



*Empowered lives.
Resilient nations.*

Consolidated Annual Financial Report of the Administrative Agent of the Kurdistan Vision 2020 Facility

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>

PARTICIPATING ORGANIZATIONS



Food and Agriculture
Organizat



International Labour
Organisat



UNDP(MDTF/PUNO only).



United Nations
Educational, Sc



United Nations Population
Fund



UN Centre for Human
Settlement



United Nations Children's
Fund



UNWOMEN



World Food Programme



World Health Organization

CONTRIBUTORS



Kurdistan Regional Govt Iraq

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.

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.

2014 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the Kurdistan Vision 2020 Facility 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/IQK00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2014, one contributor, the Regional Government of Kurdistan deposited US\$ 4,200,861 in contributions and US\$ 1,293 has been earned in interest,

bringing the cumulative source of funds to US\$ 4,202,154.

Of this amount, US\$ 3,223,497 has been transferred to 10 Participating Organizations, of which US\$ 1,347,981 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 42,009. Table 1 provides an overview of the overall sources, uses, and balance of the Kurdistan Vision 2020 Facility 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		4,200,861	4,200,861
Fund Earned Interest and Investment Income		1,293	1,293
Interest Income received from Participating Organizations		-	-
Refunds by Administrative Agent to Contributors		-	-
Fund balance transferred to another MDTF		-	-
Other Revenues		-	-
Total: Sources of Funds		4,202,154	4,202,154
Use of Funds			
Transfers to Participating Organizations		3,223,497	3,223,497
Refunds received from Participating Organizations		-	-
Net Funded Amount to Participating Organizations		3,223,497	3,223,497
Administrative Agent Fees		42,009	42,009
Direct Costs: (Steering Committee, Secretariat...etc.)		140,000	140,000
Bank Charges		22	22
Other Expenditures		-	-
Total: Uses of Funds		3,405,527	3,405,527
Change in Fund cash balance with Administrative Agent		796,627	796,627
Opening Fund balance (1 January)		-	-
Closing Fund balance (31 December)		796,627	796,627
Net Funded Amount to Participating Organizations		3,223,497	3,223,497
Participating Organizations' Expenditure		1,347,981	1,347,981
Balance of Funds with Participating Organizations			1,875,516

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from the Regional Government of Kurdistan to this Fund as of 31 December 2014.

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
Kurdistan Regional Govt Iraq	-	4,200,861	4,200,861
Grand Total	-	4,200,861	4,200,861

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\$ 1,293 and interest received from Participating Organizations amounts to US\$ -, bringing the cumulative interest received to US\$ 1,293. 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		1,293	1,293
Total: Fund Earned Interest		1,293	1,293
Participating Organization			
Total: Agency earned interest			
Grand Total		1,293	1,293

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2014, the AA has transferred US\$ 3,223,497 to 10 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 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
FAO				64,000		64,000	64,000		64,000
ILO				303,520		303,520	303,520		303,520
UNDP				575,735		575,735	575,735		575,735
UNESCO				50,000		50,000	50,000		50,000
UNFPA				604,530		604,530	604,530		604,530
UNHABITAT				358,129		358,129	358,129		358,129
UNICEF				697,268		697,268	697,268		697,268
UNWOMEN				142,513		142,513	142,513		142,513
WFP				87,930		87,930	87,930		87,930
WHO				339,872		339,872	339,872		339,872
Grand Total				3,223,497		3,223,497	3,223,497		3,223,497

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\$ **3,223,497** and cumulative expenditures reported by the Participating Organizations amount to US\$ **1,347,981**. This equates to an overall Fund expenditure delivery rate of **42** percent. UNICEF has indicated that its utilization figures are indicative at this stage. Final certified financial figures will be provided by the comptrollers for financial closure.

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

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Cumulative	
FAO	64,000	64,000				0
ILO	303,520	303,520		11,632	11,632	3.83
UNDP	575,735	575,735		30,348	30,348	5.27
UNESCO	50,000	50,000				0
UNFPA	604,530	604,530		93,858	93,858	15.53
UNHABITAT	358,129	358,129		10,703	10,703	2.99
UNICEF	697,268	697,268		1,155,829	1,155,829	165.77
UNWOMEN	142,513	142,513		9,323	9,323	6.54
WFP	87,930	87,930				0
WHO	339,872	339,872		36,288	36,288	10.68
Grand Total	3,223,497	3,223,497		1,347,981	1,347,981	41.82

5.2 EXPENDITURE BY PROJECT

Table 5.2 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization and project.

Table 5.2 Expenditure by Project within Sector, as of 31 December 2014 (in US Dollars)

Sector / Project No.and Project Title		Participating Organization	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
1.1 Equal Access						
00091232	P1-IS-02 Reintegration of Deta	UNFPA	95,600	95,600	23,445	24.52
00091232	P1-IS-02 Reintegration of Deta	UNICEF	120,000	120,000	300,000	250.00
00091233	P1-IS-03 Rehab for Mine Victim	UNDP	133,200	133,200		0
00091233	P1-IS-03 Rehab for Mine Victim	UNICEF	80,000	80,000	200,000	250.00
00091234	P1-ED-01 Child Friendly School	UNFPA	47,872	47,872	3,206	6.70
00091234	P1-ED-01 Child Friendly School	UNICEF	105,472	105,472	72,931	69.15
00091234	P1-ED-01 Child Friendly School	WFP	54,784	54,784		0
00091234	P1-ED-01 Child Friendly School	WHO	47,872	47,872		0
00091236	P1-IS-05 FGM Elimination	UNICEF	120,000	120,000		0
00091237	P1-IS-06 Disadvantaged Youth	ILO	303,520	303,520	11,632	3.83
00091237	P1-IS-06 Disadvantaged Youth	UNFPA	215,600	215,600	18,094	8.39
00091240	P1-HT-01 Improve PHC Services	UNFPA	165,458	165,458	45,282	27.37
00091240	P1-HT-01 Improve PHC Services	UNICEF	171,796	171,796	427,222	248.68
00091240	P1-HT-01 Improve PHC Services	WFP	33,146	33,146		0
00091240	P1-HT-01 Improve PHC Services	WHO	292,000	292,000	36,288	12.43
1.1 Equal Access: Total			1,986,320	1,986,320	1,138,100	57.30
1.2 People's Participation						
00091231	P1-IS-01 Safer Cities in Suli	UNDP	15,043	15,043		0
00091231	P1-IS-01 Safer Cities in Suli	UNHABITAT	57,916	57,916	8,091	13.97
00091231	P1-IS-01 Safer Cities in Suli	UNWOMEN	16,513	16,513	1,080	6.54
00091235	P1-IS-04 Ct. of Gender Studies	UNWOMEN	80,000	80,000	5,234	6.54
1.2 People's Participation: Total			169,472	169,472	14,405	8.50
2 Living Standards						
00091238	P1-IS-07 Soc-Eco Women Empower	FAO	64,000	64,000		0
00091238	P1-IS-07 Soc-Eco Women Empower	UNESCO	50,000	50,000		0
00091238	P1-IS-07 Soc-Eco Women Empower	UNFPA	80,000	80,000	3,831	4.79
00091238	P1-IS-07 Soc-Eco Women Empower	UNWOMEN	46,000	46,000	3,009	6.54
00091239	P1-IS-08 National UNVs	UNDP	217,060	217,060		0
00091241	P2-HS-01 Urban Planning	UNHABITAT	300,213	300,213	2,612	0.87
00091242	P2-WS-01 Water Conserv/Mgt	UNICEF	100,000	100,000	155,675	155.68
2 Living Standards: Total			857,273	857,273	165,128	19.26

3.2 Legislative Framework						
00091243	P4-GV-01 Support for HR Board	UNDP	210,432	210,432	30,348	14.42
3.2 Legislative Framework: Total			210,432	210,432	30,348	14.42

Grand Total			3,223,497	3,223,497	1,347,981	41.82
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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. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified the UNDG

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

Table 5.3 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

1.

Table 5.3. 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	-	17,465	17,465	1.39
Suppl, Comm, Materials	-	90,825	90,825	7.25
Equip, Veh, Furn, Depn	-	5,922	5,922	0.47
Contractual Services	-	233,352	233,352	18.62
Travel	-	66,540	66,540	5.31
Transfers and Grants	-	727,624	727,624	58.07
General Operating	-	111,340	111,340	8.89
Programme Costs Total	-	1,253,067	1,253,067	100.00
¹ Indirect Support Costs Total	-	94,914	94,914	7.57
Total	-	1,347,981	1,347,981	

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\$ 42,009 was deducted in AA-fees. Cumulatively, as of 31 December 2014, US\$ 42,009 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 94,914 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 94,914 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\$ 140,000.