

## Annex A: Administrative Agent Financial Report on One UN Coherence Fund for 2013

This chapter presents financial data and analysis of the Albania One UN Coherence 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/AL100>.

### 1. Sources and Uses of Funds

As of 31 December 2013, ten contributors have deposited US\$ 28,460,478 in contributions and US\$ 384,497 has been earned in interest,

bringing the cumulative source of funds to US\$ 28,844,976 (see respectively, Tables 2 and 3).

Of this amount, US\$ 31,314,654 has been transferred to 17 Participating Organizations, of which US\$ 25,496,242 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 284,604. Table 1 provides an overview of the overall sources, uses, and balance of the Albania One UN Coherence Fund as of 31 December 2013.

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

	Annual 2012	Annual 2013	Cumulative
<b>Sources of Funds</b>			
Gross Contributions	1,716	1,099	28,460
Fund Earned Interest and Investment Income	11	4	267
Interest Income received from Participating Organizations	30	1	117
<b>Total: Sources of Funds</b>	<b>1,757</b>	<b>1,104</b>	<b>28,845</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	6,010	3,046	31,315
Refunds received from Participating Organizations	(2,771)	-	(2,771)
<b>Net Funded Amount to Participating Organizations</b>	<b>3,239</b>	<b>3,046</b>	<b>28,544</b>
Administrative Agent Fees	17	11	285
Bank Charges	0	0	1
<b>Total: Uses of Funds</b>	<b>3,256</b>	<b>3,057</b>	<b>28,829</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>(1,500)</b>	<b>(1,953)</b>	<b>16</b>
Opening Fund balance (1 January)	3,469	1,969	-
<b>Closing Fund balance (31 December)</b>	<b>1,969</b>	<b>16</b>	<b>16</b>
Net Funded Amount to Participating Organizations	3,239	3,046	28,544
Participating Organizations' Expenditure	4,142	2,137	25,496
<b>Balance of Funds with Participating Organizations</b>			<b>3,047</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\$ Thousand)\***

Contributors	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
Austria	1,215	-	1,215
European Union	3,475	-	3,475
Expanded DaO Funding Window	3,825	-	3,825
Finland	394	-	394
The Netherlands	3,846	-	3,846
Norway	3,338	-	3,338
Spain	4,000	-	4,000
Sweden	5,648	-	5,648
Switzerland	1,620	1,099	2,720
<b>Grand Total</b>	<b>27,361</b>	<b>1,099</b>	<b>28,460</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\$ 267,334 and interest received from Participating Organizations amounts to US\$ 117,163, bringing the cumulative interest received to US\$ 384,497. Details are provided in the table below.

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

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	264	4	267
<b>Total: Fund Earned Interest</b>	<b>264</b>	<b>4</b>	<b>267</b>
<b>Participating Organization</b>			
UNDP	84		84
UNIDO	3	0	4
UNFPA	22		22
UNWOMEN	6		6
UNESCO	1	0	1
<b>Total: Agency earned interest</b>	<b>117</b>	<b>1</b>	<b>117</b>
<b>Grand Total</b>	<b>380</b>	<b>4</b>	<b>384</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\$ 31,314,654 to 17 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\$ Thousand)\***

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
UNECE	30		30				30		30
FAO	315		315				315		315
IAEA	55		55	39		39	94		94
ILO	40		40	35		35	75		75
IOM	30		30	125		125	155		155
ITC	30		30				30		30
UNAIDS	30		30	65		65	95		95
UNCTAD	30		30				30		30
UNDP	12,571	(1,975)	10,596	1,111		1,111	13,681	(1,975)	11,706
UNEP	284		284	155		155	439		439
UNESCO	596	(121)	475	30		30	626	(121)	505
UNFPA	3,524	(33)	3,491	327		327	3,851	(33)	3,818
UNICEF	7,684	(365)	7,319	132		132	7,816	(365)	7,451
UNIDO	666	(143)	523				666	(143)	523
UNODC	50		50	199		199	249		249
UNWOMEN	1,642	(43)	1,599	733		733	2,375	(43)	2,332
WHO	691	(91)	600	96		96	787	(91)	696
<b>Grand Total</b>	<b>28,269</b>	<b>(2,771)</b>	<b>25,498</b>	<b>3,046</b>	<b>0</b>	<b>3,046</b>	<b>31,315</b>	<b>(2,771)</b>	<b>28,544</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\$ 28,543,735 and cumulative expenditures reported by the Participating Organizations amount to US\$ 25,496,242. This equates to an overall Fund expenditure delivery rate of 89 percent. The agencies with the highest delivery rates are: IAEA with 100 percent, UNICEF with 98 percent, UNESCO with 97 percent, ECE with 96 percent and UNFPA with 95 percent.

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

Participating Organization	Net Funded Amount	Expenditure			Delivery Rate %
		Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Cumulative	
UNECE	30	28	1	29	96.47
FAO	315	246	33	278	88.33
IAEA	94	54	41	94	100.00
ILO	75	3	37	39	52.12
IOM	155	4	66	70	45.08
ITC	30	28	0	28	93.34
UNAIDS	95	0	20	20	21.51
UNCTAD	30	0	18	18	61.32
UNDP	11,706	9,403	1,004	10,407	88.90
UNEP	439	234	0	234	53.28
UNESCO	505	406	83	489	96.90
UNFPA	3,818	3,440	177	3,617	94.74
UNICEF	7,451	7,155	181	7,336	98.46
UNIDO	523	472	21	492	94.16
UNODC	249	50	81	131	52.59
UNWOMEN	2,332	1,291	342	1,633	70.04
WHO	696	546	32	578	83.08
<b>Grand Total</b>	<b>28,544</b>	<b>23,359</b>	<b>2,137</b>	<b>25,496</b>	<b>89.32</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\$ Thousand)\***

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>Albania</b>							
ALB 2012 P1 Governance	2,823	1,801	1,050	1,060	3,873	2,861	73.86
ALB 2012 P2 Economy and Environment	1,218	972	155	110	1,373	1,082	78.81
ALB 2012 P3 Regional and Local Development	363	205	50	155	413	360	87.31
ALB 2012 P4 Inclusive Social Policy	1,606	1,092	1,791	807	3,397	1,899	55.90
Basic Services	7,322	7,426	0	(103)	7,322	7,322	100.00
Environment	1,388	1,337	0	0	1,388	1,337	96.34
Governance	8,070	7,944	0	76	8,070	8,020	99.37
Participation	2,190	2,135	0	0	2,190	2,135	97.48
Regional Development	518	448	0	33	518	481	92.83
<b>Grand Total:</b>	<b>25,498</b>	<b>23,359</b>	<b>3,046</b>	<b>2,137</b>	<b>28,544</b>	<b>25,496</b>	<b>89.32</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 6 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 Contracts with 35%. The second highest expenditure was on Personnel with 26%, and the third highest expenditure was on Contractual Services with 12%.

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\$ Thousand)\***

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)	1,836	-	1,836	7.72
Personnel (Old)	6,224	-	6,224	26.18
Training of Counterparts (Old)	372	-	372	1.56
Contracts (Old)	8,277	-	8,277	34.82
Other direct costs (Old)	1,217	-	1,217	5.12
Staff & Personnel Cost (New)	692	323	1,015	4.27
Supplies, Commodities, Materials (New)	1,336	(1,508)	(171)	(0.72)
Equip, Vehicle, Furniture, Depreciation (New)	313	(197)	116	0.49
Contractual Services (New)	408	2,336	2,743	11.54
Travel (New)	465	(58)	407	1.71
Transfers and Grants (New)	338	563	900	3.79
General Operating (New)	355	478	833	3.50
<b>Programme Costs Total</b>	<b>21,832</b>	<b>1,937</b>	<b>23,769</b>	<b>100.00</b>
Indirect Support Costs Total	1,527	200	1,727	7.26
<b>Total</b>	<b>23,359</b>	<b>2,137</b>	<b>25,496</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.

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%.

**Table 8: Transfer of Funds and Expenditure by Participating Organization and One UN Programme of Cooperation Outcomes, 2012- 2013**

Sector / Project No. and Project Title	Participating Organization	Funds Transferred 2012-2013	Total Expenditure 2012-2013	Delivery Rate %
00082435 Outcome 1.1. Strengthen public oversight, civil society and media institutions make authorities more accountable to the public, and better able to enforce gender equality commitments in planning, programming and budgeting processes	UNAIDS	10	10	100.00
	UNDP	607	603	99.26
	UNESCO	60	46	76.50
	UNFPA	20	14	70.58
	UNICEF	44	44	100.00
	UNODC	54	26	48.01
	UNWOMEN	514	264	51.48
<b>Total Outcome 1.1</b>		<b>1,309</b>	<b>1,007</b>	<b>77.98</b>
00082436 Outcome 1.2: Public administration will be supported to enhance capacities, practices and systems for effective delivery of national development priorities and international obligations	UNECE	19	18	94.88
	ILO	20	20	100.15
	UNDP	1,486	1,022	68.76
	UNESCO	33	33	99.63
	UNFPA	132	116	88.07
	UNICEF	105	71	67.66
	UNWOMEN	381	220	57.84
<b>Total Outcome 1.2</b>		<b>2,176</b>	<b>1,500</b>	<b>82.41</b>
00082437 Outcome 1.3: Government meets international obligations and standards for juvenile justice, managing migration and the fight against organized crime and corruption	IOM	105	70	66.55
	UNICEF	178	178	100.00
	UNODC	105	105	100.00
<b>Total Outcome 1.3</b>		<b>388</b>	<b>353</b>	<b>88.85</b>
00082438 Outcome 2.1 Government, trade organizations and the private sector support inclusive and sustainable economic growth through enhanced regulatory frameworks, trade facilitation and investment promotion	ITC	30	28	93.34
	UNCTAD	30	18	61.32
	UNDP	90	63	70.42
<b>Total Outcome 2.1</b>		<b>150</b>	<b>109</b>	<b>75.03</b>
00082439 Outcome 2.2: National authorities and institutions, the private sector and the general public protect, preserve and use natural resources more sustainably, with consideration to the impacts of climate change and to the achievement of European environmental standards	UNECE	11	11	99.22
	IAEA	15	15	100.00
	ILO	20	19	95.31

	UNDP	730	666	91.32
	UNEP	185	30	16.22
	UNESCO	39	38	97.26
	UNICEF	50	50	100.00
	UNIDO	173	142	82.43
<b>Total Outcome 2.2</b>		<b>1,223</b>	<b>971</b>	<b>85.22</b>
00082440 Outcome 3.1: Institutional capacities, frameworks and policies meeting international standards promote equitable and sustainable regional development focusing on land use and livelihoods for women and men, agriculture, tourism and cultural and natural heritage management	UNDP	134	132	98.71
	UNESCO	79	78	99.57
<b>Total Outcome 3.1</b>		<b>213</b>	<b>210</b>	<b>99.14</b>
00082441 Outcome 3.2: The public, including marginalized groups and communities, better receive equitable, inclusive and accountable decentralized services from regional and local governments	UNAIDS	25	0	0
	UNDP	175	150	85.56
<b>Total Outcome 3.2</b>		<b>200</b>	<b>150</b>	<b>42.78</b>
00082442 Outcome 4.1: The rights of disadvantaged individuals and groups are equally ensured through legislation, inclusive policies, social protection mechanisms and special interventions	IOM	50		0
	UNAIDS	50	5	10.44
	UNDP	1,362	795	58.32
	UNFPA	347	168	48.51
	UNICEF	263	182	69.27
	UNODC	90		0
	UNWOMEN	243	121	49.68
<b>Total Outcome 4.1</b>		<b>2,405</b>	<b>1,271</b>	<b>33.75</b>
00082443 Outcome 4.2: Boys and girls over the age of 3 (including youth), especially from marginalized groups, participate in quality formal and informal education	UNICEF	74	74	100.00
<b>Total Outcome 4.2</b>		<b>74</b>	<b>74</b>	<b>100.00</b>
00082444 Outcome 4.3: Health insurance is universal and quality, gender sensitive and age appropriate public health services available to all including at-risk populations	IAEA	79	79	100.00
	UNAIDS	10	5	52.18
	UNFPA	33	32	97.92
	UNICEF	151	151	100.00
	WHO	217	99	45.65
<b>Total Outcome 4.3</b>		<b>490</b>	<b>366</b>	<b>78.98</b>
00082445 Outcome 4.4: All people better realize fundamental rights at work, have greater and inclusive employment opportunities, and can engage in a comprehensive social dialogue	ILO	35		0
	UNDP	106	67	63.27
	UNWOMEN	287	120	41.96
<b>Total Outcome 4.4</b>		<b>428</b>	<b>187</b>	<b>35.08</b>



## 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.

## 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\$ 10,993 was deducted in AA-fees. Cumulatively, as of 31 December 2013, US\$ 284,604 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 200,308 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 1,726,835 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, there were no direct costs charged to the Fund.

## 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.