

Consolidated Annual Financial Report of the Administrative Agent of the Kyrgyzstan One Fund

for the period 1 January to 31 December 2014

Multi-Partner Trust Fund Office
United Nations Development Programme
<http://mptf.undp.org>

31 May 2015

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization (FAO)



International Labour Organization (ILO)



United Nations Development Programme (UNDP)



United Nations Volunteers Programme



United Nations Population Fund (UNFPA)



UN High Commissioner for Refugees (UNHCR)



United Nations Children's Fund (UNICEF)



UN Industrial Development Organization (UNIDO)



UNWOMEN



World Food Programme (WFP)



World Health Organization (WHO)

CONTRIBUTORS



Expanded DaO Funding Window

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 Kyrgyzstan One Fund 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/KG100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2014, one contributor has deposited US\$ 9,960,000 in contributions and US\$ 52,092 has been earned in interest, bringing the

cumulative source of funds to US\$ 10,012,092 (see respectively, Tables 2 and 3).

Of this amount, US\$ 9,761,215 has been transferred to 11 Participating Organizations, of which US\$ 9,699,475 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of one percent on deposits and amounts to US\$ 99,600. Table 1 provides an overview of the overall sources, uses, and balance of the Kyrgyzstan One Fund 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	-	-	9,960,000
Fund Earned Interest and Investment Income	190	157	11,501
Interest Income received from Participating Organizations	1,495	236	40,591
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	1,685	393	10,012,092
Use of Funds			
Transfers to Participating Organizations	-	-	9,761,215
Refunds received from Participating Organizations	(1,082)	(552)	(1,634)
Net Funded Amount to Participating Organizations	(1,082)	(552)	9,759,582
Administrative Agent Fees	-	-	99,600
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	98,178
Bank Charges	4	3	104
Other Expenditures	-	-	-
Total: Uses of Funds	(1,078)	(548)	9,957,464
Change in Fund cash balance with Administrative Agent	2,763	941	54,628
Opening Fund balance (1 January)	50,924	53,687	-
Closing Fund balance (31 December)	53,687	54,628	54,628
Net Funded Amount to Participating Organizations	(1,082)	(552)	9,759,582
Participating Organizations' Expenditure	2,764,161	22,628	9,699,475
Balance of Funds with Participating Organizations			60,107

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors 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
Expanded DaO Funding Window	9,960,000	-	9,960,000
Grand Total	9,960,000	-	9,960,000

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\$ 11,501 and interest received from Participating Organizations amounts to US\$ 40,591, bringing the cumulative interest received to US\$ 52,092. 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	11,344	157	11,501
Total: Fund Earned Interest	11,344	157	11,501
Participating Organization			
UNDP	37,482		37,482
UNDP(UNV)	111		111
UNIDO	2,620	236	2,857
UNWOMEN	141		141
Total: Agency earned interest	40,355	236	40,591
Grand Total	51,699	393	52,092

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\$ 9,761,215 to 11 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	1,060,247		1,060,247				1,060,247		1,060,247
ILO	241,404	(1,082)	240,322		(552)	(552)	241,404	(1,634)	239,770
UNDP	2,824,203		2,824,203				2,824,203		2,824,203
UNDP(UNV)	52,965		52,965				52,965		52,965
UNFPA	305,903		305,903				305,903		305,903
UNHCR	506,446		506,446				506,446		506,446
UNICEF	1,307,653		1,307,653				1,307,653		1,307,653
UNIDO	533,725		533,725				533,725		533,725
UNWOMEN	134,269		134,269				134,269		134,269
WFP	2,582,431		2,582,431				2,582,431		2,582,431
WHO	211,969		211,969				211,969		211,969
Grand Total	9,761,215	(1,082)	9,760,133		(552)	(552)	9,761,215	(1,634)	9,759,582

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\$ 9,759,582 and cumulative expenditures reported by the Participating Organizations amount to US\$ 9,699,475. This equates to an overall Fund expenditure delivery rate of 99 percent.

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	1,060,247	1,060,247	1,047,236	1,092	1,048,328	98.88
ILO	241,404	239,770	239,770		239,770	100.00
UNDP	2,824,203	2,824,203	2,770,575	1,140	2,771,715	98.14
UNDP(UNV)	52,965	52,965	52,790		52,790	99.67
UNFPA	305,903	305,903	305,679	224	305,903	100.00
UNHCR	506,446	506,446	506,446		506,446	100.00
UNICEF	1,307,653	1,307,653	1,304,330	11,426	1,315,756	100.62
UNIDO	533,725	533,725	521,592	8,719	530,311	99.36
UNWOMEN	134,269	134,269	134,242	26	134,269	100.00
WFP	2,582,431	2,582,431	2,582,430	0	2,582,431	100.00
WHO	211,969	211,969	211,756		211,756	99.90
Grand Total	9,761,215	9,759,582	9,676,847	22,628	9,699,475	99.38

5.2 EXPENDITURE BY UNDAF Thematic Area

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

Table 5.2 Expenditure by UNDAF Thematic Area, as of 31 December 2014 (in US Dollars)

Country/UNDAF Thematic Area	Prior Years as of 31-Dec-2013		Current Year Jan-Dec-2014		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Kyrgyzstan							
Agriculture	1,858,320	1,802,147		9,844	1,858,320	1,811,991	97.51
Energy	987,569	985,759		(7)	987,569	985,752	99.82
Environment	796,856	811,980		1,084	796,856	813,064	102.03
Food Security	2,582,431	2,582,430		0	2,582,431	2,582,431	100.00
Risk Management	1,117,122	1,080,794		56	1,117,122	1,080,850	96.75
Social Services	2,417,836	2,413,737	(552)	11,650	2,417,284	2,425,387	100.34
Kyrgyzstan Total:	9,760,133	9,676,847	(552)	22,628	9,759,582	9,699,475	99.38
Grand Total:	9,760,133	9,676,847	(552)	22,628	9,759,582	9,699,475	99.38

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 5.3 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.

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

2006 UNDG Expense Categories

1. Supplies, commodities, equipment & transport
2. Personnel
3. Training counterparts
4. Contracts
5. Other direct costs
6. Indirect costs

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	
Supplies, Commodities, Equipment and Transport (Old)	1,537,058	-	1,537,058	16.85
Personnel (Old)	643,580	-	643,580	7.06
Training of Counterparts (Old)	114,034	-	114,034	1.25
Contracts (Old)	554,053	-	554,053	6.08
Other direct costs (Old)	512,785	-	512,785	5.62
Staff & Personnel Cost (New)	308,300	884	309,184	3.39
Suppl, Comm, Materials (New)	1,633,881	(8,354)	1,625,527	17.82
Equip, Veh, Furn, Depn (New)	556,321	9,071	565,392	6.20
Contractual Services (New)	1,124,106	13,902	1,138,008	12.48
Travel (New)	438,948	2,702	441,650	4.84
Transfers and Grants (New)	855,991	-	855,991	9.39
General Operating (New)	819,434	3,358	822,792	9.02
Programme Costs Total	9,098,492	21,562	9,120,054	100.00
¹ Indirect Support Costs Total	578,356	1,065	579,421	6.35
Total	9,676,847	22,628	9,699,475	

¹ Indirect Support Costs charged by Participating Organization, based on their financial regulations, can be deducted upfront or at a later stage during implementation.

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:** one percent is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. Cumulatively, as of 31 December 2014, US\$ 99,600 has been charged in AA fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge seven percent indirect costs. In the current reporting period US\$ 1,065 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 579,421 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'. Cumulatively, US\$ 98,178 were charged as the direct costs to the Fund.