

**Consolidated Annual Financial  
Report of the Administrative Agent  
of the Darfur Peace & Stability Fund**

**for the period 1 January to 31 December 2014**

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

**31 May 2015**

## PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization  
(FAO)



United Nations Development  
Programme (UNDP)



UN Centre for Human Settlement



United Nations Children's Fund  
(UNICEF)

## CONTRIBUTORS



Denmark



Department for International Development  
(DFID)



Germany



Italy



Netherlands



Norway



Swedish Int'l Development Cooperation



Switzerland



USAID

## 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 Darfur Peace & Stability 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/DPS00>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December 2014, nine contributors have deposited US\$ 68,109,578 in contributions and US\$ 679,657 has been earned in interest, bringing the

cumulative source of funds to US\$ 68,789,234 (see respectively, Tables 2 and 3).

Of this amount, US\$ 56,058,720 has been transferred to four Participating Organizations, of which US\$ 45,714,754 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\$ 681,096. Table 1 provides an overview of the overall sources, uses, and balance of the Darfur Peace & Stability Fund as of 31 December 2014.

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

	Annual 2013	Annual 2014	Cumulative
<b>Sources of Funds</b>			
Gross Contributions	6,380,536	8,993,526	68,109,578
Fund Earned Interest and Investment Income	5,438	16,716	474,159
Interest Income received from Participating Organizations	-	-	205,497
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
<b>Total: Sources of Funds</b>	<b>6,385,974</b>	<b>9,010,242</b>	<b>68,789,234</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	701,220	3,954,223	56,058,720
Refunds received from Participating Organizations	-	(99,890)	(2,731,280)
<b>Net Funded Amount to Participating Organizations</b>	<b>701,220</b>	<b>3,854,332</b>	<b>53,327,440</b>
Administrative Agent Fees	63,805	89,935	681,096
Direct Costs: (Steering Committee, Secretariat...etc.)	580,439	773,046	5,324,393
Bank Charges	188	382	1,279
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>1,345,653</b>	<b>4,717,695</b>	<b>59,334,208</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>5,040,320</b>	<b>4,292,548</b>	<b>9,455,026</b>
Opening Fund balance (1 January)	122,158	5,162,479	-
<b>Closing Fund balance (31 December)</b>	<b>5,162,479</b>	<b>9,455,026</b>	<b>9,455,026</b>
Net Funded Amount to Participating Organizations	701,220	3,854,332	53,327,440
Participating Organizations' Expenditure	7,817,165	13,256,394	45,714,754
<b>Balance of Funds with Participating Organizations</b>			<b>7,612,686</b>

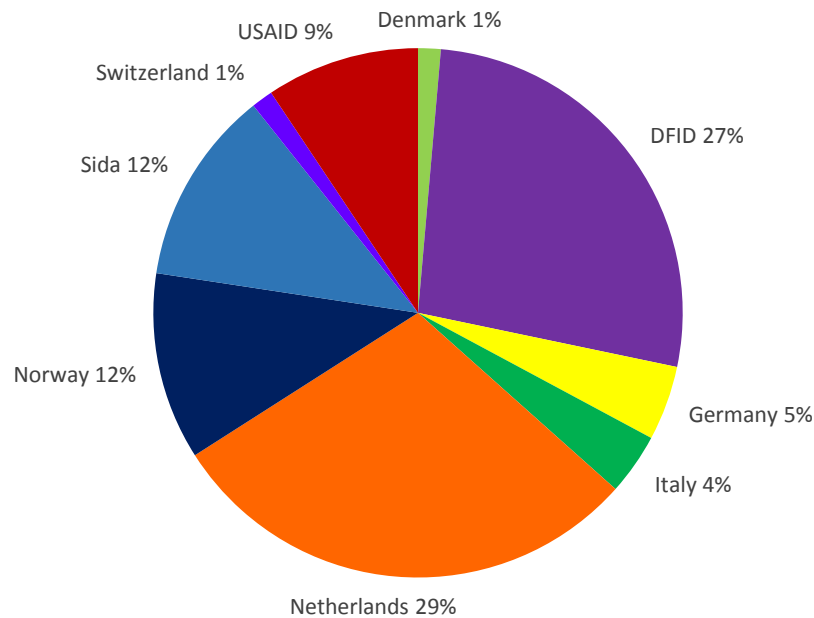
## 2. PARTNER CONTRIBUTIONS

Table 2 and Figure 1 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
Denmark	942,076	-	942,076
Department for International Development (DFID)	15,535,273	2,785,520	18,320,793
Germany	3,103,750	-	3,103,750
Italy	2,556,800	-	2,556,800
Netherlands	20,000,000	-	20,000,000
Norway	6,024,199	1,768,242	7,792,442
Swedish Int'l Development Cooperation (Sida)	5,340,441	2,775,570	8,116,011
Switzerland	613,512	283,994	897,506
USAID	5,000,000	1,380,200	6,380,200
<b>Grand Total</b>	<b>59,116,052</b>	<b>8,993,526</b>	<b>68,109,578</b>

**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\$ 474,159 and interest received from Participating Organizations amounts to US\$ 205,497, bringing the cumulative interest received to US\$ 679,657. 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
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	457,443	16,716	474,159
<b>Total: Fund Earned Interest</b>	<b>457,443</b>	<b>16,716</b>	<b>474,159</b>
<b>Participating Organization</b>			
NGO/UNDP	157,573		157,573
UNDP	47,925		47,925
<b>Total: Agency earned interest</b>	<b>205,497</b>		<b>205,497</b>
<b>Grand Total</b>	<b>662,940</b>	<b>16,716</b>	<b>679,657</b>

#### 4. TRANSFER OF FUNDS

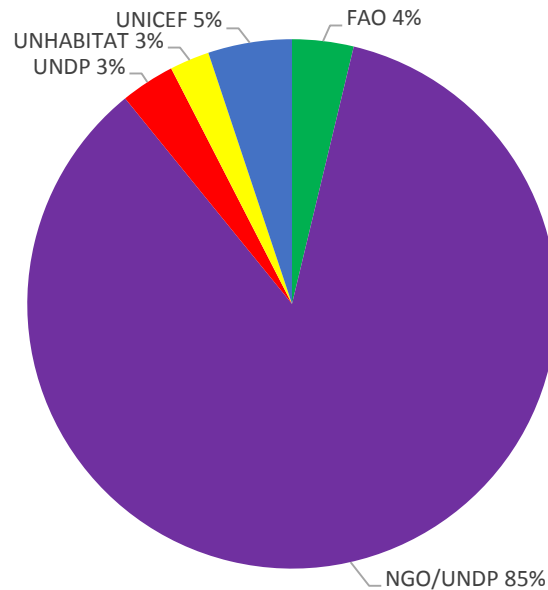
Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2014, the AA has transferred US\$ 56,058,720 to four Participating Organizations (see list below).

Table 4 and Figure 2 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	2,000,000		2,000,000				2,000,000		2,000,000
NGO/UNDP	44,712,538	(2,629,836)	42,082,702	3,454,788		3,454,788	48,167,326	(2,629,836)	45,537,490
UNDP	1,766,090		1,766,090				1,766,090		1,766,090
UNHABITAT	793,982		793,982	499,435		499,435	1,293,417		1,293,417
UNICEF	2,831,887	(1,554)	2,830,333		(99,890)	(99,890)	2,831,887	(101,444)	2,730,443
<b>Grand Total</b>	<b>52,104,498</b>	<b>(2,631,389)</b>	<b>49,473,108</b>	<b>3,954,223</b>	<b>(99,890)</b>	<b>3,854,332</b>	<b>56,058,720</b>	<b>(2,731,280)</b>	<b>53,327,440</b>

**Figure 2: Net funded amount by Participating Organization as of 31 December 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\$ 53,327,440 and cumulative expenditures reported by the Participating Organizations amount to US\$ 45,714,754. This equates to an overall Fund expenditure delivery rate of 86 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	2,000,000	2,000,000	1,231,783	650,775	1,882,559	94.13
NGO/UNDP	50,805,470	45,537,490	27,710,585	10,876,136	38,586,721	84.74
UNDP	1,766,090	1,766,090	1,428,663	527,082	1,955,746	110.74
UNHABITAT	1,293,417	1,293,417	81,229	511,756	592,985	45.85
UNICEF	2,831,894	2,730,443	2,006,099	690,645	2,696,744	98.77
<b>Grand Total</b>	<b>58,696,872</b>	<b>53,327,440</b>	<b>32,458,360</b>	<b>13,256,394</b>	<b>45,714,754</b>	<b>85.72</b>



## 5.2 EXPENDITURE BY PROJECT

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

**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 %
<b>Darfur Peace &amp; Stability Fund</b>						
00065141	Darfur Comm. Peace Stability F	FAO	2,000,000	2,000,000	1,882,559	94.13
00065141	Darfur Comm. Peace Stability F	UNDP	1,766,090	1,766,090	1,955,746	110.74
00065141	Darfur Comm. Peace Stability F	UNHABITAT	793,982	793,982	592,985	74.68
00065141	Darfur Comm. Peace Stability F	UNICEF	2,831,894	2,730,443	2,696,744	98.77
00072856	Darfur - Managing Agent/NGOs	NGO/UNDP	47,186,762	42,082,702	37,809,563	89.85
00090521	DCPSF 2014 UN Agencies	NGO/UNDP	499,908	335,988		0
00090521	DCPSF 2014 UN Agencies	UNHABITAT	499,435	499,435		0
00090526	DCPSF 2014-UNDP/NGOs	NGO/UNDP	3,118,800	3,118,800	777,158	24.92
<b>Darfur Peace &amp; Stability Fund: Total</b>			<b>58,696,872</b>	<b>53,327,440</b>	<b>45,714,754</b>	<b>85.72</b>
<b>Grand Total</b>			<b>58,696,872</b>	<b>53,327,440</b>	<b>45,714,754</b>	<b>85.72</b>

### 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. Where a Fund became operational post 1 January 2012, only the new categories are used.

<b>2012 CEB Expense Categories</b>	<b>2006 UNDG Expense Categories</b>
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 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)	291,870	-	291,870	0.68
Personnel (Old)	1,231,722	-	1,231,722	2.87
Training of Counterparts (Old)	49,805	-	49,805	0.12
Contracts (Old)	1,311,950	-	1,311,950	3.06
Other direct costs (Old)	13,039,964	-	13,039,964	30.44
Staff & Personnel Cost (New)	110,488	514,853	625,341	1.46
Suppl, Comm, Materials (New)	60,925	75,142	136,067	0.32
Equip, Veh, Furn, Depn (New)	1,782	7,163	8,945	0.02
Contractual Services (New)	(917,650)	138,541	(779,109)	(1.82)
Travel (New)	209,589	69,732	279,321	0.65
Transfers and Grants (New)	21,838,015	11,269,688	33,107,702	77.28
General Operating (New)	(6,770,903)	310,389	(6,460,513)	(15.08)
<b>Programme Costs Total</b>	<b>30,457,557</b>	<b>12,385,509</b>	<b>42,843,066</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	2,000,803	870,885	2,871,688	6.70
<b>Total</b>	<b>32,458,360</b>	<b>13,256,394</b>	<b>45,714,754</b>	

<sup>1</sup> 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 seven percent agreed-upon for on-going projects. Once projects are financially closed, this number is not to exceed seven percent.

## 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. In the reporting period US\$ 89,935 was deducted in AA fees. Cumulatively, as of 31 December 2014, US\$ 681,096 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\$ 870,885 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 2,871,688 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\$ 773,046 were charged to the Fund.