "self-starter" country in 2008 and revised its UNDAF in 2009 in an effort to work more closely together including the establishment of the Lesotho One UN Fund.

### **Project Approval Status**

The Lesotho One UN Fund Programme Steering Committee (PSC) approved allocations to Participating Organisations in 2012 totaling \$1,806,000 following receipt of the final EFW deposit of \$1,101,000 bringing the total cumulative amount approved and transferred to \$5,538,004.

### **Implementation Achievements**

As highlighted in Section 5, five joint programmes received financial contributions from the One Fund. The joint programme on maternal, neonatal and child health is noted as contributing to building capacities of health systems in four districts, while initiatives under the HIV Prevention joint programme helped to increased knowledge about HIV/AIDS and demand for sexual and reproductive health services. The funding support to the economic growth and development joint programme supported institutional capacity and skills development to enhance employment, especially for women, the Change Management Programme supported strengthening Delivering as One, and finally financing provided to the nutrition joint programme supported strengthening the capacity of individuals, society organizations, public and private institutions to achieve and sustain universal access to HIV prevention, treatment, care and support, and to mitigate its impact.

### **Financial Performance**

During the reporting period, the Lesotho One UN Fund reported expenditure of \$785,173 by Participating Organisations. The delivery rate continues to show implementation progress with an overall delivery rate of 90 percent.

## **Transparency and Accountability**

The MPTF Office provides regular information on the operations of [Lesotho One UN Fund](#) on its GATEWAY page. 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 11,300 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.

## 1 Introduction

The Lesotho One UN Fund was established on 20 December 2009 with the conclusion of the Memorandum of Understanding (MOU) between seven Resident and seven Non-Resident Agencies (NRA) and one Participating Non-UN Organisation, the International Office for Migration (IOM), collectively referred to as Participating Organisations with UNDP's Multi-Partner Trust Fund Office (MPTF Office) in its capacity as the Administrative Agent (AA) of the Lesotho One UN Fund. The Lesotho One UN Fund became operational on 10 March 2010 with the first contribution from the Expanded Delivering as One Funding Window (EFW) for Achievement of the Millennium Development Goals (MDGs). In 2012, the Fund end date was extended from December 2012 until December 2013 and in 2013 a final extension was granted until December 2014.



The Lesotho One UN Fund is consistent with the Paris Declaration on Aid Effectiveness, including national ownership, alignment with national priorities, harmonisation and coordination. It operates within the Delivering as One (DaO) principles.

This report is consolidated based on information and data contained in the individual progress reports and financial statements submitted by United Nations Development Assistance Framework (UNDAF) Participating Organisations to the MPTF Office. It is neither an evaluation of the Lesotho One UN Fund nor the MPTF Office's assessment of the performance of the Participating Organisations.

The Annual Progress Report covers the reporting period from 1 January 2013 to 31 December 2013. It provides information on the financial data, and on progress made in the implementation of projects funded by the Lesotho One UN Fund during the current reporting period as well as prior year reporting to provide an overall update on the status of the Lesotho One UN Fund.

During the reporting period, the Lesotho One UN Fund received no additional contributions, resulting in a total EFW funding of \$5,597,000.

## 2 Strategic Framework

Lesotho continues to face significant development challenges. The adult prevalence of Human Immunodeficiency Virus (HIV)/Acquired Immune Deficiency Syndrome or Acquired Immunodeficiency Syndrome (AIDS) remains at 23 per cent, the third highest in the world. Poverty is widespread with more than half of the population living below the poverty line and only two MDGs on education and gender currently being on track. According to UNDP's Human Development Index (HDI), Lesotho's human development ranking has fallen from 127 out of 174 countries ranked in the 2000 report to 158 out of 186 countries listed in the 2012 report.

To address the country's persistent and emerging development challenges, the Lesotho UN Country Team (UNCT) agreed to become a DaO "self-starter" country in 2008 and revised its medium-term development framework (UNDAF 2008–2012) in 2009 in an effort to work more closely together including the establishment of the Lesotho One UN Fund. The current reporting period falls in the new UNDAF cycle being 2013-2017.

### **2.1 Lesotho United Nations Development Assistance Plan (LUNDAP)**

The Lesotho UNDAF (2008-2012) and UNDAF Action Plan outlined the UN System's contribution and were developed through a participatory and consultative process and are fully aligned with the NSDP priorities. The United Nations Country Team (UNCT) in Lesotho has made a decision to combine the UNDAF and its Action Plan from 2013 onwards into one operational document. This document has been named Lesotho United Nations Development Assistance Plan (LUNDAP) 2013-2017. The UN System proposes to deliver 10 outcome areas within this LUNDAP, which are closely aligned with the MDGs—and with five of six of Lesotho's NSDP priorities. The six LUNDAP Clusters will manage and coordinate these outcomes. The LUNDAP was developed through a participatory and consultative process and is fully aligned with NSDP priorities.

### **2.2 Lesotho One UN Fund**

The Fund became operational on 10 March 2010 with the first of three contributions from the EFW. The objective of the Lesotho One UN Fund is to support the coherent resource mobilisation, allocation and disbursement of donor resources to the Lesotho One UN Fund under the leadership of the Resident Coordinator (RC).

The Lesotho One UN Fund consists of two funding windows. Each window has detailed results matrices underpinning the anticipated results and resource requirements of the window.

#### **Window 1: Support to UN Country Programme includes the following components:**

- HIV/AIDS
- Quality education, health and social services
- Economic growth, food security and environmental management
- Good Governance and gender equality

#### **Window 2: Change Management includes the following 5 components:**

- One Office
- One Programme
- One Fund
- One Leader
- One Voice

The UNDAF is executed under the overall coordination of the Ministry of Development Planning (MoDP) with Government Ministries, NGOs, and UN Agencies contributing to the implementation of programme activities. The UNDAF is operationalised through the development of Annual Work Plans (AWPs) and Project Documents which describe the specific results to be achieved and use of resources by the various Participating Organisations and implementing partners.



### **3 Governance Arrangements**

The Lesotho One UN Fund Terms of Reference (TOR) outlines the governance arrangements and decision making process. The Lesotho One UN Fund utilises existing UNCT coordination and operational structures in its governance arrangements such as the PSC and Programme Management Team (PMT) to avoid duplication and increase harmonisation. The governance structure is outlined below.

#### **3.1 Programme Steering Committee (PSC)**

The UN Country PSC serves as the Lesotho One UN Fund PSC and provides overall guidance and leadership for all UN activities and ensures that the UN's interventions are closely aligned to national priorities. The PSC is co-chaired by the RC and the MoDP.

The PSC also includes the Heads of Participating UN Organisations and up to two observer seats are maintained for Development Partners. The RC represents all NRA in the PSC.

The PSC is responsible for the following in relation to the Lesotho One UN Fund:

- Monitoring overall progress towards achieving results of the UN Country programme
- Determining programmatic priorities and allocating resources at the component level in accordance with agreed allocation procedures

#### **3.2 Programme Management Team (PMT)**

The Programme Management Team (PMT) plays a crucial role in facilitating the implementation of the Lesotho One UN Fund. It consists of the Deputies (or equivalent) of the different UN Agencies in Lesotho and the Resident Coordination Office (RCO) to represent the Non-Resident Agencies.

**The PMT is responsible for:**

- Reviewing project proposals and allocating resources at this project level in accordance with agreed allocation procedures
- Providing guidance and advice relating to project implementation
- Monitoring overall progress towards achieving results of the UN Country programme
- Coordinating component level reporting through the One Programme Outcome teams

#### **3.3 UN Resident Coordinator (RC)**

The overall management of the UN Lesotho One Fund is the responsibility of the PSC and the UNCT, under the leadership of the RC.

**The RC is responsible for:**

- Providing strategic leadership to the UN Lesotho One Fund on the basis of the One Programme i.e. UNDAF Action Plan 2008-2012 and the results framework of change management activities
- Engaging in joint resource mobilisation for the UN Lesotho One Fund in collaboration with Participating Organisations
- Ensuring sufficient documentation of the allocation process is provided and made available;
- Holding Head of Participating Organisations accountable for their Agencies result components of initiatives funded through the Fund
- Ensuring consolidated UN Lesotho One Fund level reporting, based on reports from Participating Organisations, and support from the AA and the RCO

### **3.4 Resident Coordinator Office (RCO)**

The RCO supports the strategic leadership role of the RC for the Lesotho One UN Fund and the RC's daily tasks. Drawing on the consolidated reports from the AA, the RCO will give strategic focus by providing analysis of resource requirements, funding gaps, resource mobilisation efforts, advice on resource allocations, and analysis of progress and lessons to be learned for future programme implementation to the RC, UNCT and PSC. It is responsible for circulating the finalised annual consolidated report on the Lesotho One UN Fund to the PSC and UNCT for consultation. Furthermore, the RCO will ensure that these reports are distributed to all the Donors that have contributed to the Lesotho One UN Fund.

### **3.5 Participating Organisations**

Each Participating Organisation signs a standardised MOU with UNDP as the AA that sets out the duties and responsibilities of each party and thereafter assumes full programmatic and financial accountability for the funds disbursed to it by the AA and carries out its activities in the approved project proposal in accordance with the regulations, rules, directives and procedures applicable to it, using its standard implementation modalities.

### **3.6 Administrative Agent (AA)**

The UNDP MPTF Office is the AA for the Lesotho One UN Fund. It 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 PSC, 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 PSC 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 Lesotho.

## **4 Decision Making Process**

The UNDAF is rendered operational through the priorities set forth in the UNDAF Action Plan and the development of AWP and Project Documents, which describe the specific results to be achieved between the Participating Organisations and each implementing partner on the use of resources.

The process for allocating Lesotho One UN Fund resources to the component and project levels are based on a number of criteria and indicators, which have an associated weighting and rating. The processes are outlined below:

**Component level allocation:** Available resources are allocated by the PSC to specific priority components. Based on the available funding within the component area, project proposals may be developed. Allocation at the component level ensures that funding is not driven purely by project proposals, but rather by key national priorities.

**Project level allocation within component areas:** Based on available funding at the component level, project proposals are developed and submitted to the PMT for review. The RC and UNCT will be

responsible for decision-making at the project-level based on the PMT's recommendation. The amount of funding allocated to projects will be determined by the initial allocation of resources to the component. Funds will be allocated based on the quality of proposals and will take into account the potential impact and risk level. Responsibility for the allocation of funds for change management activities lies with the RC and UNCT.

## 5 Approval and Implementation Status

### 5.1 Programme Allocation and Overview Status

As of 31 December 2013, total contributions of \$5,597,000 from the Expanded Delivering as One Funding Window for Achievement of the MDGs (EFW) were deposited in the Lesotho One UN Fund.

The Lesotho One UN Fund PSC approved allocations to Participating Organisations in 2010-2012 as outlined below, based on contributions received into the Fund. In 2010, the PSC approved total funding of \$2,967,029. In 2011, the PSC approved an allocation of \$764,975 that transferred on the 29 November 2011. In 2012, allocations of a total of \$1,806,000 were approved and the approved funds were transferred to the Participating Organisations on 25 June and 1 November.

Table 5.1 Approved Allocations, as of 31 December 2013 (USD)

UNDAF Outcome	Participating Organisations	Amount Approved as 2012	Amount Approved (2013)	Total Approved
HIV/AIDS	UNAIDS, UNFPA, UNICEF, WHO	823,259	-	823,259
Economic Growth, Food Security and Environmental Management	UNDP, FAO, UNICEF, WFP, WHO	407,676	-	2,961,018
Education, Health and Social Service	UNFPA, UNICEF, WHO	1,389,287	-	1,389,287
Good Governance and Gender Equality	-	-	-	-
DaO and Change Management	UNDP	364,440	-	364,440
<b>Total</b>		<b>5,538,004</b>	<b>-</b>	<b>5,538,004</b>

Table 5.1 above highlights allocations made by the PSC to joint programmes contributing to UNDAF Outcome areas. Allocations were made based on priorities established in the UNDAF Action Plan and AWP's toward on-going joint programmes involving both resident and NRA agencies; hence, contributing to reducing the funding gap in these critical programme areas.

## **5.1 Programme Achievements**

Given the disappointing performance on the achievement of MDGs in reference to HIV/AIDS, poverty reduction, nutrition, and maternal and infant mortality, and in response to declining socio-economic indicators, the UN family in Lesotho designed a broad programme with four integrated joint programmes that focus on the “mother”. The multi-faceted programme focuses on the mother’s HIV prevention needs, safe motherhood, nutritional and economic needs and was originally designed to be implemented in four selected districts for the period 2010 – 2012, but was extended twice now ending in 2014.

### **5.1.1 Maternal, Neonatal and Child Health**

The PSC allocated \$557,767 in 2012 and \$831,520 in 2010-2011, totalling \$1,389,287, to support the Joint Programme on Maternal, Neonatal and Child Health. The Joint Programme is implemented by UNFPA, UNICEF and WHO, with WHO serving as the lead agency. The Ministry of Health and Social Welfare (MOHSW) is the primary government counterpart including teams operating in four districts and civil society organisations. The Christian Health Association of Lesotho is the main implementing partner.

#### **Programme Objectives**

The main objective of the Joint Programme is to build the capacities of health facilities in the four districts to enable them to provide improved maternal health services and increase awareness in communities towards the danger signs of pregnancy. It was also designed to build capacity of health workers at all levels of care on Emergency Obstetric and newborn Care (EmONC) services. The programme targets support to 288,000 men and women of reproductive age in the four districts (Mokhotlong, Thaba-Tseka, Qacha’s nek and Berea).

#### **Main Achievements**

The joint programme on maternal and newborn health contributed to building and strengthening capacities of health systems on different levels. The Capacity of Health Workers on Central and district level on Maternal Death Surveillance and Response (MDSR) guidelines was strengthened. During a midwifery association meeting held in Kenya 5 participants from Lesotho were supported to attend. To enhance improvements in medical care and provide institutional learning for health staff, the country has institutionalised maternal death reviews. A Verbal Maternal Autopsy tool was developed and pretested to help count the total number of maternal deaths, as health facility tools for maternal deaths already exist. Using the verbal maternal autopsy tool maternal deaths were assessed in 2012 and 2013 and a first national Maternal Death review report is available and disseminated to health workers in all 10 districts, while a report for 2014 is to be prepared. Furthermore a costed action plan for MDG 5 acceleration framework (MAF) was developed and is available with feasible solutions to prioritised bottlenecks and with identified roles for relevant partners that will help realise the solutions, while a resource mobilization process is ongoing.

To allow for better child- and adolescent health interventions, a Child Survival Strategy has been developed. Further guidelines on integrated management of pregnancy, childbirth, postpartum and newborn care including a pocket booklet for resuscitation of the newborn have been compiled. The guidelines are intended to improve the quality of care provided at facilities. Effort under the MNCH programme went out to 20,267 pregnant women who received iron and folic acid supplements to

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improve their haemoglobin levels.

Assistance under the Joint Programme further went towards creating an enabling environment for provision of improved maternal and new born health services and build capacity of facilities and health workers. In order to strengthen the capacities in managing childhood illnesses, an integrated package for training health workers on how to manage sick children was developed. The training package, which combines integrated management of childhood illnesses (IMCI), integrated management of acute malnutrition (IMAM) and paediatric AIDS care and treatment, was used in training 66 nurses, 10 doctors, and 9 nurse educators. The 66 nurses are now practicing in health facilities in three pilot districts (Botha-Bothe, Leribe, Maseru). Additionally health workers were equipped with knowledge and skills on IMCI in 87 out of 216 facilities in 2013. The knowledge included skills on how to assess, classify and treat children, from 0- 5 years, on a variety of childhood illnesses. As a response to key areas of maternal and perinatal health programmes the Integrated Management of Pregnancy and Childbirth (IMPAC) guidelines were printed and distributed that support the improvement of maternal, perinatal and newborn health in strategic and systematic ways.

A total of 265 health professionals were capacitated to administer lifelong antiretroviral therapy to pregnant women who were enrolled into the PMTCT programme. To enhance the quality of primary health care interventions protective clothing for nurse midwives and doctors have been procured and eleven facilities in the Thaba-Tseka district received equipment and bedding for maternity waiting homes aiming at increasing facility deliveries. In all ten districts Hospital Health workers received supportive supervision on Emergency Obstetric and newborn Care (EmONC) and management of patients on anaesthesia. To prevent obstetric complications through capacitating midwives to monitor pregnant women in labour the Lesotho obstetric record was printed and distributed.

### **Challenges and Lessons Learned**

The project experienced delays in different areas such as in the handing over of finished health Centres to Ministry of health by supporting partners. Inadequate transport at district level delayed the delivery of community-based maternal and child health services, while delayed access to funds hampered implementation additionally. As per the Paris principles of aid-effectiveness, the program is using national reporting tools; however program performance is not always easy to assess due to the low quality of data from MOH.

The health sector has been supported with procurement of equipment, development of tools and capacity building of service providers however this has not translated into improvement of maternal health indicators. Poor quality of services seems to be the root cause. It is therefore critical that future support be directed towards closer monitoring and mentoring of service providers at service delivery points and creation of a more conducive environment for quality service provision. Furthermore increased investment in communication and social mobilization activities is required to increase demand for maternal and child health services.

#### **5.1.2 HIV Prevention**

The PSC allocated \$317,508 in 2012 and \$505,751 in 2010-2011, totalling \$823,259 to support the Joint Programme on HIV Prevention. The Joint Programme is implemented by UNAIDS, UNFPA, WHO and UNICEF, with UNFPA serving as the lead agency. The Ministry of Health and Social Welfare (MOHSW) is the primary government counterpart including teams operating in four districts as well as civil society organisations.

## **Programme Objectives**

The main objective of the Joint Programme is to provide men, women, boys and girls with access and knowledge, information, skills and services on safe sex and HIV prevention. The programme utilizes a number of media channels to reach young people. To complement the intervention HIV Testing and Counseling services (HTC) are supported to become more youth friendly and accessible to young people. The Joint Programme builds on already existing interventions that the UN is supporting through its NGO partners as well as government structures such as the Adolescent Health Corners and Youth Resource Centres.

## **Main Achievements**

Initiatives under the Joint Programme contributed to increased knowledge about HIV/AIDS and demand for Sexual and Reproductive Health services including HTC and condoms in target districts. Progress towards reducing new HIV infections and keeping people alive on treatment has been steady. Key results that this funding has contributed to are that annual new HIV infections are estimated to have declined from 28,000 to 25,000. People on life saving treatment increased from 92,000 to 97,000 while people who tested for HIV and received results remained stable around 310,000. The number of male circumcision increased five-fold from 10,000 to 50,000 and out of 16,000 HIV positive pregnant women, 9,200 are on treatment, accounting for roughly 60% of the total. Furthermore over 15 million male and female condoms were distributed and National Drug Service Organisations (NDSOs) were equipped with 3.6 million of male and 200,000 pieces of female condoms. The female condoms were branded as “silkee” condoms.

With joint UN support the Government of Lesotho finalized the National Condom Strategy while in an effort to further increase condom use among young people and in cooperation with PSI different stakeholders including young people were engaged to develop a condom brand “Vibe” that specifically targets young people. Several creative concepts were tested with young people to select a final name, tag line, and “look and feel” for the new condom. An associated condom marketing strategy was developed and the “Vibe” branded condom will be rolled out in 2014.

Voluntary Medical Male Circumcision (VMMC) tools for improving individual and group counselling for young adult males were rolled out. Health workers, including doctors, nurses, pharmacists and pharmacy technicians as well as HTC counsellors were trained in new PMTCT guidelines and IMCI and their capacity was strengthened by the creation of a multi-media pack targeting demand creation for PMTCT and HTC services. Procurement of mother baby packs for pregnant women attending Ante Natal Care in health facilities further scaled up PMTCT services and Paediatric HIV care and treatment.

Effort under the Joint Programme further went towards a pilot integration of delivery of Sexual and Reproductive Health (SRH) and HIV services and sample indicators and tools in three districts, namely Maseru, Mafeteng and Leribe. In addition, the Network of People Living with HIV and AIDS (LENEPHWA) was supported to train 30 peer educators from 10 districts who are spearheading demand creation and increased uptake of SRH and HIV services and these in turn reached over 1500 people. Many members of the group were heard boys who had lived their entire life in the wild looking after cattle and sheep; consequently, they had minimal interactions with other community members.

The Joint Programme supported district level coordination meetings, in follow-up to the HIV prevention symposium, with focus on identifying indicators to track progress among all stakeholders. In addition a national life skills curriculum for Grade 4 and secondary schools (13-15 year olds) were

revised to incorporate comprehensive sexuality education.

### **Challenges and Lessons Learned**

The key challenge that has stifled the acceleration of the HIV and AIDS response is the continued closure of the National AIDS Commission and lack of a functioning national HIV coordination mechanism. In addition, the changes of senior management of the Ministry of Health (interim coordinator of the clinical HIV response) have significantly slowed down implementation as the non-clinical HIV response is not well coordinated. At 72% adherence and retention of people on treatment still poses as a major challenge due to loss to follow up and mortality. Furthermore, the dwindling of global financial resources has led to a huge gap to be filled at national level if the AIDS epidemic has to be halted and reversed.

### **5.1.3 Economic Growth and Development**

The PSC allocated \$137,000 in 2012 and \$540,708 in 2010-2011, totaling \$677,708 to support the Economic Growth and Development Joint Programme which is implemented by UNDP together with UNCTAD and with UNDP serving as the lead agency. The primary government partners include the Ministry of Development Planning (MODP), the Ministry of Industry and Trade, Cooperatives and Marketing (MOITCM), and Ministry of Gender, Youth, Sports and Recreation (MOGYSR). The program is linked to UNDAF Outcome 3: public and private institutions promote increased investments, manufacturing, trade and financial services and create decent employment in an inclusive and sustainable manner.

### **Programme Objectives**

The main objective of the Joint Programme is to increase national institutions' ability to promote and foster increased production and trade. Although focusing on economic growth and development, the Joint Programme's main aim is to strengthen and build productive capacities in the four target districts bringing special attention to training and skills development of women of child-bearing age by supporting the development of their entrepreneurial skills and promoting income –generating activities for improved livelihoods and thus facilitate creating employment opportunities. While encouraging entrepreneurship amongst women the programme also supports gender sensitive value chain analyses to integrate women producers and suppliers into a functional value chain at the district, country, regional and ultimately global level based on competitive advantage.

### **Main Achievements**

The Joint Programme identified a total of 4 groups of 84 women in Berea and Qacha's Nek as beneficiaries. Following a profiling process the women were supported to develop business ideas and corresponding business ideas. The projects were discussed and refined with authorities and potential partners at district level, to address issues of continuity and sustainability.

Capacity building, technical training and mentorship support were enhanced, involving provision of entrepreneurial training, technical skills as well as mentorship support to beneficiaries in the identified sectors. Four training activities (2 per district) were undertaken by the SMME Support Network to introduce the women to entrepreneurship and assist them in the selection of business ideas. A total of 79 women were trained 33 women in Berea, and 4 women in Qacha's Nek. In collaboration with UNDP, UNCTAD has further trained 47 women with low literacy levels (24 in Berea and 23 in Qacha's Nek) on entrepreneurship, using the EMPRETEC model for micro-entrepreneurs, meant to develop

entrepreneurial skills, business management capacities and ideas to stimulate the proliferation of new businesses. With the support of two agencies promoting local entrepreneurship, two technical skills development trainings on horticulture and poultry management were facilitated and the beneficiaries in Berea have self-organized and registered two associations. The aim of these is to provide peer support and joint mobilization of resources and support.

Effort under the Joint Programme further went towards enhancement of access to finance through identifying sources of funding and supporting development of sustainable mechanisms. The Berea groups were supported in developing model business plans and provided with appraisal services to assess business viability relative to the level of their required funding. This includes mapping of the potential market nodes and strategies based on the proposed project ideas.

Development of value chains and market linkages was supported through training 35 participants from different farmer groups, relevant ministries, LNDC and BEDCO on value chain analysis and development to facilitate identification and support to potential national value chains in identified sectors. As part of a business mentorship programme, identification of potential markets and supply chains for the selected project ideas is facilitated.

#### **5.1.4 Nutrition Programme**

The PSC allocated \$670,525 in 2012 and \$1,612,785 in 2010-2011, totalling \$ 2,283,310 to support the Joint Programme on Nutrition. It is implemented by WFP, UNICEF, FAO and WHO, with WFP serving as the lead agency. The objective of the programme is to increase women's, men's, young persons' and vulnerable groups' use of comprehensive health care, including nutritional support and sexual and reproductive health services and information, and to increase national institutions' agricultural productivity to improve household food security in four districts, namely Mokhotlong, Qacha's Nek, Thaba Tseka and Berea.

#### **Programme Objectives**

The Joint Programme addresses micronutrient deficiencies and chronic malnutrition among children below two years of age and targets the reduction of child mortality due to acute malnutrition. It aims to safeguard the health, nutrition and well-being of food-insecure people living with HIV (PLHIV and Tuberculosis (TB) patients on antiretroviral and TB treatment and to strengthen surveillance systems for an effective management of nutrition data. UN Lesotho partners with the following line ministries: Ministry of Health, Ministry of Education and training, Ministry of Agriculture and Food Security, Ministry of Forestry and Land Reclamation, Ministry of Development Planning, and offices under the Prime Minister's Office: Food and Nutrition Coordinating Office and Food Management Unit, and a range of NGOs are tasked with project implementation.

#### **Main Achievements**

The Joint Programme supported behaviour change communication of individuals, society organizations, public and private institutions to achieve, deliver and sustain universal access to HIV prevention, treatment, care and support and to mitigate its impact. Two community manuals have been developed to standardize Positive Deviance (PD) practice and guide general community interventions. These manuals



will be used by nutrition and health care providers in their respective community councils to guide implementation of nutrition club activities. 11 additional community councils have adopted the PD approach in 2013 (7 from Berea, 3 from Mokhotlong and 1 from Thaba Tseka), raising the total number of communities that have adopted the positive deviance approach to 37. The target for 2013 was to have 8 additional councils.

Effort also went towards homestead vegetable production and community based nutrition education. Sixty nutrition extension officers from four districts and 26 resource centres were given refresher trainings on improved vegetable production technologies, agro-processing, food preservation and cooking tips. Target communities served under the 26 Agricultural Resources Centres were mobilized to prepare their land and engage in homestead vegetable production. Vegetable kits comprising of six varieties were distributed to 6100 households who either have children under the age of two or pregnant mothers. Further Resource Centre based nutrition extension offices continued to provide monitoring and mentoring services to the programme beneficiaries on vegetable production and food preparations with special focus on preparing weaning foods and improving bioavailability of key micronutrients. As a result 80% of the beneficiaries reported improved production of diverse vegetables around their homesteads. However, planned production demonstrations in health centres were derailed by the unfortunate fire outbreak that destroyed irrigation materials destined for installations in health centres with space and potential for irrigated vegetable production. The initiative will be continued in 2014 following the replacement of the destroyed irrigation pipes and their accessories.

The Programme further enabled national institutions to implement sustainable pro poor economic development, environment management and household food security policies and strategies with special focus on vulnerable groups including women, young men and women and the disabled. Technical assistance was provided to the Government for strengthening the national nutrition surveillance system through capacity building of nutritionists from the focus districts and updating of the nutrition surveillance data base. This is a collaborative effort of the Ministry of Health and the Food and Nutrition Coordination office. The intention of the National nutrition surveillance system is to trigger response at district and health facility level. In Dec 2013 four Health Facilities in ThabaTseka were provided with super cereal and maize meal. Two technical teams comprised of WHO and the Ministry of Health visited the district in December 2013 as a follow up on the programme progress.

Continued support was given to monitor the implementation of the IMAM programme in all ten districts. This led to great strides by health facilities in improving the quality of care for Inpatient SAM cases being observed through the reduction of the case fatality rate. The reported case fatality rate in 2012 was 19%, while the one in 2013 was 14%. Other activities undertaken by the UN and their partners comprised the development of a programme implementation guide and M&E tools. Screening visits to the different districts were undertaken and training was offered to staff of cooperating partners such as World Vision and Caritas on nutrition and HIV implementation as part of a staff orientation session. Overall 2055 undernourished children under the age of 5 and 1052 undernourished pregnant and lactating women (PLW) benefited from nutritional support, resulting in an improvement in nutritional and general health status.

Support further went towards other activities with focus on improving institutions and targeting vulnerable groups (mothers and children). New guidelines on Infant and Young Child Feeding in the Third (2013) Consolidated Annual Progress Report on Activities Implemented under the Lesotho One UN Fund

context of HIV to provide quality services for infant feeding were updated and finalised. Supervision and monitoring activities were conducted in all 4 districts to assess the implementation of the Baby Friendly Hospital Initiative (BFHI), and BFHI promotional materials were developed. The breastfeeding week was commemorated and led by Her Majesty Queen Masenate Bereng Seeiso in the presence of the Honourable Minister of Health Dr Pinkie Manamolela in the district of Mafeteng. In addition, the support to micronutrient supplementation for both children and women of child bearing age was continued. 70% of children were reached with vitamin A supplementation and 60% of ANC attendees provided with iron folate tablets through routine supplementation.

Stunting remains a critical nutritional challenge in Lesotho and to compliment efforts towards its reduction in communities, a draft communication strategy on stunting was developed for Lesotho as an important element for behaviour change and advocacy for stunting reduction. This programme is concentrated in the four selected districts; Thaba Tseka, Qacha's Nek, Mokhotlong and Berea. Overall the UN family has continued to provide nutrition assessments, counselling and support; screening and oversight visits to the different districts; as well as ongoing training to health care workers, to ensure better nutritional and health outcomes for both children under 2 years and PLW. Based on the October 2013 output report 7575 children under the age of 2 received complimentary food support, 1402 pregnant women were supported, 2103 lactating women were supported and overall over 21135 beneficiaries received nutrition support on average every month in 2013.

### **Challenges and Lessons Learned**

Resource constraints existed as there was no fund disbursement in 2013. Hence, the rollout of most programmes e.g. positive deviance (PD) was slow to conduct monitoring and supervisory visits. Inadequate budget allocation was also noted from Government counterparts on the implementation of some of these activities. Human resource constraints and staff unwillingness to collect routine data was a further challenge noted.

Programme coordination challenges were noted during the programme implementation relating to a non-effective integration and coordination of services by all relevant stakeholders. A weak follow up of undernourished clients by health workers as well as staff regular rotation was a further challenge affecting the effective rollout of nutrition programmes.

Programme implementation is still limited to four districts due to limited resources. The Communication strategy on stunting reduction is not finalised due to delays in securing a consultant to guide the process. However, the exercise has generated substantial interest among the nutrition partners. There are challenges in relating data collection at Health facility level. Most health facility staff are still reluctant to collect and report nutrition related data and as a result incomplete data will continue to compromise programme monitoring and surveillance systems.

The target population of SAM cases has not been reached in Lesotho since the programme is reaching only 15% of expected cases. This implies that children are not adequately identified resulting in only a few coming to health facilities. Cultural treatment practices have been implicated in this anomaly, hence national campaigning efforts are planned to promote growth monitoring and identification of signs of

malnutrition. There are still weaknesses in the implementation of the community component of IMAM for an effective bottom up approach for effective screening and referral systems and this requires consistent supportive supervision and monitoring of VHW. Also, there is a relatively smaller caseload for moderate acute malnutrition, which as per the prevalence does not warrant IMAM protocol.

Poor methods of food preparation and cooking are resulting in a growing number of undernourished cases. To respond to this challenge a sizeable proportion of the training sessions were dedicated on food preparations and cooking tips.

### **5.1.5 Change Management**

The Programme allocated \$364,440 in total to support the Joint Programme on Change Management. It is implemented by UNDP and is designed to support strengthening Delivering as One.

#### **Programme Objectives**

The UNCT decided (in line with the TOR of the One Fund) to dedicate a part of the funding to internal change management to improve the effectiveness and efficiency of the programmes and operations of the UN System in Lesotho and strengthen support to the Delivering as One approach of the UN Country Team. UN Lesotho is a self-starter within the Delivering as One initiative and one of 16 countries worldwide working to find ways to make UN deliver better results at the country level. Through the allocation of the One Fund, UN Lesotho was able to advance its reform work with key Change Management activities.

#### **Main Achievements**

The Joint Programme strengthened aid coordination and donor reporting capacities coordinated by the Government of Lesotho, including joint reporting of UN Agencies and development planning in support of Lesotho's National Strategic Development Plan. Through the UNCT the Development Partners' Consultative Forum and related Aid Coordination activities were further supported. A Joint Business Operations Strategy (BOS) for the UNCT Lesotho was developed as a joint operational plan that aims to manage common operations in various areas and reduces costs for all agencies while increasing efficiency and the implementation was initiated through a BoS project, including training, design workshop and finalization of the strategic document. Furthermore, a UN Joint initiative on resilience was developed and a capacity assessment for disaster management completed through support by UNDP, BCPR and OCHA, as well as joint activities by the UN Agencies. Through communication, advocacy and capacity building related to crisis prevention the crisis management by the UN System was strengthened.

Through establishing and operationalizing a joint M&E team, training and standard monitoring events the common Planning, Monitoring and Evaluation system for the UNCT was strengthened and needs assessment for joint programming on data and statistical capacities. Also, by professionalizing the UN Coordination officer post, regular UN System wide strategic meetings with representation of all UN Agencies at Heads of Agencies Level, as well as Development Partners, and strengthening the UN Leadership capacities the UN Coordination was strengthened. Lastly, through targeted capacity building on ethics, stress management and professional development support accountabilities in the UN System

related to operational and programme implementation were strengthened as well.

### **Challenges and Lessons learned**

The UN System requires internal capacities to effectively deliver on its joint programmes. A further key underpinning principle is joint operational management. Monitoring and Evaluation, as well as data and statistical issues are keys to success of programme implementation. While progress was made, future investment needs to be made. Increased investment in communication and social mobilization activities is required to advocate for key development issues under the programme.

**Consolidated Annual Financial  
Report of the Administrative Agent  
of  
the Lesotho One UN Fund  
for the period 1 January to 31 December 2013**

**Multi-Partner Trust Fund Office  
Bureau of Management  
United Nations Development Programme  
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)**

## DEFINITIONS

### **Allocation**

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

### **Approved Project/Programme**

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

### **Contributor Commitment**

Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

### **Contributor Deposit**

Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

### **Delivery Rate**

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

### **Indirect Support Costs**

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7% of programmable costs.

### **Net Funded Amount**

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

### **Participating Organization**

A UN Organization or other inter-governmental Organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

### **Project Expenditure**

The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

### **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.

### **Project Operational Closure**

A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

### **Project Start Date**

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

### **Total Approved Budget**

This represents the cumulative amount of allocations approved by the Steering Committee.

## 2013 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the Lesotho One UN Fund using the pass-through funding modality as of 31 December 2013. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/LS100>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December 2013, one contributor have deposited US\$ 5,597,000 in contributions and US\$ 26,619 has been earned in interest,

bringing the cumulative source of funds to US\$ 5,623,619 (see respectively, Tables 2 and 3).

Of this amount, US\$ 5,538,004 has been transferred to seven Participating Organizations, of which US\$ 5,002,865 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 55,970. Table 1 provides an overview of the overall sources, uses, and balance of the Lesotho One UN Fund as of 31 December 2013.

**Table 1. Financial Overview, as of 31 December 2013 (in US Dollars)\***

	Annual 2012	Annual 2013	Cumulative
<b>Sources of Funds</b>			
Gross Contributions	1,101,000	-	5,597,000
Fund Earned Interest and Investment Income	3,450	109	23,630
Interest Income received from Participating Organizations	811	-	2,989
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
<b>Total: Sources of Funds</b>	<b>1,105,261</b>	<b>109</b>	<b>5,623,619</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	1,806,000	-	5,538,004
Refunds received from Participating Organizations	-	-	-
<b>Net Funded Amount to Participating Organizations</b>	<b>1,806,000</b>	<b>-</b>	<b>5,538,004</b>
Administrative Agent Fees	11,010	-	55,970
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	34	2	57
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>1,817,044</b>	<b>2</b>	<b>5,594,031</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>(711,784)</b>	<b>107</b>	<b>29,588</b>
Opening Fund balance (1 January)	741,266	29,482	-
<b>Closing Fund balance (31 December)</b>	<b>29,482</b>	<b>29,588</b>	<b>29,588</b>
Net Funded Amount to Participating Organizations	1,806,000	-	5,538,004
Participating Organizations' Expenditure	1,301,078	785,173	5,002,865
<b>Balance of Funds with Participating Organizations</b>			<b>535,139</b>

\* Due to rounding of numbers, totals may not add up. This applies to all numbers in this report.

## 2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2013.

**Table 2. Contributors' Deposits, as of 31 December 2013 (in US Dollars)\***

Contributors	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
Expanded DaO Funding Window	5,597,000	-	5,597,000
<b>Grand Total</b>	<b>5,597,000</b>	<b>-</b>	<b>5,597,000</b>



### 3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned interest') where their Financial Regulations and Rules allow return of interest

to the AA. As of 31 December 2013, Fund earned interest amounts to US\$ 23,630 and interest received from Participating Organizations amounts to US\$ 2,989, bringing the cumulative interest received to US\$ 26,619. Details are provided in the table below.

**Table 3. Sources of Interest and Investment Income, as of 31 December 2013 (in US Dollars)\***

Interest Earned	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	23,521	109	23,630
<b>Total: Fund Earned Interest</b>	<b>23,521</b>	<b>109</b>	<b>23,630</b>
<b>Participating Organization</b>			
UNDP	2,989		2,989
<b>Total: Agency earned interest</b>	<b>2,989</b>		<b>2,989</b>
<b>Grand Total</b>	<b>26,510</b>	<b>109</b>	<b>26,619</b>

#### 4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2013, the AA has transferred US\$ 5,538,004 to seven Participating Organizations (see list below).

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

**Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2013 (in US Dollars)\***

Participating Organization	Prior Years as of 31-Dec-2012			Current Year Jan-Dec-2013			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	544,519		544,519				544,519		544,519
UNAIDS	198,359		198,359				198,359		198,359
UNDP	1,042,148		1,042,148				1,042,148		1,042,148
UNFPA	744,080		744,080				744,080		744,080
UNICEF	1,298,815		1,298,815				1,298,815		1,298,815
WFP	1,130,509		1,130,509				1,130,509		1,130,509
WHO	579,574		579,574				579,574		579,574
<b>Grand Total</b>	<b>5,538,004</b>		<b>5,538,004</b>				<b>5,538,004</b>		<b>5,538,004</b>

## 5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2013 were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

### 5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in table 5 below, the cumulative net funded amount is US\$ 5,538,004 and cumulative expenditures reported by the Participating Organizations amount to US\$ 5,002,865. This equates to an overall Fund expenditure delivery rate of 90 percent. The agencies with the three highest delivery rates are: WFP with 100 percent and UNICEF and WHO with 99%.

**Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2013 (in US Dollars)\***

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Cumulative	
FAO	544,519	544,519	329,196	110,484	439,680	80.75
UNAIDS	198,359	198,359		32,607	32,607	16.44
UNDP	1,042,148	1,042,148	715,075	137,482	852,557	81.81
UNFPA	744,080	744,080	625,858	56,956	682,814	91.77
UNICEF	1,298,815	1,298,815	1,295,605	(7,065)	1,288,539	99.21
WFP	1,130,509	1,130,509	970,076	160,433	1,130,509	100.00
WHO	579,574	579,574	281,883	294,276	576,159	99.41
<b>Grand Total</b>	<b>5,538,004</b>	<b>5,538,004</b>	<b>4,217,692</b>	<b>785,173</b>	<b>5,002,865</b>	<b>90.34</b>

## 5.2 EXPENDITURE BY UNDAF OUTCOME

Table 6 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome.

**Table 6. Expenditure by UNDAF Outcome, as of 31 December 2013 (in US Dollars)\***

Country/Sector	Prior Years as of 31-Dec-2012		Current Year Jan-Dec-2013		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
<b>Lesotho</b>							
AIDS	823,259	513,542		140,477	823,259	654,019	79.44
DaO Change Management	364,440	194,594		39,476	364,440	234,070	64.23
Eco Grwth Food Securty Env Mgt	2,961,018	2,323,470		463,340	2,961,018	2,786,811	94.12
Education Health Social Servic	1,389,287	1,186,086		141,880	1,389,287	1,327,965	95.59
<b>Lesotho Total:</b>	<b>5,538,004</b>	<b>4,217,692</b>		<b>785,173</b>	<b>5,538,004</b>	<b>5,002,865</b>	<b>90.34</b>
<b>Grand Total:</b>	<b>5,538,004</b>	<b>4,217,692</b>		<b>785,173</b>	<b>5,538,004</b>	<b>5,002,865</b>	<b>90.34</b>

## 5.4 EXPENDITURE REPORTED BY CATEGORY

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditure incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditure are reported in the new eight categories. The old and new categories are noted to the right.

Table 7 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

As of 2013, the highest percentage of expenditure was on Supplies, Commodities, Equipment and Transport with 26 percent. The second highest expenditure was on Transfers and Grants with 26 percent, and the third highest expenditure was on Contracts with 15 percent.

2012 CEB Expense Categories	2006 UNDG Expense Categories
1. Staff and personnel costs	1. Supplies, commodities, equipment & transport
2. Supplies, commodities and materials	2. Personnel
3. Equipment, vehicles, furniture and depreciation	3. Training counterparts
4. Contractual services	4. Contracts
5. Travel	5. Other direct costs
6. Transfers and grants	6. Indirect costs
7. General operating expenses	
8. Indirect costs	

**Table 7. Expenditure by UNDG Budget Category, as of 31 December 2013 (in US Dollars)\***

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total	
Supplies, Commodities, Equipment and Transport (Old)	1,243,595	-	1,243,595	26.52
Personnel (Old)	456,010	-	456,010	9.72
Training of Counterparts (Old)	245,755	-	245,755	5.24
Contracts (Old)	708,530	-	708,530	15.11
Other direct costs (Old)	78,812	-	78,812	1.68
Staff & Personnel Cost (New)	98,929	(7,398)	91,531	1.95
Suppl, Comm, Materials (New)	281,559	36,727	318,287	6.79
Equip, Veh, Furn, Depn (New)	35,640	25,201	60,842	1.30
Contractual Services (New)	82,504	(182,282)	(99,778)	(2.13)
Travel (New)	110,803	39,271	150,074	3.20
Transfers and Grants (New)	472,467	729,977	1,202,444	25.64
General Operating (New)	125,769	107,628	233,397	4.98
<b>Programme Costs Total</b>	<b>3,940,374</b>	<b>749,125</b>	<b>4,689,500</b>	<b>100.00</b>
Indirect Support Costs Total	277,317	36,048	313,365	6.68
<b>Total</b>	<b>4,217,692</b>	<b>785,173</b>	<b>5,002,865</b>	

**Indirect Support Costs:** The timing of when Indirect Support Costs are charged to a project depends on each Participating Organization's financial regulations, rules or policies. These Support Costs can be deducted upfront on receipt of a transfer based on the approved programmatic amount, or a later stage during implementation.

## 6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG. The policies in place, as of 31 December 2013, were as follows:

- **The Administrative Agent (AA) fee:** 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting there were AA-fees deducted. Cumulatively, as of 31 December 2013, US\$ 55,970 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 36,048 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 313,365 as of 31 December 2013.
- **Direct Costs:** The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Secretariat services and overall coordination, as well as Fund level reviews and evaluations. These allocations are referred to as 'direct costs'. As of 2013, there were no direct costs charged to the Fund.

Therefore, the Indirect Support Costs percentage may appear to exceed the agreed upon rate of 7% for on-going projects, whereas when all projects are financially closed, this number is not to exceed 7%.

## 7. 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.