

**Consolidated Annual Financial
Report of the Administrative Agent
of
the Pakistan One Fund**

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
 Environment Pro



United Nations
 Educational, Sc



United Nations
 Population Fund



UN Centre for Human
 Settlement



UN High
 Commissioner for
 Refug



United Nations
 Children's Fund



UN Industrial
 Development Orga

CONTRIBUTORS



Australian Agency for Int'l
 Development



DEPARTMENT FOR INT'L
 DEVELOPMENT (DFID)

Delivering Results Together



Expanded DaO Funding Window



NETHERLANDS, Government of



NORWAY, Government of



SWISS AGY FOR DEVELOPMENT &
 COOPERATION



SPAIN, Government of



UN Office for Drug
and Crime



UNWOMEN



World Food
Programme



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 Pakistan 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/PK100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2014, 8 contributors have deposited US\$ 84,817,898 in contributions and US\$ 562,390 has been earned in interest,

bringing the cumulative source of funds to US\$ 85,380,288 (see respectively, Tables 2 and 3)

Of this amount, US\$ 83,700,819 has been transferred to 16 Participating Organizations, of which US\$ 79,229,209 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 848,179. Table 1 provides an overview of the overall sources, uses, and balance of the Pakistan 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	3,330,281	3,503,673	84,817,898
Fund Earned Interest and Investment Income	1,756	5,104	324,230
Interest Income received from Participating Organizations	8,365	4,450	238,160
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	3,340,401	3,513,227	85,380,288
Use of Funds			
Transfers to Participating Organizations	5,059,978	2,874,637	83,700,819
Refunds received from Participating Organizations	(1,579,456)	(68,334)	(1,650,067)
Net Funded Amount to Participating Organizations	3,480,522	2,806,303	82,050,753
Administrative Agent Fees	33,303	35,037	848,179
Direct Costs: (Steering Committee, Secretariat...etc.)	-	150,000	150,000
Bank Charges	82	139	1,059
Other Expenditures	-	-	-
Total: Uses of Funds	3,513,907	2,991,478	83,049,990
Change in Fund cash balance with Administrative Agent	(173,505)	521,749	2,330,298
Opening Fund balance (1 January)	1,982,054	1,808,549	-
Closing Fund balance (31 December)	1,808,549	2,330,298	2,330,298
Net Funded Amount to Participating Organizations	3,480,522	2,806,303	82,050,753
Participating Organizations' Expenditure	15,532,692	5,163,191	79,229,209
Balance of Funds with Participating Organizations			2,821,544

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	12,376,080	-	12,376,080
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	3,238,118	-	3,238,118
Delivering Results Together	-	1,500,000	1,500,000
Expanded DaO Funding Window	23,981,000	-	23,981,000
NETHERLANDS, Government of	7,811,680	-	7,811,680
NORWAY, Government of	20,947,346	2,003,673	22,951,020
SWISS AGY FOR DEVELOPMENT & COOPERATION	960,000	-	960,000
SPAIN, Government of	12,000,000	-	12,000,000
Grand Total	81,314,224	3,503,673	84,817,898

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\$ 324,230 and interest received from Participating Organizations amounts to US\$ 238,160, bringing the cumulative interest received to US\$ 562,390. 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	319,126	5,104	324,230
Total: Fund Earned Interest	319,126	5,104	324,230
Participating Organization			
UNDP	171,437		171,437
UNIDO	24,353	1,730	26,083
FAO	1,071		1,071
UNFPA	11,627		11,627
UNWOMEN	3,481		3,481
UNESCO	21,740	2,720	24,460
Total: Agency earned interest	233,710	4,450	238,160
Grand Total	552,836	9,554	562,390

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\$ 83,700,819 to 16 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	2,487,371	(2,277)	2,485,095	89,100		89,100	2,576,471	(2,277)	2,574,195
ILO	2,663,772		2,663,772		(21,630)	(21,630)	2,663,772	(21,630)	2,642,142
IOM	619,800		619,800				619,800		619,800
UNAIDS	427,816		427,816				427,816		427,816
UNDP	12,717,326	(1,278,490)	11,438,836	167,260	(46,704)	120,556	12,884,586	(1,325,194)	11,559,392
UNEP	160,000		160,000				160,000		160,000
UNESCO	5,867,200	(15,101)	5,852,099				5,867,200	(15,101)	5,852,099
UNFPA	10,321,068		10,321,068	202,728		202,728	10,523,796		10,523,796
UNHABITAT	3,624,590		3,624,590	201,207		201,207	3,825,797		3,825,797
UNHCR	880,784		880,784				880,784		880,784
UNICEF	21,349,042	(8,951)	21,340,091	1,780,909		1,780,909	23,129,951	(8,951)	23,121,000
UNIDO	3,491,165		3,491,165				3,491,165		3,491,165
UNODC	252,133		252,133				252,133		252,133
UNWOMEN	1,873,406	(276,915)	1,596,491				1,873,406	(276,915)	1,596,491
WFP	1,219,471		1,219,471	382,090		382,090	1,601,560		1,601,560
WHO	12,871,238		12,871,238	51,344		51,344	12,922,582		12,922,582
Grand Total	80,826,183	(1,581,733)	79,244,450	2,874,637	(68,334)	2,806,303	83,700,819	(1,650,067)	82,050,753

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\$ **82,050,753** and cumulative expenditures reported by the Participating Organizations amount to US\$ **79,229,209**. This equates to an overall Fund expenditure delivery rate of **97** 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	2,576,474	2,574,195	2,479,040	5,740	2,484,780	96.53
ILO	2,663,772	2,642,142	2,615,543	(5,230)	2,610,313	98.80
IOM	619,800	619,800	619,800		619,800	100.00
UNAIDS	427,816	427,816	427,718		427,718	99.98
UNDP	12,936,420	11,559,392	11,392,136	(5)	11,392,130	98.55
UNEP	160,000	160,000	158,454		158,454	99.03
UNESCO	5,867,200	5,852,099	5,710,332	(13,972)	5,696,360	97.34
UNFPA	10,523,810	10,523,796	9,497,898	543,945	10,041,843	95.42
UNHABITAT	3,825,797	3,825,797	3,615,685	(7,699)	3,607,986	94.31
UNHCR	880,784	880,784	880,784		880,784	100.00
UNICEF	23,129,976	23,121,000	20,534,019	2,367,097	22,901,116	99.05
UNIDO	3,491,165	3,491,165	3,307,506	(54,650)	3,252,856	93.17
UNODC	252,133	252,133	252,133		252,133	100.00
UNWOMEN	1,873,406	1,596,491	1,547,331	7,965	1,555,296	97.42
WFP	1,601,561	1,601,560	1,044,136	50,311	1,094,447	68.34
WHO	12,922,596	12,922,582	9,983,503	2,269,690	12,253,192	94.82
Grand Total	83,752,711	82,050,753	74,066,018	5,163,191	79,229,209	96.56

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	
Pakistan							
Access to Safe W&S	1,117,750	1,103,920		(2,263)	1,117,750	1,101,658	98.56
Adult Literacy	4,060,293	3,903,140		(32,725)	4,060,293	3,870,415	95.32
Agriculture & Rural Dev.	2,067,007	2,028,972		(10,262)	2,067,007	2,018,710	97.66
Comm. Disease Contr	800,000	430,855		94,045	800,000	524,899	65.61
Decent Employ. & Poverty	1,848,372	1,792,842		(23,021)	1,848,372	1,769,821	95.75
Education Strengthening	994,497	973,959		(1,789)	994,497	972,170	97.75
Environmental Management	1,540,000	1,497,308	(633)	9,080	1,539,367	1,506,388	97.86
Gender Equality	11,859,451	11,704,403	(21,630)	(9,752)	11,837,821	11,694,651	98.79
Green Ind Waste Mng	867,630	848,513		7,180	867,630	855,693	98.62
Health Systems Dev.	489,999	453,599		5,604	489,999	459,203	93.72
HIV & AIDS	615,999	615,901			615,999	615,901	99.98
JP Disaster Risk Mangt	4,121,521	4,023,929		10,513	4,121,521	4,034,442	97.89
MDG Pro Poor Policy	1,219,134	1,215,709		1,185	1,219,134	1,216,893	99.82
MNCH & FP/ RH	2,950,000	2,919,871		(18,177)	2,950,000	2,901,694	98.36
Mob & Prot Poor & Vulnerable	2,084,748	2,009,434	(18,869)	18,713	2,065,879	2,028,146	98.17
Natural Res. Mangt	3,888,489	3,842,647	(23,281)	(29)	3,865,208	3,842,618	99.42
Norway PAK Part Initiative	20,737,812	17,055,647	1,983,637	5,015,087	22,721,449	22,070,734	97.14
Nutrition Health Pr	11,629,155	11,414,383		107,613	11,629,155	11,521,997	99.08
Population Census	2,326,451	2,326,115			2,326,451	2,326,115	99.99
Prel & Elem Educatn	1,039,748	1,028,719		(103)	1,039,748	1,028,616	98.93
Sec Edu with TVE&LS	2,038,130	1,946,222		(7,580)	2,038,130	1,938,643	95.12
SPA 3 Resilience to disasters			535,726		535,726		0

SPA 6 Nutrition & FoodSecurity			355,274		355,274		0
Sustainable Urbaniz	948,264	929,929	(3,921)	(126)	944,343	929,803	98.46
Pakistan Total:	79,244,450	74,066,018	2,806,303	5,163,191	82,050,753	79,229,209	96.56
Grand Total:	79,244,450	74,066,018	2,806,303	5,163,191	82,050,753	79,229,209	96.56

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)	11,526,836	-	11,526,836	15.50
Personnel (Old)	9,569,318	-	9,569,318	12.87
Training of Counterparts (Old)	1,433,620	-	1,433,620	1.93
Contracts (Old)	14,624,569	-	14,624,569	19.66
Other direct costs (Old)	1,655,289	-	1,655,289	2.23
Staff & Personnel Cost (New)	1,886,571	328,426	2,214,996	2.98
Suppl, Comm, Materials (New)	3,270,091	(5,385)	3,264,706	4.39
Equip, Veh, Furn, Depn (New)	2,198,213	312,121	2,510,334	3.37
Contractual Services (New)	16,363,626	3,578,999	19,942,625	26.81
Travel (New)	869,151	190,354	1,059,505	1.42
Transfers and Grants (New)	3,778,771	125,008	3,903,779	5.25
General Operating (New)	2,647,924	28,528	2,676,452	3.60
Programme Costs Total	69,823,980	4,558,051	74,382,030	100.00
¹ Indirect Support Costs Total	4,242,038	605,141	4,847,179	6.52
Total	74,066,018	5,163,191	79,229,209	

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\$ **35,037** was deducted in AA-fees. Cumulatively, as of 31 December 2014, US\$ **848,179** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **605,141** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **4,847,179** 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 \$150,000