

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

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
	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
	UN Industrial Development Orga

CONTRIBUTORS

	Australian Agency for Int'l Development
	BELGIUM, Government of
	CANADIAN INTERNATIONAL DEVELOPMENT AGENC
	DEPARTMENT FOR INT'L DEVELOPMENT (DFID)
	Delivering Results Together
	Expanded DaO Funding Window
	FINLAND, Government of
	FRANCE, Government of
	IRISH AID
	LUXEMBOURG, Government of
	NETHERLANDS, Government of
	NORWAY, Government of
	NEW ZEALAND, Government of
	SWISS AGY FOR DEVELOPMENT & COOPERATION
	SWEDISH INT'L DEVELOPMENT COOPERATION



UN Office for Drug
and Crime



SPAIN, Government of



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.

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 Viet Nam One Plan Fund II 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/VN200>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2014, 16 contributors have deposited US\$ 97,188,814 in contributions and US\$ 424,435 has been earned in interest,

bringing the cumulative source of funds to US\$ 97,613,249 (see respectively, Tables 2 and 3)

Of this amount, US\$ 91,422,327 has been transferred to 15 Participating Organizations, of which US\$ 80,352,430 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 971,888. Table 1 provides an overview of the overall sources, uses, and balance of the Viet Nam One Plan Fund II 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	12,208,668	7,454,349	97,188,814
Fund Earned Interest and Investment Income	20,156	7,010	380,033
Interest Income received from Participating Organizations	1,954	2,148	44,402
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	12,230,778	7,463,507	97,613,249
Use of Funds			
Transfers to Participating Organizations	16,206,741	6,182,623	91,422,327
Refunds received from Participating Organizations	(117,697)	(107,230)	(224,927)
Net Funded Amount to Participating Organizations	16,089,044	6,075,393	91,197,400
Administrative Agent Fees	122,087	74,543	971,888
Direct Costs: (Steering Committee, Secretariat...etc.)	1,227,025	186,358	3,213,000
Bank Charges	414	164	991
Other Expenditures	-	-	-
Total: Uses of Funds	17,438,570	6,336,458	95,383,279
Change in Fund cash balance with Administrative Agent	(5,207,792)	1,127,049	2,229,970
Opening Fund balance (1 January)	6,310,713	1,102,921	-
Closing Fund balance (31 December)	1,102,921	2,229,970	2,229,970
Net Funded Amount to Participating Organizations	16,089,044	6,075,393	91,197,400
Participating Organizations' Expenditure	6,537,252	8,788,057	80,352,430
Balance of Funds with Participating Organizations			10,844,970

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
Australian Agency for Int'l Development	6,090,180	-	6,090,180
BELGIUM, Government of	2,605,900	1,293,800	3,899,700
CANADIAN INTERNATIONAL DEVELOPMENT AGENC	1,581,380	-	1,581,380
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	10,654,245	781,861	11,436,106
Delivering Results Together	-	1,480,000	1,480,000
Expanded DaO Funding Window	20,354,000	-	20,354,000
FINLAND, Government of	7,832,085	-	7,832,085
FRANCE, Government of	15,009	-	15,009
IRISH AID	8,456,099	1,305,100	9,761,199
LUXEMBOURG, Government of	2,627,696	1,050,000	3,677,696
NETHERLANDS, Government of	4,121,123	-	4,121,123
NORWAY, Government of	9,183,035	1,243,588	10,426,623
NEW ZEALAND, Government of	3,098,959	-	3,098,959
SWISS AGY FOR DEVELOPMENT & COOPERATION	3,785,216	300,000	4,085,216
SWEDISH INT'L DEVELOPMENT COOPERATION	1,269,500	-	1,269,500
SPAIN, Government of	8,060,037	-	8,060,037
Grand Total	89,734,465	7,454,349	97,188,814

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\$ 380,033 and interest received from Participating Organizations amounts to US\$ 44,402, bringing the cumulative interest received to US\$ 424,435. 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	373,023	7,010	380,033
Total: Fund Earned Interest	373,023	7,010	380,033
Participating Organization			
UNDP	2,305		2,305
UNIDO	20,493	845	21,338
UNDP(UNV)	3,824		3,824
UNWOMEN	1,670		1,670
UNESCO	8,143	473	8,616
UNODC	5,819	830	6,649
Total: Agency earned interest	42,254	2,148	44,402
Grand Total	415,277	9,158	424,435

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\$ 91,422,327 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 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	4,170,978		4,170,978	463,000		463,000	4,633,978		4,633,978
ILO	6,148,030		6,148,030	178,182	(100,824)	77,358	6,326,212	(100,824)	6,225,388
IOM	265,005		265,005	73,586		73,586	338,591		338,591
UNAIDS	1,438,873		1,438,873	119,300		119,300	1,558,173		1,558,173
UNDP	20,334,518		20,334,518	1,468,224		1,468,224	21,802,742		21,802,742
UNDP(UNV)	394,952		394,952	20,000		20,000	414,952		414,952
UNEP	84,500		84,500				84,500		84,500
UNESCO	3,170,994	0	3,170,994	141,221	(931)	140,290	3,312,215	(931)	3,311,284
UNFPA	5,804,268	(117,697)	5,686,571	816,340		816,340	6,620,608	(117,697)	6,502,911
UNHABITAT	1,756,365		1,756,365	87,134		87,134	1,843,499		1,843,499
UNICEF	21,728,981		21,728,981	1,212,937	(2,439)	1,210,497	22,941,918	(2,439)	22,939,478
UNIDO	4,224,730		4,224,730	196,800		196,800	4,421,530		4,421,530
UNODC	3,982,322		3,982,322	228,372	(3,007)	225,365	4,210,694	(3,007)	4,207,687
UNWOMEN	1,979,914		1,979,914	167,366	(28)	167,338	2,147,280	(28)	2,147,252
WHO	9,755,275		9,755,275	1,010,162		1,010,162	10,765,437		10,765,437
Grand Total	85,239,705	(117,697)	85,122,007	6,182,623	(107,230)	6,075,393	91,422,327	(224,927)	91,197,400

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\$ 91,197,400 and cumulative expenditures reported by the Participating Organizations amount to US\$ 80,352,430. This equates to an overall Fund expenditure delivery rate of 88 percent.

Table. 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	4,689,178	4,633,978	3,151,618	283,760	3,435,378	74.13
ILO	6,326,212	6,225,388	4,856,581	825,967	5,682,548	91.28
IOM	338,591	338,591	61,209	107,041	168,250	49.69
UNAIDS	1,558,173	1,558,173	1,069,865	(70,078)	999,786	64.16
UNDP	21,802,742	21,802,742	16,635,271	2,749,455	19,384,727	88.91
UNDP(UNV)	414,952	414,952	212,830		212,830	51.29
UNEP	84,500	84,500		58,035	58,035	68.68
UNESCO	3,312,215	3,311,284	2,833,799	207,585	3,041,384	91.85
UNFPA	7,015,184	6,502,911	4,972,968	671,806	5,644,774	86.80
UNHABITAT	1,843,499	1,843,499	1,477,836	292,322	1,770,158	96.02
UNICEF	23,362,263	22,939,478	19,327,904	1,614,977	20,942,881	91.30
UNIDO	4,421,530	4,421,530	3,451,952	251,936	3,703,888	83.77
UNODC	4,295,694	4,207,687	3,301,651	364,460	3,666,111	87.13
UNWOMEN	2,147,280	2,147,252	1,592,558	277,180	1,869,738	87.08
WHO	11,614,131	10,765,437	8,618,331	1,153,611	9,771,942	90.77
Grand Total	93,226,142	91,197,400	71,564,373	8,788,057	80,352,430	88.11

5.2 EXPENDITURE BY [UNDAF OUTCOME OR THEMATIC AREA]

Table 5 displays the net funded amounts, expenditures incurred and the financial delivery rates by [UNDAF Outcome or Thematic Area].

Table 5. Expenditure by UNDAF Outcome, as of 31 December 2014 (in US Dollars)

Country/Sector	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	
Viet Nam							
OP 2006 Disaster Management	5,398,131	5,394,531		957	5,398,131	5,395,488	99.95
OP 2006 Environment	4,644,477	4,408,868		416	4,644,477	4,409,284	94.94
OP 2006 Governance	8,377,840	8,351,172	(21,583)		8,356,257	8,351,172	99.94
OP 2006 Social Economic Policy	17,753,331	17,400,367	(51,035)	15,553	17,702,296	17,415,920	98.38
OP 2006 Social Services	27,508,266	27,418,409	(2,439)	(2,203)	27,505,827	27,416,206	99.67
OP 2012 Governance & Particip.	6,564,660	3,141,487	1,259,947	2,242,258	7,824,607	5,383,745	68.81
OP 2012 Inclusive Growth	5,896,637	1,598,293	1,158,741	3,056,731	7,055,378	4,655,023	65.98
OP 2012 Services & Soc Protect	8,978,666	3,851,246	3,731,763	3,474,346	12,710,428	7,325,592	57.63
Viet Nam Total:	85,122,007	71,564,373	6,075,393	8,788,057	91,197,400	80,352,430	88.11
Grand Total:	85,122,007	71,564,373	6,075,393	8,788,057	91,197,400	80,352,430	88.11

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. 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

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 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	
Supplies, Commodities, Equipment and Transport (Old)	2,679,967	-	2,679,967	3.54
Personnel (Old)	13,505,521	-	13,505,521	17.82
Training of Counterparts (Old)	9,326,889	-	9,326,889	12.31
Contracts (Old)	16,477,958	-	16,477,958	21.75
Other direct costs (Old)	1,266,998	-	1,266,998	1.67
Staff & Personnel Cost (New)	5,586,234	3,146,884	8,733,118	11.53
Suppl, Comm, Materials (New)	50,892	17,639	68,532	0.09
Equip, Veh, Furn, Depn (New)	507,418	54,510	561,928	0.74
Contractual Services (New)	834,612	1,707,156	2,541,768	3.35
Travel (New)	1,065,857	347,317	1,413,174	1.87
Transfers and Grants (New)	4,377,964	1,430,164	5,808,128	7.67
General Operating (New)	11,845,875	1,543,324	13,389,199	17.67
Programme Costs Total	67,526,185	8,246,995	75,773,180	100.00
¹ Indirect Support Costs Total	4,038,188	541,062	4,579,250	6.04
Total	71,564,373	8,788,057	80,352,430	

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\$ **74,543** was deducted in AA-fees. Cumulatively, as of 31 December 2014, US\$ **971,888** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **541,062** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **4,579,250** 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\$ 186,358