

**Consolidated Annual Financial
Report of the Administrative Agent
of
the South Sudan Recovery Fund (SSRF)

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)

30 May 2014

PARTICIPATING ORGANIZATIONS



United Nations Development Programme



United Nations Office for Project Services



World Food Programme

CONTRIBUTORS



DENMARK, Government of



DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)



NETHERLANDS, Government of



NORWAY, Government of



SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION

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 (SAA).

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 South Sudan Recovery Fd 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/SRF00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2013, 5 contributors have deposited US\$ 141,293,955 in contributions and US\$ 2,206,539 has been earned in interest, bringing

the cumulative source of funds to US\$ 143,500,494 (see respectively, Tables 2 and 3).

Of this amount, US\$ 127,882,362 has been transferred to 4 Participating Organizations, of which US\$ 102,372,761 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 1,412,940. Table 1 provides an overview of the overall sources, uses, and balance of the South Sudan Recovery Fund as of 31 December 2013.

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

	Annual 2012	Annual 2013	Cumulative
Sources of Funds			
Gross Contributions	8,700,885	16,873,117	141,293,955
Fund Earned Interest and Investment Income	40,431	14,929	1,477,191
Interest Income received from Participating Organizations	322,011	164,990	729,348
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	9,063,327	17,053,035	143,500,494
Use of Funds			
Transfers to Participating Organizations	28,978,250	17,207,854	127,882,362
Refunds received from Participating Organizations	-	(171,313)	(171,313)
Net Funded Amount to Participating Organizations	28,978,250	17,036,541	127,711,049
Administrative Agent Fees	87,009	168,731	1,412,940
Direct Costs: (Steering Committee, Secretariat...etc.)	718,733	1,008,354	4,673,287
Bank Charges	555	321	2,111
Other Expenditures	-	-	-
Total: Uses of Funds	29,784,547	18,213,947	133,799,387
Change in Fund cash balance with Administrative Agent	(20,721,219)	(1,160,912)	9,701,107
Opening Fund balance (1 January)	31,583,238	10,862,018	-
Closing Fund balance (31 December)	10,862,018	9,701,107	9,701,107
Net Funded Amount to Participating Organizations	28,978,250	17,036,541	127,711,049
Participating Organizations' Expenditure	35,509,361	26,447,320	102,372,761
Balance of Funds with Participating Organizations			25,338,288

* 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
DENMARK, Government of	-	5,471,757	5,471,757
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	76,959,781	5,178,401	82,138,182
NETHERLANDS, Government of	42,049,585	-	42,049,585
NORWAY, Government of	2,424,872	3,119,759	5,544,631
SWEDISH INT'L DEVELOPMENT COOPERATION	2,986,600	3,103,200	6,089,800
Grand Total	124,420,838	16,873,117	141,293,955

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\$ **1,477,191** and interest received from Participating Organizations amounts to US\$ **729,348**, bringing the cumulative interest received to US\$ **2,206,539**. 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
Administrative Agent			
Fund Earned Interest and Investment Income	1,462,262	14,929	1,477,191
Total: Fund Earned Interest	1,462,262	14,929	1,477,191
Participating Organization			
NGO/UNDP	168,089		168,089
UNDP	148,590		148,590
UNOPS	247,678	164,990	412,668
Total: Agency earned interest	564,358	164,990	729,348
Grand Total	2,026,620	179,919	2,206,539

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\$ **127,882,362** to 4 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
NGO/UNDP	23,512,779		23,512,779		(171,313)	(171,313)	23,512,779	(171,313)	23,341,466
UNDP	16,016,360		16,016,360	6,274,310		6,274,310	22,290,670		22,290,670
UNOPS	55,745,369		55,745,369	4,113,544		4,113,544	59,858,913		59,858,913
WFP	15,400,000		15,400,000	6,820,000		6,820,000	22,220,000		22,220,000
Grand Total	110,674,508		110,674,508	17,207,854	(171,313)	17,036,541	127,882,362	(171,313)	127,711,049

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 the table below, the cumulative net funded amount is US\$ **127,711,049** and cumulative expenditures reported by the Participating Organizations amount to US\$ **102,372,761**. This equates to an overall Fund expenditure delivery rate of **80** percent. The agencies with the three highest delivery rates are: UNDP as Managing Agent, 100 percent, UNOPS, 79 percent, and WFP, 76 percent.

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	
NGO/UNDP	31,312,395	23,341,466	23,308,771	(5)	23,308,766	99.86
UNDP	22,831,600	22,290,670	6,284,040	8,461,958	14,745,998	66.15
UNOPS	59,858,913	59,858,913	36,477,995	10,890,323	47,368,318	79.13
WFP	22,220,000	22,220,000	9,854,635	7,095,044	16,949,679	76.28
Grand Total	136,222,908	127,711,049	75,925,441	26,447,320	102,372,761	80.16

5.3 EXPENDITURE BY PROJECT

Table 6 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

Table 6. Expenditure by Project within Country, as of 31 December 2013 (in US Dollars)

Country / Project No.and Project Title		Participating Organization	Approved Amount	Net Funded Amount	Expenditure	Delivery Rate %
South Sudan						
00070595	South Sudan Recovery Fd - UN	UNDP	13,547,780	13,547,780	11,858,740	87.53
00070595	South Sudan Recovery Fd - UN	UNOPS	17,458,585	17,458,585	33,193,880	190.13
00070595	South Sudan Recovery Fd - UN	WFP	15,179,739	15,179,739	15,855,010	104.45
South Sudan Total			46,186,104	46,186,104	60,907,629	131.87
Sudan						
00070595	South Sudan Recovery Fd - UN	UNDP	9,283,820	8,742,890	2,887,258	33.02
00070595	South Sudan Recovery Fd - UN	UNOPS	42,400,328	42,400,328	14,174,439	33.43
00070595	South Sudan Recovery Fd - UN	WFP	7,040,261	7,040,261	1,094,669	15.55
00074316	SSRF - Managing Agent/NGOs	NGO/UNDP	31,312,395	23,341,466	23,308,766	99.86
Sudan Total			90,036,804	81,524,945	41,465,132	50.86
Grand Total			136,222,908	127,711,049	102,372,761	80.16

The above table includes information on two project numbers (00074316 and 00070595). Through project 00070595, the current four joint programmes were originally established as Sudan projects prior to the independence of South Sudan in 2011. All transactions prior to formalizing South Sudan are recorded under Sudan, and all transactions afterwards are recorded under South Sudan even though it remains the same project number.

However, due to the timing difference of when UNOPS received the transfer (2010), which is recorded under Sudan and when the expenses were reported (2011 onwards), which is recorded under South Sudan; this generates an incorrect appearance of over-expenditure. This is simply due to the timing of when the transactions were recorded.

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 expenditures incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditures 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.

In 2013, the highest percentage of expenditure was on Equipment, vehicles, furniture and depreciation, 60% percent. The second highest expenditure was on Contractual services, 46% percent, and the third highest expenditure was on General operating expenses, 11% 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)	3,021,893	-	3,021,893	3.17
Personnel (Old)	2,044,114	-	2,044,114	2.14
Training of Counterparts (Old)	25,077	-	25,077	0.03
Contracts (Old)	9,429,193	-	9,429,193	9.88
Other direct costs (Old)	22,768,767	-	22,768,767	23.86
Staff & Personnel Cost (New)	1,199,332	1,861,662	3,060,994	3.21
Suppl, Comm, Materials (New)	11,589,314	(7,488,300)	4,101,014	4.30
Equip, Veh, Furn, Depn (New)	1,253,357	14,933,472	16,186,828	16.96
Contractual Services (New)	1,471,920	11,460,963	12,932,882	13.55
Travel (New)	1,256,744	261,492	1,518,236	1.59
Transfers and Grants (New)	16,206,970	915,977	17,122,948	17.94
General Operating (New)	428,291	2,789,949	3,218,240	3.37
Programme Costs Total	70,694,972	24,735,215	95,430,187	100.00
Indirect Support Costs Total	5,230,469	1,712,105	6,942,574	7.28
Total	75,925,441	26,447,320	102,372,761	

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.

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%.

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 period US\$ 168,731 was deducted in AA-fees. Cumulatively, as of 31 December 2013, US\$ 1,412,940 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 1,712,105 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 6,942,574 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'. In 2013, direct costs amounting to US\$ 1,008,354. Cumulatively, direct costs amount to US\$ 4,673,287 as of 31 December 2013.

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.