

**Consolidated Annual Financial
Report of the Administrative Agent
of the
'Support to Low Carbon Climate Resilient
Development for Poverty Reduction in Kenya'
Joint Programme**

for the period 1 January to 31 December 2015

Multi-Partner Trust Fund Office
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)

PARTICIPATING ORGANIZATIONS



International Labour Organisation



United Nations Development Programme



United Nations Environment Programme



United Nations Educational, Scientific and Cultural Organization



United Nations Human Settlements Programme (UN-Habitat)

CONTRIBUTORS



Department for International Development (DFID), UK

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.

2015 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the JP 'Support to Low Carbon Climate Resilient Development for Poverty Reduction in Kenya' using the pass-through funding modality as of 31 December 2015. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:
<http://mptf.undp.org/factsheet/fund/JKE20>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2015, 1 contributor has deposited US\$ 1,777,618 in contributions and US\$ 983 has been earned in interest,

bringing the cumulative source of funds to US\$ 1,778,601 (see respectively, Tables 2 and 3).

Of this amount, US\$ 1,759,841 has been transferred to 5 Participating Organizations, of which US\$ 898,617 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 17,776. Table 1 provides an overview of the overall sources, uses, and balance of the Joint Programme as of 31 December 2015.

Table 1. Financial Overview, as of 31 December 2015 (in US Dollars)

	Annual 2014	Annual 2015	Cumulative
Sources of Funds			
Gross Contributions	1,170,177	607,441	1,777,618
Fund Earned Interest and Investment Income	565	418	983
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	1,170,742	607,860	1,778,601
Use of Funds			
Transfers to Participating Organizations	1,158,475	601,366	1,759,841
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	1,158,475	601,366	1,759,841
Administrative Agent Fees	11,702	6,074	17,776
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	11	0	11
Other Expenditures	-	-	-
Total: Uses of Funds	1,170,188	607,440	1,777,628
Change in Fund cash balance with Administrative Agent	554	419	973
Opening Fund balance (1 January)	-	554	-
Closing Fund balance (31 December)	554	973	973
Net Funded Amount to Participating Organizations	1,158,475	601,366	1,759,841
Participating Organizations' Expenditure	113,150	785,467	898,617
Balance of Funds with Participating Organizations			861,224

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December **2015**.

Table 2. Contributors' Deposits, as of 31 December 2015 (in US Dollars)

Contributors	Prior Years as of 31-Dec-2014	Current Year Jan-Dec-2015	Total
Department for International Development (DFID), UK	1,170,177	607,441	1,777,618
Grand Total	1,170,177	607,441	1,777,618

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 2015, Fund earned interest amounts to US\$ 983 and there was no interest received from Participating Organizations. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2015 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2014	Current Year Jan-Dec-2015	Total
Administrative Agent			
Fund Earned Interest and Investment Income	565	418	983
Total: Fund Earned Interest	565	418	983
Participating Organization			
Total: Agency earned interest			
Grand Total	565	418	983

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2015, the AA has transferred US\$ 1,759,841 to 5 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 2015 (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2014			Current Year Jan-Dec-2015			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
ILO	210,829		210,829	122,505		122,505	333,334		333,334
UNDP	631,454		631,454	314,852		314,852	946,306		946,306
UNEP	175,448		175,448	99,104		99,104	274,552		274,552
UNESCO	84,329		84,329	35,383		35,383	119,712		119,712
UNHABITAT	56,415		56,415	29,522		29,522	85,937		85,937
Grand Total	1,158,475		1,158,475	601,366		601,366	1,759,841		1,759,841

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2015 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\$ **1,759,841** and cumulative expenditures reported by the Participating Organizations amount to US\$ **898,617**. This equates to an overall Fund expenditure delivery rate of **51** percent.

Table 5.1. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2015 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2014	Current Year Jan-Dec-2015	Cumulative	
ILO	333,334	333,334	10,466	140,460	150,926	45.28
UNDP	946,306	946,306	102,684	354,502	457,186	48.31
UNEP	274,552	274,552		217,142	217,142	79.09
UNESCO	119,712	119,712		35,578	35,578	29.72
UNHABITAT	85,937	85,937		37,785	37,785	43.97
Grand Total	1,759,841	1,759,841	113,150	785,467	898,617	51.06

5.2 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.

Table 5.2 reflects expenditure reported in the UNDG expense categories.

2012 CEB Expense Categories

1.

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

Table 5.2. Expenditure by UNDG Budget Category, as of 31 December 2015 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2014	Current Year Jan-Dec-2015	Total	
Staff & Personnel Costs	7,770	243,601	251,371	29.80
Supplies, commodities and materials	-	9,858	9,858	1.17
Equipment, vehicles, furniture and depreciation	7,602	7,965	15,567	1.85
Contractual Services	25,489	161,074	186,563	22.12
Travel	6,346	77,117	83,463	9.90
Transfers and Grants	-	49,031	49,031	5.81
General Operating	65,258	182,359	247,616	29.36
Programme Costs Total	112,465	731,005	843,470	100.00
¹ Indirect Support Costs Total	685	54,462	55,147	6.54
Total	113,150	785,467	898,617	

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 2015, 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\$ 6,074 was deducted in AA-fees. Cumulatively, as of 31 December 2015, US\$ 17,776 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 54,462 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 55,147 as of 31 December 2015.

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.