

**Consolidated Annual Financial
Report of the Administrative Agent
of the “Expanding the opportunities of the
Mangystau region in achieving sustainable
development and socio-economic modernization”
Joint Programme in Kazakhstan**

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



United Nations
Development Programme



United Nations
Educational, Scientific
and Cultural Organization



United Nations
Population Fund



United Nations High
Commissioner for
Refugees



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 “Expanding the opportunities of the Mangystau region in achieving sustainable development and socio-economic modernization” 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/JKZ20>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2015, 1 contributor has deposited US\$ 4,854,921 in contributions and US\$ 4,476 has been earned in interest,

bringing the cumulative source of funds to US\$ 4,859,396.

Of this amount, US\$ 4,796,920 has been transferred to 7 Participating Organizations, of which US\$ 2,668,908 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 48,549. 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	2,287,523	2,567,398	4,854,921
Fund Earned Interest and Investment Income	1,208	3,268	4,476
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	2,288,731	2,570,666	4,859,396
Use of Funds			
Transfers to Participating Organizations	2,264,618	2,532,303	4,796,920
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	2,264,618	2,532,303	4,796,920
Administrative Agent Fees	22,875	25,674	48,549
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	63	92	156
Other Expenditures	-	-	-
Total: Uses of Funds	2,287,556	2,558,069	4,845,625
Change in Fund cash balance with Administrative Agent	1,174	12,597	13,771
Opening Fund balance (1 January)	-	1,174	-
Closing Fund balance (31 December)	1,174	13,771	13,771
Net Funded Amount to Participating Organizations	2,264,618	2,532,303	4,796,920
Participating Organizations' Expenditure	635,029	2,033,878	2,668,908
Balance of Funds with Participating Organizations			2,128,013

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	2,287,523	2,567,398	4,854,921
Grand Total	2,287,523	2,567,398	4,854,921

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\$ 4,476 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	1,208	3,268	4,476
Total: Fund Earned Interest	1,208	3,268	4,476
Participating Organization			
Total: Agency earned interest			
Grand Total	1,208	3,268	4,476

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\$ 4,796,920 to 7 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	854,883		854,883	1,163,628		1,163,628	2,018,511		2,018,511
UNESCO	29,696		29,696	25,740		25,740	55,436		55,436
UNFPA	118,796		118,796	89,100		89,100	207,896		207,896
UNHCR	40,586		40,586	95,040		95,040	135,626		135,626
UNICEF	826,151		826,151	759,825		759,825	1,585,976		1,585,976
UNWOMEN	39,596		39,596	29,700		29,700	69,296		69,296
WHO	354,911		354,911	369,270		369,270	724,181		724,181
Grand Total	2,264,618		2,264,618	2,532,303		2,532,303	4,796,920		4,796,920

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\$ **4,796,920** and cumulative expenditures reported by the Participating Organizations amount to US\$ **2,668,908**. This equates to an overall Fund expenditure delivery rate of **56** 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	2,018,511	2,018,511	585,869	1,151,126	1,736,995	86.05
UNESCO	55,436	55,436		2,414	2,414	4.35
UNFPA	207,896	207,896		86,349	86,349	41.53
UNHCR	135,626	135,626	2,017	58,241	60,258	44.43
UNICEF	1,585,976	1,585,976	13,362	402,191	415,553	26.20
UNWOMEN	69,296	69,296	2,590	27,013	29,604	42.72
WHO	724,181	724,181	31,191	306,544	337,736	46.64
Grand Total	4,796,920	4,796,920	635,029	2,033,878	2,668,908	55.64

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	100,000	183,430	283,430	11.38
Supplies, commodities and materials	2,520	43,756	46,276	1.86
Equipment, vehicles, furniture and depreciation	13,371	74,273	87,644	3.52
Contractual Services	98,093	719,548	817,640	32.82
Travel	116,491	211,902	328,394	13.18
Transfers and Grants	215,979	445,099	661,078	26.54
General Operating	44,610	222,169	266,779	10.71
Programme Costs Total	591,064	1,900,178	2,491,242	100.00
¹ Indirect Support Costs Total	43,965	133,701	177,666	7.13
Total	635,029	2,033,878	2,668,908	

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\$ **25,674** was deducted in AA-fees. Cumulatively, as of 31 December 2015, US\$ **48,549** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **133,701** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **177,666** 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.