

**Consolidated Annual Financial
Report of the Administrative Agent
of
the Viet Nam One Plan Fund II**

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)

PARTICIPATING ORGANIZATIONS



Food and Agriculture
 Organizat



International Labour
 Organisat



International Org
 Migration



Joint United nations
 Programme



UNDP(MDTF/PUNO only).



United Nations
 Volunteers Prog



United Nations
 Environment Pro



United Nations
 Educational, Sc



United Nations
 Population Fund



UN Centre for Human
 Settlement



United Nations Children's
 Fund

CONTRIBUTORS



Australian Agency for Int'l Development



BELGIUM, Government of



CANADIAN INTERNATIONAL
 DEVELOPMENT AGENC



DEPARTMENT FOR INT'L DEVELOPMENT
 (DFID)



Expanded DaO Funding Window



FINLAND, Government of



FRANCE, Government of



IRISH AID



LUXEMBOURG, Government of



NETHERLANDS, Government of



NEW ZEALAND, Government of



NORWAY, Government of



SPAIN, Government of



SWEDISH INT'L DEVELOPMENT
 COOPERATION



UN Industrial
Development Orga



SWISS AGY FOR DEVELOPMENT &
COOPERATION



UN Office for Drug and
Crime



UNWOMEN



World Health
Organization

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 Viet Nam One Plan Fund II 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/VN200>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2013, 15 contributors have deposited US\$ 89,734,465 in contributions and US\$ 415,277 has been earned in interest,

bringing the cumulative source of funds to US\$ 90,149,742.

Of this amount, US\$ 85,239,705 has been transferred to 15 Participating Organizations, of which US\$ 71,564,373 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 897,344. Table 1 provides an overview of the overall sources, uses, and balance of the Viet Nam One Plan Fund II 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	13,050,886	12,208,668	89,734,465
Fund Earned Interest and Investment Income	11,696	20,156	373,023
Interest Income received from Participating Organizations	12,666	1,954	42,254
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	13,075,248	12,230,778	90,149,742
Use of Funds			
Transfers to Participating Organizations	6,543,540	16,206,741	85,239,705
Refunds received from Participating Organizations	-	(117,697)	(117,697)
Net Funded Amount to Participating Organizations	6,543,540	16,089,044	85,122,007
Administrative Agent Fees	130,509	122,087	897,344
Direct Costs: (Steering Committee, Secretariat...etc.)	1,662,117	1,227,025	3,026,642
Bank Charges	156	414	827
Other Expenditures	-	-	-
Total: Uses of Funds	8,336,322	17,438,570	89,046,821
Change in Fund cash balance with Administrative Agent	4,738,927	(5,207,792)	1,102,921
Opening Fund balance (1 January)	1,571,786	6,310,713	-
Closing Fund balance (31 December)	6,310,713	1,102,921	1,102,921
Net Funded Amount to Participating Organizations	6,543,540	16,089,044	85,122,007
Participating Organizations' Expenditure	18,744,070	6,537,252	71,564,373
Balance of Funds with Participating Organizations			13,557,634

* 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
Australian Agency for Int'l Development	3,679,000	2,411,180	6,090,180
BELGIUM, Government of	1,289,000	1,316,900	2,605,900
CANADIAN INTERNATIONAL DEVELOPMENT AGENC	1,581,380	-	1,581,380
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	8,358,561	2,295,684	10,654,245
Expanded DaO Funding Window	20,354,000	-	20,354,000
FINLAND, Government of	5,175,585	2,656,500	7,832,085
FRANCE, Government of	15,009	-	15,009
IRISH AID	7,150,999	1,305,100	8,456,099
LUXEMBOURG, Government of	1,877,696	750,000	2,627,696
NETHERLANDS, Government of	4,121,123	-	4,121,123
NEW ZEALAND, Government of	3,098,959	-	3,098,959
NORWAY, Government of	8,909,731	273,304	9,183,035
SPAIN, Government of	8,060,037	-	8,060,037
SWEDISH INT'L DEVELOPMENT COOPERATION	1,269,500	-	1,269,500
SWISS AGY FOR DEVELOPMENT & COOPERATION	2,585,216	1,200,000	3,785,216
Grand Total	77,525,797	12,208,668	89,734,465

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\$ 373,023 and interest received from Participating Organizations amounts to US\$ 42,254, bringing the cumulative interest received to US\$ 415,277. 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	352,867	20,156	373,023
Total: Fund Earned Interest	352,867	20,156	373,023
Participating Organization			
UNDP	2,305		2,305
UNDP(UNV)	3,824		3,824
UNESCO	7,627	516	8,143
UNIDO	19,173	1,320	20,493
UNODC	5,701	118	5,819
UNWOMEN	1,670		1,670
Total: Agency earned interest	40,301	1,954	42,254
Grand Total	393,167	22,110	415,277

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\$ **85,239,705** to 15 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	3,650,911		3,650,911	520,067		520,067	4,170,978		4,170,978
ILO	5,048,867		5,048,867	1,099,163		1,099,163	6,148,030		6,148,030
IOM	47,430		47,430	217,575		217,575	265,005		265,005
UNAIDS	1,044,268		1,044,268	394,605		394,605	1,438,873		1,438,873
UNDP	15,095,695		15,095,695	5,238,823		5,238,823	20,334,518		20,334,518
UNDP(UNV)	294,500		294,500	100,452		100,452	394,952		394,952
UNEP	20,000		20,000	64,500		64,500	84,500		84,500
UNESCO	2,765,272		2,765,272	405,722	0	405,722	3,170,994	0	3,170,994
UNFPA	4,404,588		4,404,588	1,399,680	(117,697)	1,281,983	5,804,268	(117,697)	5,686,571
UNHABITAT	1,424,675		1,424,675	331,690		331,690	1,756,365		1,756,365
UNICEF	18,512,361		18,512,361	3,216,620		3,216,620	21,728,981		21,728,981
UNIDO	3,607,500		3,607,500	617,230		617,230	4,224,730		4,224,730
UNODC	3,132,139		3,132,139	850,183		850,183	3,982,322		3,982,322
UNWOMEN	1,459,000		1,459,000	520,914		520,914	1,979,914		1,979,914
WHO	8,525,758		8,525,758	1,229,517		1,229,517	9,755,275		9,755,275
Grand Total	69,032,964		69,032,964	16,206,741	(117,697)	16,089,044	85,239,705	(117,697)	85,122,007

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 below, the cumulative net funded amount is US\$ **85,122,007** and cumulative expenditures reported by the Participating Organizations amount to US\$ **71,564,373**. This equates to an overall Fund expenditure delivery rate of **84** percent.

Table 5.1 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	4,226,178	4,170,978	2,978,905	172,713	3,151,618	75.56
ILO	6,148,030	6,148,030	4,623,478	233,103	4,856,581	78.99
IOM	265,005	265,005	1,770	59,439	61,209	23.10
UNAIDS	1,438,873	1,438,873	991,608	78,257	1,069,865	74.35
UNDP	20,334,518	20,334,518	14,218,845	2,416,427	16,635,271	81.81
UNDP(UNV)	394,952	394,952	199,506	13,325	212,830	53.89
UNEP	84,500	84,500				0
UNESCO	3,170,994	3,170,994	2,678,165	155,634	2,833,799	89.37
UNFPA	6,198,844	5,686,571	4,277,519	695,449	4,972,968	87.45
UNHABITAT	1,756,365	1,756,365	1,348,695	129,141	1,477,836	84.14
UNICEF	22,149,326	21,728,981	17,926,319	1,401,585	19,327,904	88.95
UNIDO	4,224,730	4,224,730	3,344,416	107,536	3,451,952	81.71
UNODC	4,067,322	3,982,322	3,014,316	287,335	3,301,651	82.91
UNWOMEN	1,979,914	1,979,914	1,329,382	263,176	1,592,558	80.44
WHO	10,603,969	9,755,275	8,094,199	524,132	8,618,331	88.35
Grand Total	87,043,520	85,122,007	65,027,122	6,537,252	71,564,373	84.07

5.2 EXPENDITURE BY [UNDAF OUTCOME OR THEMATIC AREA]

Table 5.2 displays the net funded amounts, expenditures incurred and the financial delivery rates by [UNDAF Outcome or Thematic Area].

Table 5.2. 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	
Viet Nam							
OP 2006 Disaster Management	5,398,131	5,403,682		(9,151)	5,398,131	5,394,531	99.93
OP 2006 Environment	4,644,477	4,409,811		(943)	4,644,477	4,408,868	94.93
OP 2006 Governance	8,377,840	8,290,109		61,063	8,377,840	8,351,172	99.68
OP 2006 Social Economic Policy	17,791,047	17,593,510	(37,716)	(193,143)	17,753,331	17,400,367	98.01
OP 2006 Social Services	27,588,247	27,420,526	(79,981)	(2,117)	27,508,266	27,418,409	99.67
OP 2012 Governance & Particip.	1,322,996	798,035	5,241,664	2,343,452	6,564,660	3,141,487	47.85
OP 2012 Inclusive Growth	1,297,965	331,893	4,598,672	1,266,400	5,896,637	1,598,293	27.11
OP 2012 Services & Soc Protect	2,612,261	779,557	6,366,405	3,071,689	8,978,666	3,851,246	42.89
Viet Nam Total:	69,032,964	65,027,122	16,089,044	6,537,252	85,122,007	71,564,373	84.07
Grand Total:	69,032,964	65,027,122	16,089,044	6,537,252	85,122,007	71,564,373	84.07

5.3 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.

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 5.3. 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)	2,679,967	-	2,679,967	3.97
Personnel (Old)	13,505,521	-	13,505,521	20.00
Training of Counterparts (Old)	9,326,889	-	9,326,889	13.81
Contracts (Old)	16,477,958	-	16,477,958	24.40
Other direct costs (Old)	1,266,998	-	1,266,998	1.88
Staff & Personnel Cost (New)	3,130,370	2,455,864	5,586,234	8.27
Suppl, Comm, Materials (New)	625,288	(574,396)	50,892	0.08
Equip, Veh, Furn, Depn (New)	465,998	41,420	507,418	0.75
Contractual Services (New)	(1,183,361)	2,017,973	834,612	1.24
Travel (New)	10,460,934	(9,395,078)	1,065,857	1.58
Transfers and Grants (New)	3,717,514	660,450	4,377,964	6.48
General Operating (New)	967,456	10,878,419	11,845,875	17.54
Programme Costs Total	61,441,532	6,084,653	67,526,185	100.00
Indirect Support Costs Total	3,585,589	452,599	4,038,188	5.98
Total	65,027,122	6,537,252	71,564,373	

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\$ 122,087 was deducted in AA-fees. Cumulatively, as of 31 December 2013, US\$ 897,344 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 452,599 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 4,038,188 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\$1,227,025.

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.