

**Consolidated Annual Financial
Report of the Administrative Agent
of
the Cape Verde Transition Fund**

for the period 1 January to 31 December 2015

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

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization



International Labour Organisation



International Organization for Migration



International Trade Centre



UN Conference on Trade and Development



United Nations Development Programme



United Nations Volunteers Programme



United Nations Environment Programme



United Nations Educational, Scientific and Cultural Organization



United Nations Population Fund



UN Centre for Human Settlement



United Nations Children's Fund

CONTRIBUTORS



AUSTRIA, Government of



Delivering Results Together



Expanded DaO Funding Window



LUXEMBOURG, Government of



NETHERLANDS, Government of



NORWAY, Government of



SPAIN, Government of



UN Industrial
Development
Organization



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.

2015 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the Cape Verde Transition Fund 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/CV100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2015, 7 contributors have deposited US\$ 23,227,155 in contributions and US\$ 218,313 has been earned in interest,

bringing the cumulative source of funds to US\$ 23,445,468 (see respectively, Tables 2 and 3) Of this amount, US\$ 21,704,063 has been transferred to 17 Participating Organizations, of which US\$ 18,116,403 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 232,272. Table 1 provides an overview of the overall sources, uses, and balance of the Cape Verde Transition Fund 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	2,369,266	2,100,000	23,227,155
Fund Earned Interest and Investment Income	5,034	12,971	166,296
Interest Income received from Participating Organizations	424	1,633	52,017
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	2,374,724	2,114,605	23,445,468
Use of Funds			
Transfers to Participating Organizations	850,000	3,770,000	21,704,063
Refunds received from Participating Organizations	(36)	(31,637)	(31,728)
Net Funded Amount to Participating Organizations	849,964	3,738,363	21,672,335
Administrative Agent Fees	23,693	21,000	232,272
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	96	103	517
Other Expenditures	-	-	-
Total: Uses of Funds	873,753	3,759,466	21,905,123
Change in Fund cash balance with Administrative Agent	1,500,971	(1,644,862)	1,540,345
Opening Fund balance (1 January)	1,684,236	3,185,207	-
Closing Fund balance (31 December)	3,185,207	1,540,345	1,540,345
Net Funded Amount to Participating Organizations	849,964	3,738,363	21,672,335
Participating Organizations' Expenditure	1,142,299	2,877,804	18,116,403
Balance of Funds with Participating Organizations			3,555,932

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
AUSTRIA, Government of	684,225	-	684,225
Delivering Results Together	1,500,000	1,500,000	3,000,000
Expanded DaO Funding Window	3,935,000	-	3,935,000
LUXEMBOURG, Government of	6,467,250	600,000	7,067,250
NETHERLANDS, Government of	1,105,280	-	1,105,280
NORWAY, Government of	1,435,400	-	1,435,400
SPAIN, Government of	6,000,000	-	6,000,000
Grand Total	21,127,155	2,100,000	23,227,155

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\$ 166,296 and interest received from Participating Organizations amounts to US\$ 52,017, bringing the cumulative interest received to US\$ 218,313. 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	153,325	12,971	166,296
Total: Fund Earned Interest	153,325	12,971	166,296
Participating Organization			
FAO		1,045	1,045
UNCTAD	8,937		8,937
UNDP	17,174		17,174
UNDP(UNV)	591		591
UNESCO	2,031		2,031
UNFPA	1,049		1,049
UNIDO	5,759	73	5,832
UNODC	13,901		13,901
UNWOMEN	941	515	1,456
Total: Agency earned interest	50,384	1,633	52,017
Grand Total	203,708	14,605	218,313

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\$ **21,704,063** to 17 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
FAO	4,100,999		4,100,999	257,400	(10,945)	246,455	4,358,399	(10,945)	4,347,454
ILO	708,878		708,878	451,378	(8,930)	442,448	1,160,256	(8,930)	1,151,326
IOM	545,210		545,210				545,210		545,210
ITC	113,045		113,045		(11,761)	(11,761)	113,045	(11,761)	101,284
UNCTAD	421,995		421,995	103,950		103,950	525,945		525,945
UNDP	2,235,204		2,235,204	870,841		870,841	3,106,045		3,106,045
UNDP(UNV)	179,953		179,953	49,498		49,498	229,451		229,451
UNEP	177,696		177,696				177,696		177,696
UNESCO	435,441		435,441				435,441		435,441
UNFPA	1,437,062	(56)	1,437,006	288,981		288,981	1,726,043	(56)	1,725,987
UNHABITAT	500,279		500,279				500,279		500,279
UNICEF	1,049,408	(36)	1,049,372	474,614		474,614	1,524,022	(36)	1,523,986
UNIDO	1,218,010		1,218,010	382,833		382,833	1,600,843		1,600,843
UNODC	2,059,805		2,059,805	524,700		524,700	2,584,505		2,584,505
UNWOMEN	297,744		297,744	235,620		235,620	533,364		533,364
WFP	1,541,181		1,541,181				1,541,181		1,541,181
WHO	912,153		912,153	130,185		130,185	1,042,338		1,042,338
Grand Total	17,934,063	(92)	17,933,971	3,770,000	(31,637)	3,738,363	21,704,063	(31,728)	21,672,335

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\$ **21,672,335** and cumulative expenditures reported by the Participating Organizations amount to US\$ **18,116,403**. This equates to an overall Fund expenditure delivery rate of **84** percent. The agencies with the three highest delivery rates are: IOM, ITC and UN-HABITAT, all with 100% expenditure rates

Table 5. 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	
FAO	5,228,173	4,347,454	2,960,204	736,441	3,696,645	85.03
ILO	1,160,256	1,151,326	458,829	357,642	816,471	70.92
IOM	545,210	545,210	545,210		545,210	100.00
ITC	113,045	101,284	101,284		101,284	100.00
UNCTAD	525,945	525,945	393,205	15,241	408,446	77.66
UNDP	3,106,045	3,106,045	1,872,664	626,537	2,499,201	80.46
UNDP(UNV)	229,451	229,451	176,365	12,333	188,698	82.24
UNEP	177,696	177,696	160,421		160,421	90.28
UNESCO	435,441	435,441	378,150	23,564	401,714	92.25
UNFPA	1,726,043	1,725,987	1,401,952	188,556	1,590,508	92.15
UNHABITAT	500,279	500,279	500,280		500,280	100.00
UNICEF	1,524,024	1,523,986	1,049,373	69,493	1,118,866	73.42
UNIDO	1,600,843	1,600,843	1,176,783	215,085	1,391,868	86.95
UNODC	2,584,505	2,584,505	2,058,371	269,366	2,327,737	90.07
UNWOMEN	533,364	533,364	257,078	48,052	305,130	57.21
WFP	1,541,181	1,541,181	1,008,285	152,943	1,161,228	75.35
WHO	1,042,338	1,042,338	740,144	162,552	902,696	86.60
Grand Total	22,573,839	21,672,335	15,238,599	2,877,804	18,116,403	83.59

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.

Table 5. Expenditure by UNDAF Outcome, as of 31 December 2015 (in US Dollars)

Country/Sector	Prior Years as of 31-Dec-2014		Current Year Jan-Dec-2015		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Cape Verde							
Consolidation of Democracy	934,264	983,752			934,264	983,752	105.30
CPV Delivering Results Togethr			2,970,000	1,078,553	2,970,000	1,078,553	36.31
CPV Food and Nutrition	4,750,004	3,025,906	200,000	875,631	4,950,004	3,901,537	78.82
CPV-Child & Social Protection	357,874	348,944	(8,930)		348,944	348,944	100.00
CPV-Coordination Unit	71,937	66,432			71,937	66,432	92.35
CPV-Env't, Energy & Disaster	1,648,846	1,608,891		6,329	1,648,846	1,615,220	97.96
CPV-Growth&Econ Opportunities	3,353,500	3,301,873	(10,945)	28,399	3,342,555	3,330,272	99.63
CPV-Quality of the Educatn Sys	866,861	815,533			866,861	815,533	94.08
CPV-Reform of Health Sector	1,451,863	1,340,264		102,629	1,451,863	1,442,893	99.38
CPV-Youth Participation	340,886	337,299			340,886	337,299	98.95
Econ Grad&Integ-Glob Ecnry	782,500	741,867	(11,761)	12,904	770,739	754,772	97.93
P1 Inclusive Growth	800,000	255,037	600,000	738,643	1,400,000	993,680	70.98
P2 Institutions & Citizenship	226,073	225,512			226,073	225,512	99.75
P3 Disparities & Inequity	50,000	15,000		34,674	50,000	49,674	99.35
P4 Environment-Climate Change	81,667	20,233			81,667	20,233	24.77
Strengthening of Security	2,217,696	2,152,054		42	2,217,696	2,152,096	97.04
Cape Verde Total:	17,933,971	15,238,599	3,738,363	2,877,804	21,672,335	18,116,403	83.59
Grand Total:	17,933,971	15,238,599	3,738,363	2,877,804	21,672,335	18,116,403	83.59

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 2015 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2014	Current Year Jan-Dec-2015	Total	
Supplies, Commodities, Equipment and Transport (Old)	2,338,383	-	2,338,383	13.87
Personnel (Old)	3,665,811	-	3,665,811	21.74
Training of Counterparts (Old)	1,023,143	-	1,023,143	6.07
Contracts (Old)	2,336,016	-	2,336,016	13.85
Other direct costs (Old)	573,476	-	573,476	3.40
Staff & Personnel Cost (New)	1,664,478	563,017	2,227,494	13.21
Suppl, Comm, Materials (New)	266,168	157,718	423,885	2.51
Equip, Veh, Furn, Depn (New)	185,408	77,425	262,834	1.56
Contractual Services (New)	399,503	590,880	990,382	5.87
Travel (New)	518,514	353,527	872,041	5.17
Transfers and Grants (New)	409,191	278,114	687,304	4.08
General Operating (New)	827,994	636,452	1,464,446	8.68
Programme Costs Total	14,208,084	2,657,132	16,865,215	100.00
¹ Indirect Support Costs Total	1,030,515	220,672	1,251,188	7.42
Total	15,238,599	2,877,804	18,116,403	

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\$ 21,000 was deducted in AA-fees. Cumulatively, as of 31 December 2015, US\$ 232,272 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 220,672 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 1,251,188 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.

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 2015, there were no direct costs charged to the Fund.