



Consolidated Annual Financial Report of the Administrative Agent of the Somalia UN Multi-Window Trust Fund

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)

27 May 2016

PARTICIPATING ORGANIZATIONS



Food and Agriculture
Organization (FAO)



International Labour
Organization (ILO)



United Nations Capital
Development Fund (UNCDF)



United Nations Development
Programme (UNDP)



UN Centre for Human
Settlement (UNHABITAT)



United Nations Children's
Fund (UNICEF)



UN Office for Drug and Crime
(UNODC)



UN Office for Project Services
(UNOPS)

CONTRIBUTORS



Denmark



Department for International
Development (DFID)



European Union



Italy



Norway



Swiss Agency for Development and
Cooperation (SDC)



Swedish International Development
Cooperation Agency (Sida)



Peacebuilding Fund

DEFINITIONS

Approved Project/Joint Programme

A project/Joint 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/Joint Programme 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/Joint Programme 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/Joint Programme 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/Joint Programme 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.

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INTRODUCTION

This Consolidated Annual Financial Report of the Somalia UN Multi-Window Trust Fund is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent, as per the terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) signed with contributors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and SAAs with contributors. It receives, administers and manages contributions, and disburses these funds to the Participating Organizations. The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements, for transmission to contributors.

This consolidated financial report covers the period 1 January to 31 December 2015 and provides financial data on progress made in the implementation of projects of the Somalia UN Multi-Window Trust Fund. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/4SO00>).

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 Somalia UN Multi-Window Trust 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/4SO00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2015, eight contributors have deposited US\$ 66,155,964 in contributions and US\$ 42,990 has been earned in interest, bringing the

cumulative source of funds to US\$ 66,198,954 (see respectively, Tables 2 and 3)

Of this amount, US\$ 39,283,334 has been transferred to eight Participating Organizations, of which US\$ 21,505,303 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of one percent on deposits and amounts to US\$ 340,816. Table 1 provides an overview of the overall sources, uses, and balance of the Somalia UN Multi Window Trust 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		66,155,964	66,155,964
Fund Earned Interest and Investment Income		42,990	42,990
Interest Income received from Participating Organizations		-	-
Refunds by Administrative Agent to Contributors		-	-
Fund balance transferred to another MDTF		-	-
Other Revenues		-	-
Total: Sources of Funds		66,198,954	66,198,954
Use of Funds			
Transfers to Participating Organizations		39,283,334	39,283,334
Refunds received from Participating Organizations		-	-
Net Funded Amount to Participating Organizations		39,283,334	39,283,334
Administrative Agent Fees		340,816	340,816
Direct Costs: (Steering Committee, Secretariat...etc.)		-	-
Bank Charges		412	412
Other Expenditures		279,510	279,510
Total: Uses of Funds		39,904,071	39,904,071
Change in Fund cash balance with Administrative Agent		26,294,883	26,294,883
Opening Fund balance (1 January)		-	-
Closing Fund balance (31 December)		26,294,883	26,294,883
Net Funded Amount to Participating Organizations		39,283,334	39,283,334
Participating Organizations' Expenditure		21,505,303	21,505,303
Balance of Funds with Participating Organizations			17,778,031

2. PARTNER CONTRIBUTIONS

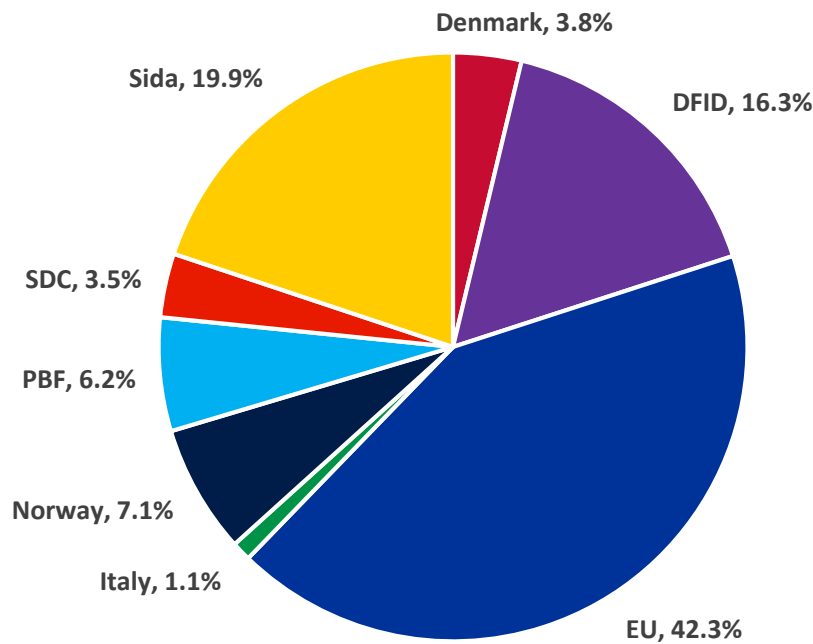
The Somalia UN MPTF is currently being financed by eight contributors that have signed SAAs, namely the European Union, Governments of Denmark, Italy, Norway, the UK’s Department for International Development (DFID), the Swedish International Development Cooperation Agency (Sida), the Swiss Agency for Development & Cooperation (SDC) and the Peacebuilding Fund.

In 2015, the Somalia UN MPTF received US\$ 66.15 million in contributions. Table 2 and Figure 1 provide 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
DENMARK	-	2,480,968	2,480,968
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	-	10,751,369	10,751,369
EUROPEAN UNION	-	27,950,980	27,950,980
ITALY	-	700,001	700,001
NORWAY	-	4,677,361	4,677,361
PEACEBUILDING FUND	-	4,123,420	4,123,420
SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)	-	2,322,477	2,322,477
SWEDISH INT'L DEVELOPMENT COOPERATION	-	13,149,388	13,149,388
Grand Total	-	66,155,964	66,155,964

Figure 1: Deposits by contributor, cumulative as of 31 December 2015



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\$ 42,990. 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		42,990	42,990
Total: Fund Earned Interest		42,990	42,990
Participating Organization			
Total: Agency earned interest			
Grand Total		42,990	42,990

4. TRANSFER OF FUNDS

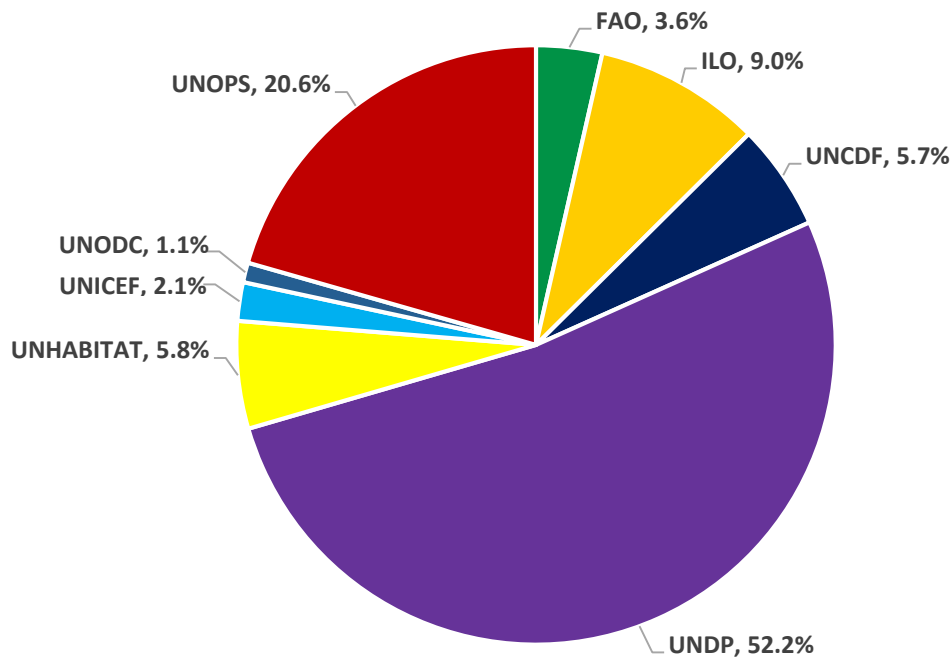
The Joint Programmes are approved by the Somalia Development and Reconstruction Facility (SDRF) Steering Committee where allocations to Participating Organizations are articulated. As of 31 December 2015, the Administrative Agent has transferred US\$ 39,283,334 to eight Participating Organizations (see list below).

Table 4.1 and Figure 2 provide additional information on the net funded amount for each of the Participating Organizations. As shown in Table 4.1 and Figure 2, in 2015 UNDP received the largest share of funding (US\$ 20.50 million or 52 percent), followed by UNOPS (US\$ 8.08 million or 21 percent) and ILO (US\$ 3.54 million or 9 percent).

Table 4.1 Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2015 (in US Dollars)

Participating Organization	Current Year Jan-Dec-2015			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	1,400,000		1,400,000	1,400,000		1,400,000
ILO	3,536,912		3,536,912	3,536,912		3,536,912
UNCDF	2,250,037		2,250,037	2,250,037		2,250,037
UNDP	20,503,354		20,503,354	20,503,354		20,503,354
UNHABITAT	2,277,053		2,277,053	2,277,053		2,277,053
UNICEF	817,076		817,076	817,076		817,076
UNODC	416,931		416,931	416,931		416,931
UNOPS	8,081,972		8,081,972	8,081,972		8,081,972
Grand Total	39,283,334		39,283,334	39,283,334		39,283,334

Figure 2: Net funded amount by Participating Organization for the period of 1 January to 31 December 2015



4.2. TRANSFER BY PILLAR

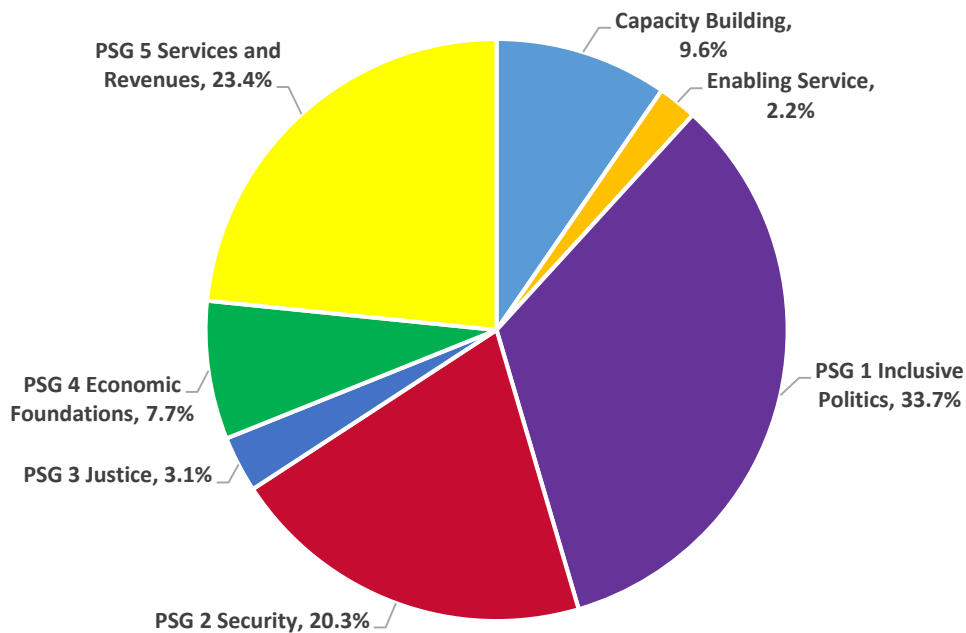
Table 4.1 shows the total Net Funded Amount by five Peace-building and State-building Goals (PSG) pillars and Capacity Development and Enabling Services pillars.

As shown in Figure 3, in 2015, the PSG pillars receiving the largest share of transfers were: PSG 1 Inclusive Politics (33.7%), PSG 5 Services and Revenues (23.4%), and PSG 2 Security (20.3%).

Table 4.2 Cumulative net funded amount by Pillar as of 31 December 2015 (in US Dollars)

Pillar	Cumulative Net Funded Amount
Capacity Building	3,773,710
Enabling Service	850,000
PSG 1 Inclusive Politics	13,229,942
PSG 2 Security	7,993,145
PSG 3 Justice	1,228,909
PSG 4 Economic Foundations	3,019,545
PSG 5 Services and Revenues	9,188,082
Total:	39,283,334

Figure 3: Net Funded Amounts by Pillar for the Year 2015



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\$ 39,283,334 and cumulative expenditures reported by the Participating Organizations amount to US\$ 21,505,303. This equates to an overall Fund expenditure delivery rate of 55 percent. The agencies with the three highest delivery rates are: UNOPS (74 percent), UNDP (61 percent) and UNHABITAT (57 percent). When interpreting this delivery rate, it is important to note that 74 percent (US\$ 29.03 million) of all the 2015 funds were transferred between September and December 2015.

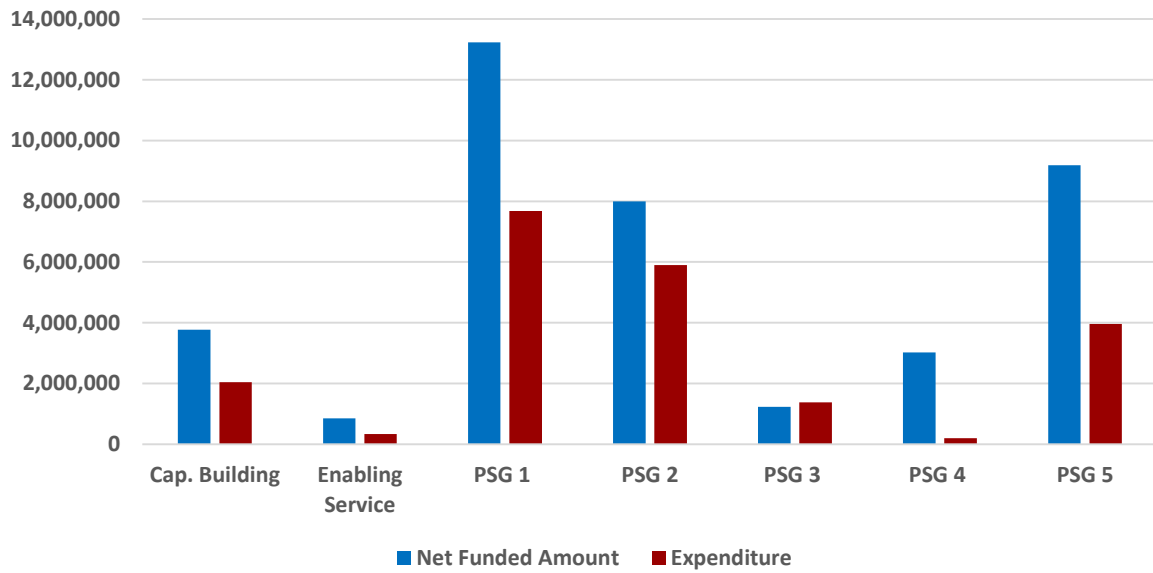
Table 5.1 Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2015 (in US Dollars)

Participating Organization	Current Year Jan-Dec 2015		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
FAO	1,400,000		1,400,000		0
ILO	3,536,912	1,449,692	3,536,912	1,449,692	40.99
UNCDF	2,250,037		2,250,037		0
UNDP	20,503,354	12,506,892	20,503,354	12,506,892	61.00
UNHABITAT	2,277,053	1,294,258	2,277,053	1,294,258	56.84
UNICEF	817,076	309,474	817,076	309,474	37.88
UNODC	416,931		416,931		0
UNOPS	8,081,972	5,944,988	8,081,972	5,944,988	73.56
Total	39,283,334	21,505,303	39,283,334	21,505,303	54.74

Table 5.2 Expenditure with breakdown by Pillar (in US Dollars)

Country/Pillar	Current Year Jan-Dec-2015		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Somalia					
Capacity Building	3,773,710	2,046,258	3,773,710	2,046,258	54.22
Enabling Service	850,000	332,484	850,000	332,484	39.12
PSG 1 Inclusive Politics	13,229,942	7,675,939	13,229,942	7,675,939	58.02
PSG 2 Security	7,993,145	5,900,492	7,993,145	5,900,492	73.82
PSG 3 Justice	1,228,909	1,383,201	1,228,909	1,383,201	112.56
PSG 4 Economic Foundations	3,019,545	202,275	3,019,545	202,275	6.70
PSG 5 Services and Revenues	9,188,082	3,964,654	9,188,082	3,964,654	43.15
Somalia Total:	39,283,334	21,505,303	39,283,334	21,505,303	54.74
Grand Total:	39,283,334	21,505,303	39,283,334	21,505,303	54.74

Figure 5: Cumulative Net Funded Amount and Expenditure with Breakdown by Pillar (in US Dollars)



5.3 EXPENDITURE BY JOINT PROGRAMME

Table 5.3 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

Table 5.3 Expenditure by Joint Programme within Pillar, as of 31 December 2015 (in US Dollars)

Pillar / Joint Programme No. and Title		Participating Organization	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
Capacity Building						
00096489	SOM-005 CAPACITY BUILDING	UNDP	3,773,710	3,773,710	2,046,258	54.22
Capacity Building: Total			3,773,710	3,773,710	2,046,258	54.22
Enabling Service						
00096490	SOM-009 ENABLING SERVICE	UNDP	550,000	550,000	250,971	45.63
00096490	SOM-009 ENABLING SERVICE	UNOPS	300,000	300,000	81,513	27.17
Enabling Service: Total			850,000	850,000	332,484	39.12
PSG 1 Inclusive Politics						
00095366	SOM-001 SUPPORT FSG STABILIZATION	UNDP	4,123,420	4,123,420	679,750	16.49
00096122	SOM-002 STATE FORMATN PROCESS	UNDP	4,144,043	4,144,043	2,291,267	55.29
00096139	SOM-003 JP ELECTORAL PROCESS	UNDP	2,612,522	2,612,522	2,629,347	100.64
00096485	SOM-006 CONSTITUTIONAL REVIEW	UNDP	1,390,902	1,390,902	1,214,440	87.31
00096825	SOM-008 PARLAMENT INCLUSIVE PROCESS	UNDP	959,055	959,055	861,135	89.79
PSG 1 Inclusive Politics: Total			13,229,942	13,229,942	7,675,939	58.02
PSG 2 Security						
00096486	SOM-004 RULE OF LAW SECURITY	UNDP	50,000	50,000	23,515	47.03
00096486	SOM-004 RULE OF LAW SECURITY	UNICEF	192,701	192,701	13,502	7.01
00096486	SOM-004 RULE OF LAW SECURITY	UNODC	192,701	192,701		0
00096486	SOM-004 RULE OF LAW SECURITY	UNOPS	192,701	192,701		0
00096829	JP ROL SUPPORT SOMALI POLICE FORCE	UNOPS	7,365,041	7,365,041	5,863,475	79.61
PSG 2 Security: Total			7,993,145	7,993,145	5,900,492	73.82
PSG 3 Justice						
00096487	SOM-004 RULE OF LAW JUSTICE	UNDP	556,221	556,221	1,340,285	240.96
00096487	SOM-004 RULE OF LAW JUSTICE	UNICEF	224,229	224,229	42,916	19.14
00096487	SOM-004 RULE OF LAW JUSTICE	UNODC	224,229	224,229		0
00096487	SOM-004 RULE OF LAW JUSTICE	UNOPS	224,229	224,229		0
PSG 3 Justice: Total			1,228,909	1,228,909	1,383,201	112.56

Pillar / Joint Programme No. and Title		Participating Organization	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
PSG 4 Economic Foundations						
00096488	SOM-007 YOUTH EMPLOYMENT	FAO	1,400,000	1,400,000		0
00096488	SOM-007 YOUTH EMPLOYMENT	ILO	742,588	742,588	20,875	2.81
00096488	SOM-007 YOUTH EMPLOYMENT	UNDP	379,154	379,154	181,400	47.84
00096488	SOM-007 YOUTH EMPLOYMENT	UNHABITAT	497,803	497,803		0
PSG 4 Economic Foundations: Total			3,019,545	3,019,545	202,275	6.70
PSG 5 Services and Revenues						
00096397	JP LOCAL GOVERNANCE JPLG	ILO	2,794,324	2,794,324	1,428,817	51.13
00096397	JP LOCAL GOVERNANCE JPLG	UNCDF	2,250,037	2,250,037		0
00096397	JP LOCAL GOVERNANCE JPLG	UNDP	1,964,326	1,964,326	988,524	50.32
00096397	JP LOCAL GOVERNANCE JPLG	UNHABITAT	1,779,250	1,779,250	1,294,258	72.74
00096397	JP LOCAL GOVERNANCE JPLG	UNICEF	400,145	400,145	253,056	63.24
PSG 5 Services and Revenues: Total			9,188,082	9,188,082	3,964,654	43.15
Grand Total			39,283,334	39,283,334	21,505,303	54.74

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.

Table 5.4 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 5.4 Expenditure by UNDG Budget Category, as of 31 December 2015 (in US Dollars)

Category	Expenditure		Percentage of Total Programme Cost
	Current Year Jan-Dec-2015	Total	
Staff & Personnel Cost	2,335,171	2,335,171	11.62
Supplies, commodities and materials	27,399	27,399	0.14
Equipment, vehicles, furniture and depreciation	901,972	901,972	4.49
Contractual Services	5,674,304	5,674,304	28.24
Travel	1,293,491	1,293,491	6.44
Transfers and Grants	6,174,181	6,174,181	30.73
General Operating	3,687,825	3,687,825	18.35
Programme Costs Total	20,094,343	20,094,343	100.00
¹ Indirect Support Costs Total	1,410,960	1,410,960	7.02
Total	21,505,303	21,505,303	

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: one percent 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\$ 340,816 was deducted in AA-fees. Cumulatively, as of 31 December 2015, US\$ 340,816 has been charged in AA-fees.
- Indirect Costs of Participating Organizations: Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 1,410,960 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 1,410,960 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.