

**Consolidated Annual Financial  
Report of the Administrative Agent  
of  
the Malawi One UN 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



Joint United Nations Programme on HIV



United Nations Capital Development Fund



United Nations Development Fund



United Nations Educational, Scientific and Cultural Organization



United Nations Population Fund



UN Centre for Human Settlement



UN High Commissioner for Refugees



United Nations Children's Fund

**CONTRIBUTORS**



DEPARTMENT FOR INT'L DEVELOPMENT (DFID)



Delivering Results Together



Expanded DaO Funding Window



GERMANY



NORWAY



UNITED NATIONS CHILDREN'S FUND



FLEMISH GOVERNMENT



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 Malawi One UN 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/MW100>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December 2015, 7 contributors have deposited US\$ 83,739,864 in contributions and US\$ 264,222 has been earned in interest,

bringing the cumulative source of funds to US\$ 84,004,086 (see respectively, Tables 2 and 3).

Of this amount, US\$ 75,906,815 has been transferred to 16 Participating Organizations, of which US\$ 63,621,916 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 837,399. Table 1 provides an overview of the overall sources, uses, and balance of the Malawi One UN Fund as of 31 December 2015.

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

	Annual 2014	Annual 2015	Cumulative
<b>Sources of Funds</b>			
Gross Contributions	10,002,908	21,678,338	83,739,864
Fund Earned Interest and Investment Income	3,836	10,860	189,087
Interest Income received from Participating Organizations	16	642	75,135
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
<b>Total: Sources of Funds</b>	<b>10,006,760</b>	<b>21,689,840</b>	<b>84,004,086</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	6,558,713	19,109,448	75,906,815
Refunds received from Participating Organizations	(262,777)	(411,551)	(1,644,092)
<b>Net Funded Amount to Participating Organizations</b>	<b>6,295,936</b>	<b>18,697,897</b>	<b>74,262,723</b>
Administrative Agent Fees	100,029	216,783	837,399
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	1,672,957
Bank Charges	69	158	531
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>6,396,034</b>	<b>18,914,839</b>	<b>76,773,609</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>3,610,726</b>	<b>2,775,002</b>	<b>7,230,477</b>
Opening Fund balance (1 January)	844,749	4,455,475	-
<b>Closing Fund balance (31 December)</b>	<b>4,455,475</b>	<b>7,230,477</b>	<b>7,230,477</b>
Net Funded Amount to Participating Organizations	6,295,936	18,697,897	74,262,723
Participating Organizations' Expenditure	1,575,297	14,059,316	63,621,916
<b>Balance of Funds with Participating Organizations</b>			<b>10,640,806</b>

## 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 INT'L DEVELOPMENT (DFID)	7,164,694	17,386,039	24,550,733
Delivering Results Together	1,500,000	1,500,000	3,000,000
Expanded DaO Funding Window	46,043,000	-	46,043,000
GERMANY, Government of	-	851,429	851,429
NORWAY, Government of	3,893,311	1,145,415	5,038,726
UNITED NATIONS CHILDREN'S FUND	900,000	25,000	925,000
FLEMISH GOVERNMENT	2,560,521	770,455	3,330,976
<b>Grand Total</b>	<b>62,061,526</b>	<b>21,678,338</b>	<b>83,739,864</b>

### 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\$ 189,087 and interest received from Participating Organizations amounts to US\$ 75,135, bringing the cumulative interest received to US\$ 264,222. 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
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	178,227	10,860	189,087
<b>Total: Fund Earned Interest</b>	<b>178,227</b>	<b>10,860</b>	<b>189,087</b>
<b>Participating Organization</b>			
FAO	51	567	619
UNDP	71,582		71,582
UNESCO	226		226
UNFPA	70		70
UNIDO	2,564	74	2,639
<b>Total: Agency earned interest</b>	<b>74,493</b>	<b>642</b>	<b>75,135</b>
<b>Grand Total</b>	<b>252,720</b>	<b>11,502</b>	<b>264,222</b>

#### 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\$ 75,905,693 to 16 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	7,739,550	(533)	7,739,017	900,000	(15,800)	884,200	8,639,550	(16,333)	8,623,217
ILO	1,041,605	(1,686)	1,039,919		(2,398)	(2,398)	1,041,605	(4,084)	1,037,521
IOM				400,000		400,000	400,000		400,000
UNAIDS	1,387,345		1,387,345	300,000		300,000	1,687,345		1,687,345
UNCDF	230,458		230,458				230,458		230,458
UNDP	12,890,451	(1,120,479)	11,769,971	3,239,037	(152,439)	3,086,598	16,129,488	(1,272,918)	14,856,570
UNESCO	162,500	(1,685)	160,815		(5,390)	(5,390)	162,500	(7,075)	155,425
UNFPA	3,421,545	(34,963)	3,386,581	1,413,004		1,413,004	4,834,549	(34,963)	4,799,585
UNHABITAT	452,592		452,592				452,592		452,592
UNICEF	13,560,939	(58,456)	13,502,482	2,467,325	(232,933)	2,234,392	16,028,264	(291,389)	15,736,875
UNIDO	822,975		822,975				822,975		822,975
UNODC	50,000		50,000				50,000		50,000
UNWOMEN				926,704		926,704	926,704		926,704
WFP	12,022,375		12,022,375	9,123,183		9,123,183	21,145,558		21,145,558
WHO	3,013,910	(13,616)	3,000,294	340,195	(2,591)	337,604	3,354,105	(16,207)	3,337,898
<b>Grand Total</b>	<b>56,796,244</b>	<b>(1,231,419)</b>	<b>55,564,825</b>	<b>19,109,448</b>	<b>(411,551)</b>	<b>18,697,897</b>	<b>75,905,693</b>	<b>(1,642,970)</b>	<b>74,262,723</b>



## 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\$ **74,262,723** and cumulative expenditures reported by the Participating Organizations amount to US\$ **63,621,916**. This equates to an overall Fund expenditure delivery rate of **86** percent.

**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	8,641,550	8,623,217	7,188,435	147,827	7,336,262	85.08
ILO	1,041,605	1,037,521	1,037,520		1,037,520	100.00
IOM <sup>1</sup>	400,000	400,000				0
UNAIDS	1,687,345	1,687,345	1,326,510	180,551	1,507,061	89.32
UNCDF	239,438	230,458	139,327		139,327	60.46
UNDP	16,749,183	14,856,570	11,564,025	1,753,119	13,317,143	89.64
UNESCO	162,501	155,425	155,425		155,425	100.00
UNFPA	4,834,549	4,799,585	3,327,848	657,008	3,984,856	83.03
UNHABITAT	452,592	452,592	384,051	18,725	402,776	88.99
UNHCR	1,122					0
UNICEF	16,028,265	15,736,875	13,266,163	1,835,007	15,101,170	95.96
UNIDO	886,934	822,975	828,780	(12,381)	816,399	99.20
UNODC	50,000	50,000	50,000		50,000	100.00
UNWOMEN	926,704	926,704		702,211	702,211	75.78
WFP	21,145,558	21,145,558	7,397,862	8,394,709	15,792,571	74.69
WHO	3,354,106	3,337,898	2,896,656	382,541	3,279,197	98.24
<b>Grand Total</b>	<b>76,601,452</b>	<b>74,262,723</b>	<b>49,562,600</b>	<b>14,059,316</b>	<b>63,621,916</b>	<b>85.67</b>

<sup>1</sup> The amount funded to IOM was returned to the fund in 2016.

## 5.2 EXPENDITURE BY UNDAF OUTCOME AREA

Table 5 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome Area.

**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	
<b>Malawi</b>							
2012 Humanitarian Window	6,586,321	1,503,926	12,962,911	11,361,134	19,549,232	12,865,060	65.81
2012 T1 Econ Growth & Food Sec	1,513,448	1,376,112	922,755	618,982	2,436,203	1,995,094	81.89
2012 T2 Social Protection Serv	1,200,682	1,058,908	307,102	18,695	1,507,784	1,077,602	71.47
2012 T3 Response to HIV_AIDS	728,810	689,366	1,151,993	1,004,560	1,880,803	1,693,926	90.06
2012 T4 Governance & HR	775,074	591,808	3,500,501	1,095,729	4,275,575	1,687,537	39.47
Good Governance	7,232,785	7,082,241	(40,681)	10	7,192,103	7,082,251	98.47
HIV and AIDS	6,744,631	6,738,801	(8,158)	(9,102)	6,736,473	6,729,699	99.90
Soc Protection & Dis Reduction	5,479,813	5,436,024	(34,021)	(6,092)	5,445,793	5,429,933	99.71
Social Development	13,218,425	13,159,969	(60,960)	(9,323)	13,157,465	13,150,646	99.95
Sustainable Economic Dev.	12,084,836	11,925,446	(3,545)	(15,278)	12,081,291	11,910,168	98.58
<b>Malawi Total:</b>	<b>55,564,825</b>	<b>49,562,600</b>	<b>18,697,897</b>	<b>14,059,316</b>	<b>74,262,723</b>	<b>63,621,916</b>	<b>85.67</b>
<b>Grand Total:</b>	<b>55,564,825</b>	<b>49,562,600</b>	<b>18,697,897</b>	<b>14,059,316</b>	<b>74,262,723</b>	<b>63,621,916</b>	<b>85.67</b>

#### 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)	8,110,390	-	8,110,390	13.60
Personnel (Old)	7,404,816	-	7,404,816	12.42
Training of Counterparts (Old)	4,103,125	-	4,103,125	6.88
Contracts (Old)	8,746,349	-	8,746,349	14.67
Other direct costs (Old)	1,706,003	-	1,706,003	2.86
Staff & Personnel Cost (New)	1,371,020	67,046	1,438,066	2.41
Suppl, Comm, Materials (New)	2,798,108	8,031,381	10,829,489	18.16
Equip, Veh, Furn, Depn (New)	394,781	89,136	483,917	0.81
Contractual Services (New)	(924,081)	1,477,854	553,773	0.93
Travel (New)	2,047,661	509,085	2,556,746	4.29
Transfers and Grants (New)	7,915,529	2,217,014	10,132,543	16.99
General Operating (New)	2,774,685	784,893	3,559,578	5.97
<b>Programme Costs Total</b>	<b>46,448,385</b>	<b>13,176,410</b>	<b>59,624,795</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	3,114,215	882,906	3,997,121	6.70
<b>Total</b>	<b>49,562,600</b>	<b>14,059,316</b>	<b>63,621,916</b>	

<sup>1</sup> **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\$ **216,783** was deducted in AA-fees. Cumulatively, as of 31 December 2015, US\$ **837,399** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **882,906** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **3,997,121** 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'.