

**Consolidated Annual Financial
Report of the Administrative Agent
of
the Mozambique 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 Fund for Agriculture



International Labour Organisation



International Organization Migration



International Trade Centre



Joint United Nations Programme on HIV/AIDS



United Nations Capital Development Fund



UN Conference on Trade and Development



United Nations Development Programme



United Nations Environment Programme



United Nations Educational, Scientific and Cultural Organization

CONTRIBUTORS



CANADIAN INTERNATIONAL DEVELOPMENT AGENCY



DEPARTMENT FOR INT'L DEVELOPMENT (DFID)



Delivering Results Together



Expanded DaO Funding Window



ICELAND, Government of



NETHERLANDS, Government of



NORWAY, Government of



PORTUGAL, Government of



SPAIN, Government of



SWEDEN, Government of



FLEMISH GOVERNMENT



United Nations
Population Fund



UN Centre for Human
Settlements



UN High
Commissioner for
Refugees



United Nations
Children's Fund



UN Inter-regional
Crime and Justice
Institute



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 Mozambique 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/MZ100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2015, 11 contributors have deposited US\$ 95,379,080 in contributions and US\$ 733,672 has been earned in interest,

bringing the cumulative source of funds to US\$ 96,112,752 (see respectively, Tables 2 and 3) -

Of this amount, US\$ 95,096,308 has been transferred to 21 Participating Organizations, of which US\$ 90,143,788 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 953,791. Table 1 provides an overview of the overall sources, uses, and balance of the Mozambique 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
Sources of Funds			
Gross Contributions	6,468,383	1,720,436	95,379,080
Fund Earned Interest and Investment Income	3,432	8,108	462,855
Interest Income received from Participating Organizations	3,505	5,691	270,817
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	6,475,320	1,734,235	96,112,752
Use of Funds			
Transfers to Participating Organizations	5,103,907	3,458,231	95,096,308
Refunds received from Participating Organizations	(656,851)	(387,577)	(1,417,078)
Net Funded Amount to Participating Organizations	4,447,056	3,070,654	93,679,230
Administrative Agent Fees	64,684	17,204	953,791
Direct Costs: (Steering Committee, Secretariat...etc.)	243,300	180,000	600,400
Bank Charges	85	92	1,018
Other Expenditures	-	-	-
Total: Uses of Funds	4,755,125	3,267,950	95,234,438
Change in Fund cash balance with Administrative Agent	1,720,195	(1,533,715)	878,314
Opening Fund balance (1 January)	691,833	2,412,029	-
Closing Fund balance (31 December)	2,412,029	878,314	878,314
Net Funded Amount to Participating Organizations	4,447,056	3,070,654	93,679,230
Participating Organizations' Expenditure	9,405,462	5,029,898	90,143,788
Balance of Funds with Participating Organizations			3,535,442

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
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY	28,491,395	-	28,491,395
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	96,741	-	96,741
Delivering Results Together	1,500,000	1,500,000	3,000,000
Expanded DaO Funding Window	39,668,000	-	39,668,000
ICELAND, Government of	50,000	-	50,000
NETHERLANDS, Government of	6,641,320	-	6,641,320
NORWAY, Government of	4,572,788	-	4,572,788
PORTUGAL, Government of	-	33,597	33,597
SPAIN, Government of	12,000,000	-	12,000,000
SWEDEN, Government of	638,400	-	638,400
FLEMISH GOVERNMENT	-	186,839	186,839
Grand Total	93,658,644	1,720,436	95,379,080

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\$ 462,855 and interest received from Participating Organizations amounts to US\$ 270,817, bringing the cumulative interest received to US\$ 733,672. 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	454,747	8,108	462,855
Total: Fund Earned Interest	454,747	8,108	462,855
Participating Organization			
FAO	2,271	1,774	4,044
UNCTAD	2,118		2,118
UNDP	139,048		139,048
UNESCO	57,974	320	58,294
UNFPA	22,435		22,435
UNIDO	28,321	314	28,635
UNWOMEN	12,959	3,284	16,243
Total: Agency earned interest	265,126	5,691	270,817
Grand Total	719,873	13,799	733,672

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\$ 95,096,308 to 21 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	6,071,900	(6,471)	6,065,429		(335)	(335)	6,071,900	(6,806)	6,065,094
ILO	5,473,355	(6,979)	5,466,376				5,473,355	(6,979)	5,466,376
IOM	2,121,988		2,121,988				2,121,988		2,121,988
ITC	329,911		329,911		(23,749)	(23,749)	329,911	(23,749)	306,162
UNAIDS	556,918		556,918	147,500	(31,909)	115,591	704,418	(31,909)	672,509
UNCDF	1,453,622		1,453,622				1,453,622		1,453,622
UNCTAD	262,800	(2,598)	260,202				262,800	(2,598)	260,202
UNDP	9,434,556	(688)	9,433,868	1,012,500		1,012,500	10,447,056	(688)	10,446,368
UNEP	142,600		142,600				142,600		142,600
UNESCO	4,712,789	(1,012,765)	3,700,024				4,712,789	(1,012,765)	3,700,024
UNFPA	9,343,464		9,343,464	793,000		793,000	10,136,464		10,136,464
UNHABITAT	2,067,643		2,067,643				2,067,643		2,067,643
UNHCR	981,845		981,845				981,845		981,845
UNICEF	19,744,041		19,744,041	617,760		617,760	20,361,801		20,361,801
UNICRI	78,200		78,200				78,200		78,200
UNIDO	2,691,026		2,691,026				2,691,026		2,691,026
UNODC	150,000		150,000				150,000		150,000
UNWOMEN	2,589,626		2,589,626	792,500	(13,299)	779,201	3,382,126	(13,299)	3,368,827
WFP	16,008,758		16,008,758				16,008,758		16,008,758
WHO	7,423,034		7,423,034	94,971	(318,285)	(223,314)	7,518,005	(318,285)	7,199,720
Grand Total	91,638,077	(1,029,501)	90,608,576	3,458,231	(387,577)	3,070,654	95,096,308	(1,417,078)	93,679,230

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\$ **93,679,230** and cumulative expenditures reported by the Participating Organizations amount to US\$ **90,143,788**. This equates to an overall Fund expenditure delivery rate of **96** percent. The agencies with the three highest delivery rates are WFP (103%), UNFPA (100%) and UNAIDS (100%).

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	6,071,900	6,065,094	5,938,263	3,412	5,941,676	97.97
IFAD	298,000					0
ILO	5,473,355	5,466,376	5,172,390	291,861	5,464,251	99.96
IOM	2,121,988	2,121,988	2,121,988		2,121,988	100.00
ITC	329,911	306,162	306,162	0	306,163	100.00
UNAIDS	704,418	672,509	525,009	147,500	672,508	100.00
UNCDF	1,453,622	1,453,622	1,258,341		1,258,341	86.57
UNCTAD	262,800	260,202	252,826	6,065	258,891	99.50
UNDP	10,447,056	10,446,368	8,175,385	48,021	8,223,405	78.72
UNEP	142,600	142,600	128,866	10,700	139,566	97.87
UNESCO	4,712,789	3,700,024	3,602,736	439	3,603,175	97.38
UNFPA	10,136,464	10,136,464	9,111,726	475,876	9,587,603	94.59
UNHABITAT	2,067,643	2,067,643	2,023,151	52,450	2,075,601	100.38
UNHCR	981,845	981,845	981,845		981,845	100.00
UNICEF	20,361,801	20,361,801	18,281,900	1,707,939	19,989,839	98.17
UNICRI	78,200	78,200	57,780	18,048	75,828	96.97
UNIDO	2,691,026	2,691,026	2,608,915	(25,208)	2,583,707	96.01
UNODC	150,000	150,000	150,000		150,000	100.00
UNWOMEN	3,382,126	3,368,827	2,459,302	569,286	3,028,588	89.90
WFP	16,008,758	16,008,758	15,804,882	781,686	16,586,568	103.61
WHO	7,518,005	7,199,720	6,152,424	941,822	7,094,246	98.54
Grand Total	95,394,308	93,679,230	85,113,890	5,029,898	90,143,788	96.23

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 6. 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	
Mozambique							
Bldg Commod. Value Chain	3,120,230	2,867,552		0	3,120,230	2,867,552	91.90
Change Management Project	1,177,712	739,993			1,177,712	739,993	62.83
Civil Society Organization	4,833,255	4,795,339	(13,299)	(1,043)	4,819,956	4,794,296	99.47
Decentralization & Integration	6,478,500	6,245,831	(72,186)		6,406,313	6,245,831	97.49
Disaster Risk Reduction	8,880,532	8,340,517	(246,098)	0	8,634,434	8,340,517	96.60
Effective Trade Policy & Mgt	1,482,402	1,446,697	(5,685)		1,476,717	1,446,697	97.97
Gender Equality	6,398,724	6,211,231	(335)	(17,140)	6,398,389	6,194,090	96.81
HIV & AIDS Response	11,531,795	11,498,713	(29,460)	77	11,502,335	11,498,791	99.97
Sexual and Reproductive Health	3,836,518	3,830,069	0	4,805	3,836,518	3,834,875	99.96
UNDAF 2012-15 Cross Cutting	740,028	258,765	270,000		1,010,028	258,765	25.62
UNDAF 2012-15 Economic Area	4,054,260	3,620,594	200,167	251,424	4,254,427	3,872,017	91.01
UNDAF 2012-15 Governance Area	951,280	831,748	2,970,000	1,211,991	3,921,280	2,043,738	52.12
UNDAF 2012-15 Social Area	26,852,261	24,165,193	(2,450)	3,589,322	26,849,811	27,754,515	103.37
Vulnerable Populations	4,944,288	4,944,288		0	4,944,288	4,944,288	100.00
Youth Employment	5,326,792	5,317,358		(9,537)	5,326,792	5,307,821	99.64
Mozambique Total:	90,608,576	85,113,890	3,070,654	5,029,898	93,679,230	90,143,788	96.23
Grand Total:	90,608,576	85,113,890	3,070,654	5,029,898	93,679,230	90,143,788	96.23

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 7. 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)	11,728,273	-	11,728,273	13.88
Personnel (Old)	14,911,279	-	14,911,279	17.65
Training of Counterparts (Old)	5,738,323	-	5,738,323	6.79
Contracts (Old)	14,779,857	-	14,779,857	17.49
Other direct costs (Old)	3,656,242	-	3,656,242	4.33
Staff & Personnel Cost (New)	3,254,011	780,308	4,034,318	4.77
Supplies, Commodities, Materials (New)	9,254,568	190,846	9,445,414	11.18
Equipment, Vehicles, Furniture, Depreciation (New)	1,326,880	190,999	1,517,879	1.80
Contractual Services (New)	3,023,410	1,199,054	4,222,464	5.00
Travel (New)	1,862,781	1,073,325	2,936,107	3.47
Transfers and Grants (New)	7,047,654	549,089	7,596,743	8.99
General Operating (New)	3,187,861	738,635	3,926,496	4.65
Programme Costs Total	79,771,140	4,722,256	84,493,396	100.00
¹ Indirect Support Costs Total	5,342,749	307,642	5,650,391	6.69
Total	85,113,890	5,029,898	90,143,788	

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\$ **17,204** was deducted in AA-fees. Cumulatively, as of 31 December 2015, US\$ **953,791** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **307,642** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **5,650,391** 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, direct costs amounting to US\$ 155,827.