



*Empowered lives.
Resilient nations.*

Consolidated Annual Financial Report on Activities Implemented under the Afghanistan Common Humanitarian Fund

**Report of the Administrative Agent of the Afghanistan CHF
for the period 1 January to 31 December 2014**

**Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)
May 2015**

PARTICIPATING ORGANIZATIONS



Office for the Coordination of
Humanitarian Affairs



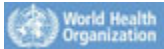
United Nations Population Fund



United Nations Children's Fund



World Food Programme



World Health Organization

CONTRIBUTORS



AUSTRALIA, Government of



DEPARTMENT FOR INT'L
DEVELOPMENT (DFID)



NORWAY, Government of



REPUBLIC of KOREA, Government of



SWEDISH INT'L DEVELOPMENT
COOPERATION



UNOCHA

DEFINITIONS

Approved Project/Programme

A project/programme including budget, etc., that is approved by the Humanitarian Coordinator 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.

Managing Agent

The Participating UN Organization (e.g., UNDP or OCHA) that has signed the MOU and performs an oversight function vis-à-vis NGOs receiving funding. The Managing Agent has the same obligations as any other PUNO signing the MOU, including for reporting. OCHA is the Managing Agent for the Afghanistan CHF.

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.

US Dollar Amount

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

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INTRODUCTION

This Consolidated Annual Financial Report of the Afghanistan CHF is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent, as per the terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) signed with contributors.¹

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and SAAs with contributors. It receives, administers and

manages contributions, and disburses these funds to the Participating Organizations. The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements, for transmission to contributors.

This consolidated financial report covers the period 1 January to 31 December 2014 and provides financial data on progress made in the implementation of projects of the Afghanistan CHF. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/HAF10>).

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

¹ This Report has been shared by the Administrative Agent with the Humanitarian Coordinator for Afghanistan, and OCHA for posting on the CHF Afghanistan website: <http://www.unocha.org/afghanistan/resources-and-publications>, as annex to the final Afghanistan CHF Annual Report. For increased public transparency, it is posted on the MPTF Office GATEWAY (<http://mptf.undp.org>).

2014 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the Afghanistan CHF using the pass-through funding modality as of 31 December 2014. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/HAF10>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2014, **six** contributors have deposited US\$ **46,650,753** in contributions and US\$ **21,291** has been earned in interest,

bringing the cumulative source of funds to US\$ **46,672,043**.

Of this amount, US\$ **29,579,633** has been transferred to **five** Participating Organizations, of which US\$ **19,962,806** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **466,508**. Table 1 provides an overview of the overall sources, uses, and balance of the Afghanistan CHF as of 31 December 2014.

Table 1. Financial Overview, as of 31 December 2014 (in US Dollars)

	Annual 2013	Annual 2014	Cumulative
Sources of Funds			
Gross Contributions		46,650,753	46,650,753
Fund Earned Interest and Investment Income		21,291	21,291
Interest Income received from Participating Organizations		-	-
Refunds by Administrative Agent to Contributors		-	-
Fund balance transferred to another MDTF		-	-
Other Revenues		-	-
Total: Sources of Funds		46,672,043	46,672,043
Use of Funds			
Transfers to Participating Organizations		29,579,633	29,579,633
Refunds received from Participating Organizations		-	-
Net Funded Amount to Participating Organizations		29,579,633	29,579,633
Administrative Agent Fees		466,508	466,508
Direct Costs		1,535,994	1,535,994
Bank Charges		443	443
Other Expenditures		-	-
Total: Uses of Funds		31,582,577	31,582,577
Change in Fund cash balance with Administrative Agent		15,089,466	15,089,466
Opening Fund balance (1 January)		-	-
Closing Fund balance (31 December)		15,089,466	15,089,466
Net Funded Amount to Participating Organizations		29,579,633	29,579,633
Participating Organizations' Expenditure		19,962,806	19,962,806
Balance of Funds with Participating Organizations			9,616,827

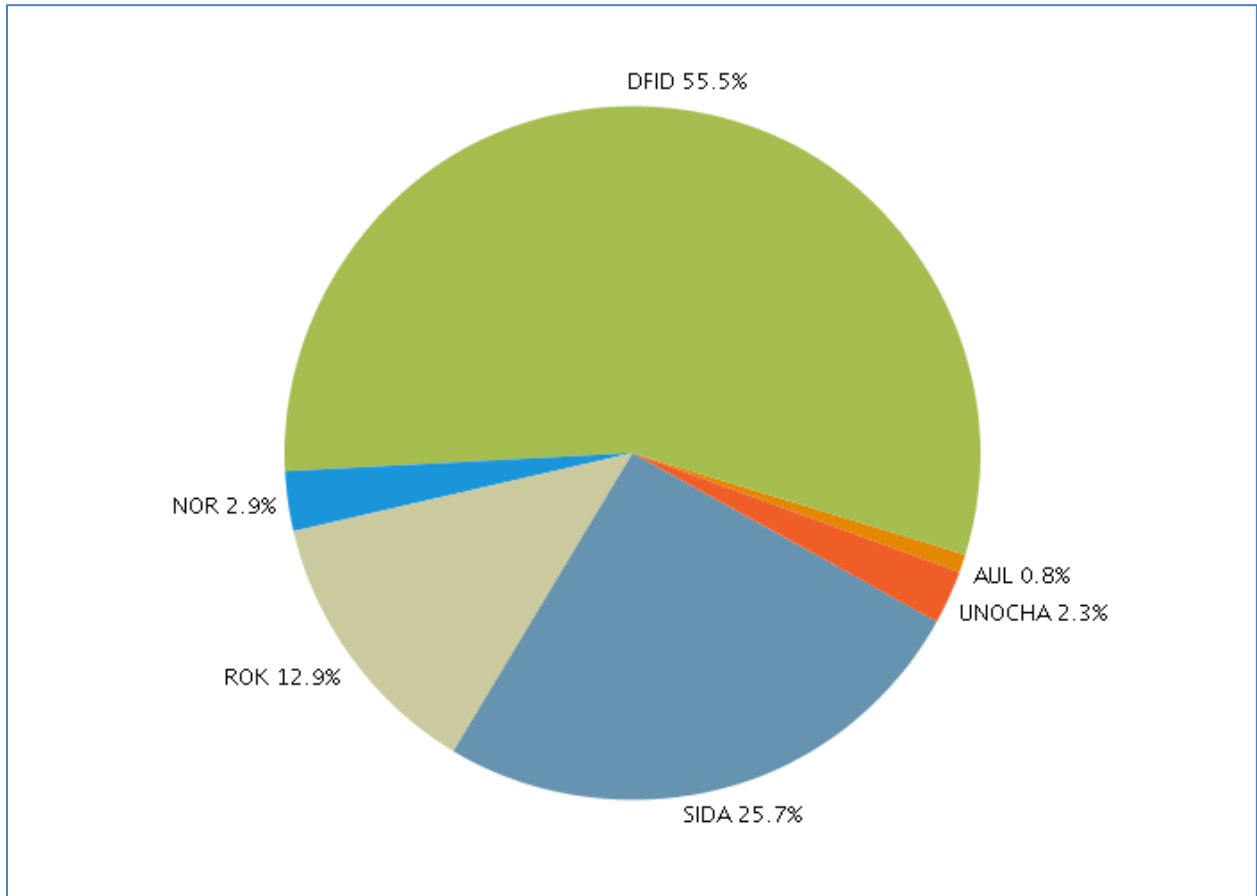
2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2014. The Afghanistan CHF is currently being financed by five donors that have signed SAAs, namely the UK's Department for International Development (DFID), the Governments of Australia, Norway, the Republic of Korea, and the Swedish International Development Cooperation (Sida). OCHA also transferred the unspent balance of the Afghanistan Emergency Trust Fund to the Afghanistan CHF. In 2014, the Afghanistan CHF received **US\$ 46.65 million** in donor contributions.

Table 2. Contributors' Deposits, as of 31 December 2014 (in US Dollars)

Contributors	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
AUSTRALIA, Government of	-	371,040	371,040
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	-	25,881,600	25,881,600
NORWAY, Government of	-	1,340,483	1,340,483
REPUBLIC OF KOREA, Government of	-	6,000,000	6,000,000
SWEDISH INT'L DEVELOPMENT COOPERATION	-	11,970,400	11,970,400
UNOCHA	-	1,087,231	1,087,231
Grand Total	-	46,650,753	46,650,753

Figure 1: Deposits by contributor, cumulative as of 31 December 2014



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 2014, Fund earned interest amounts to US\$ **21,291** and interest received from Participating Organizations amounts to US\$ -, bringing the cumulative interest received to US\$ **21,291**. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2014 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
Administrative Agent			
Fund Earned Interest and Investment Income		21,291	21,291
Total: Fund Earned Interest		21,291	21,291
Participating Organization			
Total: Agency earned interest			
Grand Total		21,291	21,291

4. TRANSFER OF FUNDS

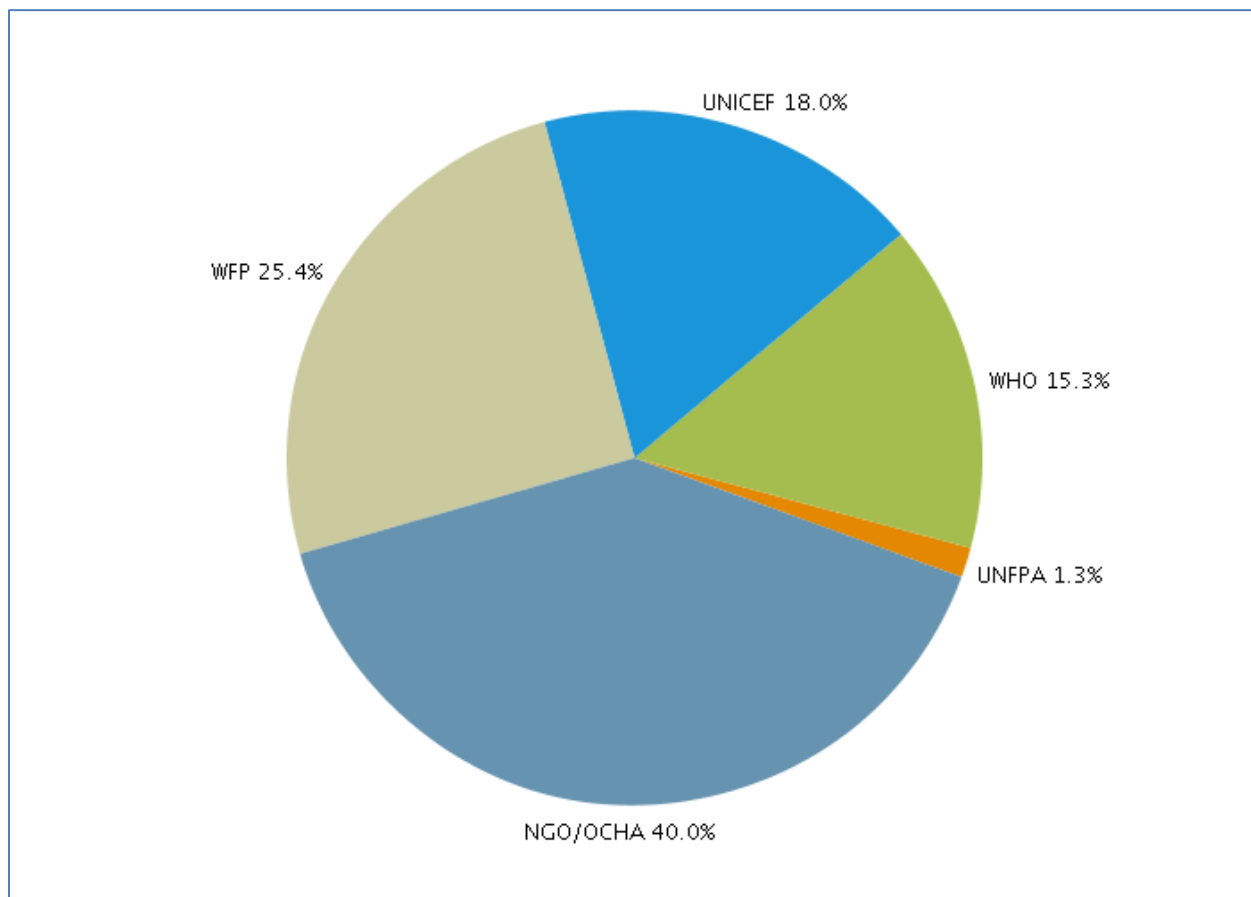
Allocations to Participating Organizations are approved by the Humanitarian Coordinator and disbursed by the Administrative Agent. As of 31 December 2014, the AA has transferred US\$ **29,579,633** to **5** Participating Organizations (see list below). Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

OCHA serves as a Managing Agent for funds approved by the HC for implementation by NGOs. In 2014 OCHA received the largest share of funding for NGO implemented projects (US\$ 11.8 million or 40 percent), followed by WFP (US\$ 7.5 million or 25.4 percent), and UNICEF (US\$ 5.3 million or 18 percent), as shown in Figure 2.

Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2014 (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2013			Current Year Jan-Dec-2014			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
NGO/OCHA				11,822,975		11,822,975	11,822,975		11,822,975
UNFPA				395,590		395,590	395,590		395,590
UNICEF				5,330,879		5,330,879	5,330,879		5,330,879
WFP				7,505,681		7,505,681	7,505,681		7,505,681
WHO				4,524,509		4,524,509	4,524,509		4,524,509
Grand Total				29,579,633		29,579,633	29,579,633		29,579,633

Figure 2: Net funded amount by Participating Organization for the period of 1 January to 31 December 2014



4.1. TRANSFER BY CLUSTER

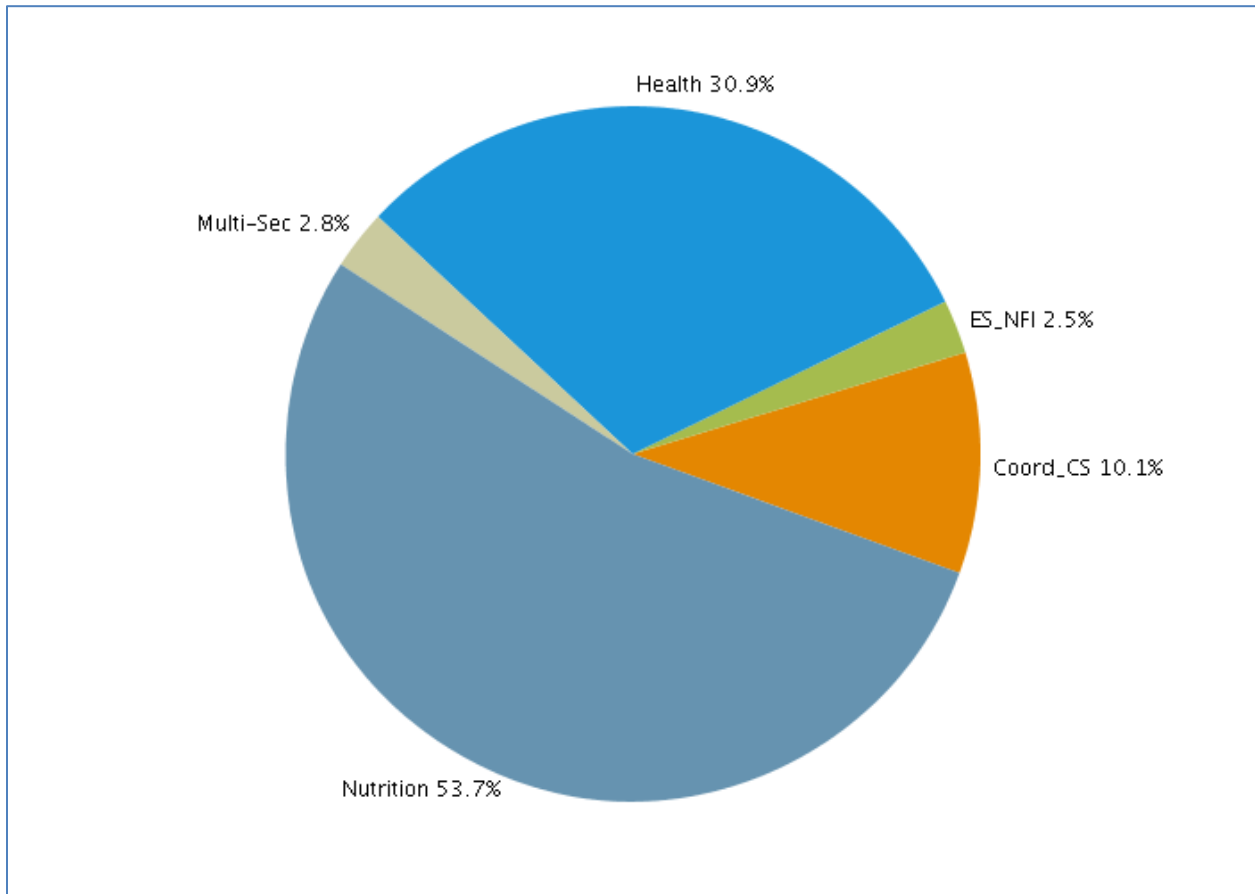
Table 4.1 shows the total Net Funded Amount by cluster.

As shown in Figure 3, in 2014, the clusters receiving the largest share of transfers were: Nutrition (53.7%), Health (30.9%), and Coordination & Common Services (10.1%).

Table 4.1 Cumulative net funded amount by Cluster as of 31 December 2014 (in US Dollars)

Clusters	Cumulative Net Funded Amount
Coordination & Common Services	3,000,000
Emergency Shelter and Non-Food	731,465
Health	9,128,498
Multi-Sector	831,964
Nutrition	15,887,706
Total:	29,579,633

Figure 3: Net Funded Amounts by Cluster for the Year 2014



5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2014 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\$ **29,579,633** and cumulative expenditures reported by the Participating Organizations amount to US\$ **19,962,806**. This equates to an overall Fund expenditure delivery rate of **67** percent. The agencies with the three highest delivery rates are: OCHA, UNFPA and WFP.

Table 5.1 Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2014 (in US Dollars)

Participating Organization	Current Year Jan-Dec 2014		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
NGO/OCHA	11,822,975	9,409,945	11,822,975	9,409,945	79.59
UNFPA	395,590	295,001	395,590	295,001	74.57
UNICEF	5,330,879	3,743,222	5,330,879	3,743,222	70.22
WFP	7,505,681	5,353,702	7,505,681	5,353,702	71.33
WHO	4,524,509	1,160,935	4,524,509	1,160,935	25.66
Total	29,579,633	19,962,806	29,579,633	19,962,806	67.49

5.2. EXPENDITURE BY CLUSTER

Table 5.2 and figure 4 show the net funded amount and expenditure by cluster. The highest expenditure

was under the Nutrition cluster, followed by the Health cluster.

Table 5.2: Expenditure with breakdown by Cluster (in US Dollars)

Country/Sector	Current Year Jan-Dec-2014		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Afghanistan					
Coordination & Common Services	3,000,000	3,000,000	3,000,000	3,000,000	100.00
Emergency Shelter and Non-Food	731,465	703,364	731,465	703,364	96.16
Health	9,128,498	6,140,408	9,128,498	6,140,408	67.27
Multi-Sector	831,964		831,964		0
Nutrition	15,887,706	10,119,034	15,887,706	10,119,034	63.69
Afghanistan Total:	29,579,633	19,962,806	29,579,633	19,962,806	67.49
Grand Total:	29,579,633	19,962,806	29,579,633	19,962,806	67.49

Figure 4: Cumulative Net Funded Amount and Expenditure with Breakdown by Cluster

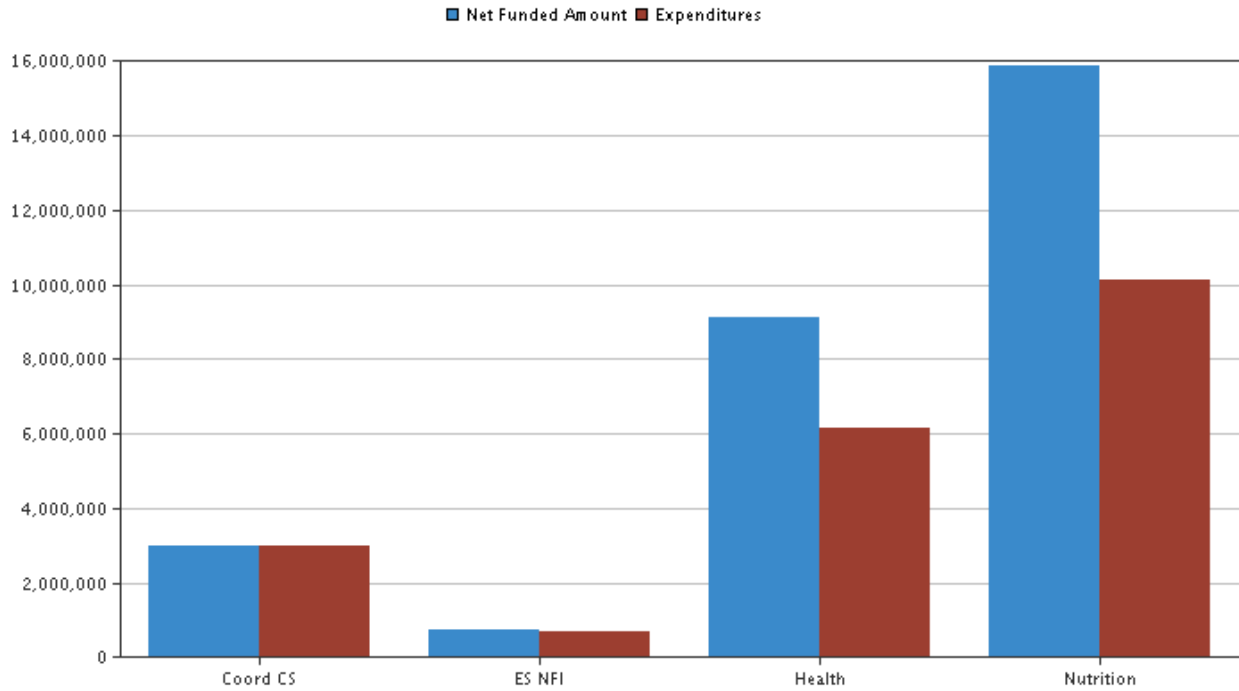
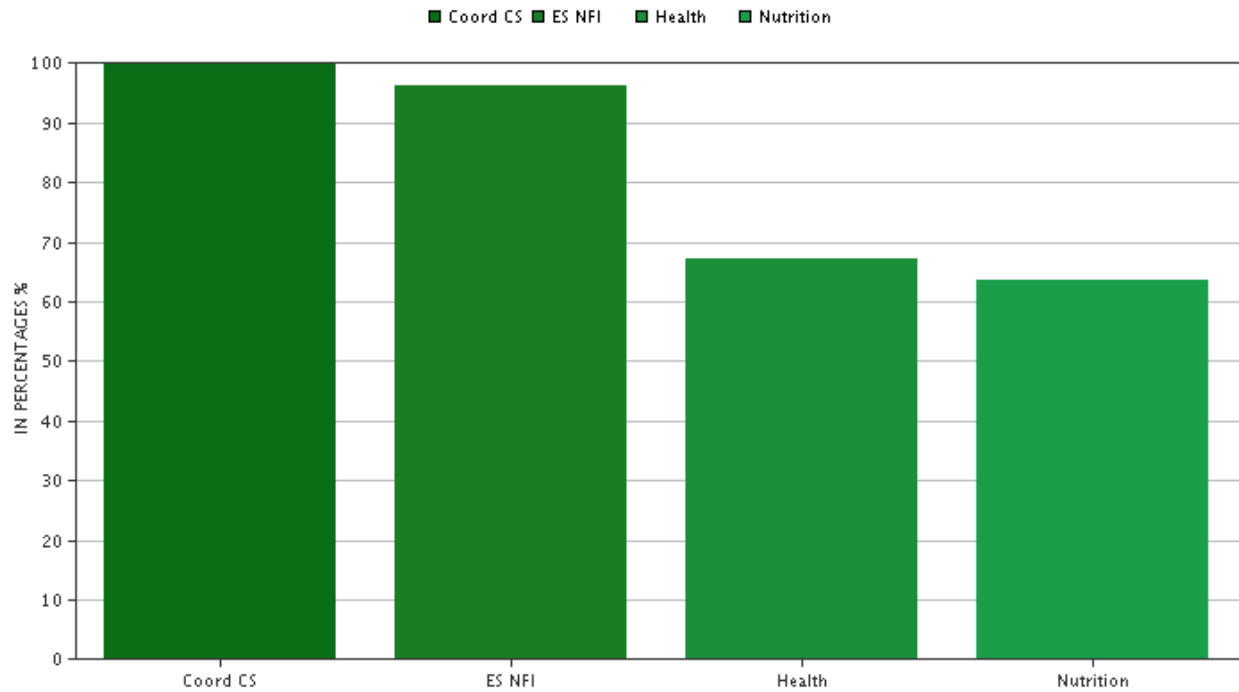


Figure 5: Cumulative Delivery Rate by Sector as of 31 December 2014 (in percentages)



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. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified the 2006

categories as a result of IPSAS adoption to comprise eight categories.

Table 6 reflects expenditure reported in the UNDG expense categories.

2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

Table 6. Expenditure by UNDG Budget Category, as of 31 December 2014 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total	
Staff & Personnel Cost (New)	-	4,917,686	4,917,686	26.34
Suppl, Comm, Materials (New)	-	7,403,733	7,403,733	39.66
Equip, Veh, Furn, Depn (New)	-	636,246	636,246	3.41
Contractual Services (New)	-	3,872,701	3,872,701	20.75
Travel (New)	-	360,739	360,739	1.93
Transfers and Grants (New)	-	256,938	256,938	1.38
General Operating (New)	-	1,219,830	1,219,830	6.53
Programme Costs Total	-	18,667,873	18,667,873	100.00
¹ Indirect Support Costs Total	-	1,294,933	1,294,933	6.94
Total	-	19,962,806	19,962,806	

¹ **Indirect Support Costs** charged by Participating Organization, based on their financial regulations, can be deducted upfront or at a later stage during implementation. The percentage may therefore appear to exceed the 7% agreed-upon for on-going projects. Once 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 2014, 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\$ **466,508** was deducted in AA-fees. Cumulatively, as of 31 December 2014, US\$ **466,508** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **1,294,933** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **1,294,933** as of 31 December 2014.

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.

8. 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 2014, direct costs amounting to US\$ **1,535,994**, of which US\$ **928,209** was reported in expenditure (delivery rate of 60.43 percent).