

**Consolidated Annual Financial
Report of the Administrative Agent
of the “Improving the welfare and quality of life
in the Kyzylorda region through innovative
approaches to delivering economic, social and
environmental services to the local population,
including those most vulnerable”
Joint Programme in Kazakhstan**

for the period 1 January to 31 December 2015

PARTICIPATING ORGANIZATIONS



United Nations
Development Programme



United Nations
Educational, Scientific
and Cultural Organization



United Nations
Population Fund



United Nations Children's
Fund



United Nations Entity for
Gender Equality and the
Empowerment of Women



World Health
Organization

CONTRIBUTORS



Kazakhstan

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 “Improving the welfare and quality of life in the Kyzylorda region through innovative approaches to delivering economic, social and environmental services to the local population, including those most vulnerable” Joint Programme in Kazakhstan 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/JKZ10>.

bringing the cumulative source of funds to US\$ **4,640,034**.

Of this amount, US\$ **4,580,327** has been transferred to **6** Participating Organizations, of which US\$ **2,759,944** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **46,362**. Table 1 provides an overview of the overall sources, uses, and balance of the Joint Programme as of 31 December 2015.

1. SOURCES AND USES OF FUNDS

As of 31 December 2015, **1** contributor has deposited US\$ **4,636,212** in contributions and US\$ **3,822** has been earned in interest,

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

	Annual 2014	Annual 2015	Cumulative
Sources of Funds			
Gross Contributions	2,056,092	2,580,120	4,636,212
Fund Earned Interest and Investment Income	541	3,281	3,822
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	2,056,633	2,583,401	4,640,034
Use of Funds			
Transfers to Participating Organizations	2,035,471	2,544,856	4,580,327
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	2,035,471	2,544,856	4,580,327
Administrative Agent Fees	20,561	25,801	46,362
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	90	92	182
Other Expenditures	-	-	-
Total: Uses of Funds	2,056,122	2,570,750	4,626,872
Change in Fund cash balance with Administrative Agent	511	12,651	13,162
Opening Fund balance (1 January)	-	511	-
Closing Fund balance (31 December)	511	13,162	13,162
Net Funded Amount to Participating Organizations	2,035,471	2,544,856	4,580,327
Participating Organizations' Expenditure	647,687	2,112,256	2,759,944
Balance of Funds with Participating Organizations			1,820,384

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
Kazakhstan	2,056,092	2,580,120	4,636,212
Grand Total	2,056,092	2,580,120	4,636,212

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\$ **3,822** and no interest was 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	541	3,281	3,822
Total: Fund Earned Interest	541	3,281	3,822
Participating Organization			
Total: Agency earned interest			
Grand Total	541	3,281	3,822

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\$ 4,580,327 to 6 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
UNDP	768,420		768,420	1,151,035		1,151,035	1,919,455		1,919,455
UNESCO	85,130		85,130	74,250		74,250	159,380		159,380
UNFPA	57,311		57,311	64,251		64,251	121,562		121,562
UNICEF	889,010		889,010	945,450		945,450	1,834,460		1,834,460
UNWOMEN	39,590		39,590	29,700		29,700	69,290		69,290
WHO	196,010		196,010	280,170		280,170	476,180		476,180
Grand Total	2,035,471		2,035,471	2,544,856		2,544,856	4,580,327		4,580,327

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\$ 4,580,327 and cumulative expenditures reported by the Participating Organizations amount to US\$ 2,759,944. This equates to an overall Fund expenditure delivery rate of 60 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	
UNDP	1,919,455	1,919,455	543,369	1,268,741	1,812,111	94.41
UNESCO	159,380	159,380		50,950	50,950	31.97
UNFPA	121,562	121,562		114,187	114,187	93.93
UNICEF	1,834,460	1,834,460	96,188	478,865	575,053	31.35
UNWOMEN	69,290	69,290	2,590	26,811	29,401	42.43
WHO	476,180	476,180	5,540	172,702	178,242	37.43
Grand Total	4,580,327	4,580,327	647,687	2,112,256	2,759,944	60.26

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. 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	120,000	222,363	342,363	13.29
Supplies, commodities and materials	11,578	(23,961)	(12,384)	(0.48)
Equipment, vehicles, furniture and depreciation	12,353	101,721	114,074	4.43
Contractual Services	147,687	778,359	926,046	35.94
Travel	55,014	198,656	253,670	9.84
Transfers and Grants	188,508	422,351	610,859	23.71
General Operating	67,753	274,477	342,231	13.28
Programme Costs Total	602,894	1,973,966	2,576,860	100.00
¹ Indirect Support Costs Total	44,793	138,291	183,084	7.10
Total	647,687	2,112,256	2,759,944	

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\$ **25,801** was deducted in AA-fees. Cumulatively, as of 31 December 2015, US\$ **46,362** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **138,291** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **183,084** 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.