

**Consolidated Annual Financial  
Report of the Administrative Agent  
of  
the Viet Nam One Plan Fund II**

**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>**

**PARTICIPATING ORGANIZATIONS**



Food and Agriculture Organization



International Labour Organisation



International Organization for Migration



Joint United Nations Programme on HIV/AIDS



United Nations Development Programme



United Nations Volunteers Programme



United Nations Environment Programme



United Nations Educational, Scientific, and Cultural Organization



United Nations Population Fund



UN Centre for Human Settlement



United Nations Children's Fund



UN Industrial Development Organization

**CONTRIBUTORS**



Australian Agency for Int'l Development



BELGIUM, Government of



CANADIAN INTERNATIONAL DEVELOPMENT AGENC



DEPARTMENT FOR INT'L DEVELOPMENT (DFID)



Delivering Results Together



Expanded DaO Funding Window



FINLAND, Government of



FRANCE, Government of



IRISH AID



LUXEMBOURG, Government of



NETHERLANDS, Government of



NORWAY, Government of



NEW ZEALAND, Government of



SWISS AGY FOR DEVELOPMENT & COOPERATION



UN Office for Drug and  
Crime



SWEDISH INT'L DEVELOPMENT  
COOPERATION



UNWOMEN



SPAIN, Government of



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 Viet Nam One Plan Fund II using the pass-through funding modality, which has contributed to the implementation of the One Plan 2006-2012 and One Plan 2012-2016, 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/VN200>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December 2015, 16 contributors have deposited US\$ 102,034,577 in contributions and US\$ 440,472 has been earned in interest,

bringing the cumulative source of funds to US\$ 102,475,049 (see respectively, Tables 2 and 3.

Of this amount, US\$ 97,824,562 has been transferred to 15 Participating Organizations, of which US\$ 89,248,046 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 1,020,346. Table 1 provides an overview of the overall sources, uses, and balance of the Viet Nam One Plan Fund II 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	7,454,349	4,845,763	102,034,577
Fund Earned Interest and Investment Income	7,010	9,672	389,705
Interest Income received from Participating Organizations	2,148	6,365	50,767
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
<b>Total: Sources of Funds</b>	<b>7,463,507</b>	<b>4,861,800</b>	<b>102,475,049</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	6,182,623	6,402,235	97,824,562
Refunds received from Participating Organizations	(107,230)	(44,039)	(268,966)
<b>Net Funded Amount to Participating Organizations</b>	<b>6,075,393</b>	<b>6,358,196</b>	<b>97,555,596</b>
Administrative Agent Fees	74,543	48,458	1,020,346
Direct Costs: (Steering Committee, Secretariat...etc.)	186,358	271,143	3,484,144
Bank Charges	164	114	1,105
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>6,336,458</b>	<b>6,677,911</b>	<b>102,061,190</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>1,127,049</b>	<b>(1,816,111)</b>	<b>413,859</b>
Opening Fund balance (1 January)	1,102,921	2,229,970	-
<b>Closing Fund balance (31 December)</b>	<b>2,229,970</b>	<b>413,859</b>	<b>413,859</b>
Net Funded Amount to Participating Organizations	6,075,393	6,358,196	97,555,596
Participating Organizations' Expenditure	8,788,057	8,895,616	89,248,046
<b>Balance of Funds with Participating Organizations</b>			<b>8,307,551</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
Australian Agency for Int'l Development	6,090,180	-	6,090,180
BELGIUM, Government of	3,899,700	-	3,899,700
CANADIAN INTERNATIONAL DEVELOPMENT AGENC	1,581,380	-	1,581,380
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	11,436,106	-	11,436,106
Delivering Results Together	1,480,000	1,500,000	2,980,000
Expanded DaO Funding Window	20,354,000	-	20,354,000
FINLAND, Government of	7,832,085	-	7,832,085
FRANCE, Government of	15,009	-	15,009
IRISH AID	9,761,199	862,480	10,623,679
LUXEMBOURG, Government of	3,677,696	1,200,000	4,877,696
NETHERLANDS, Government of	4,121,123	-	4,121,123
NORWAY, Government of	10,426,623	1,283,283	11,709,906
NEW ZEALAND, Government of	3,098,959	-	3,098,959
SWISS AGY FOR DEVELOPMENT & COOPERATION	4,085,216	-	4,085,216
SWEDISH INT'L DEVELOPMENT COOPERATION	1,269,500	-	1,269,500
SPAIN, Government of	8,060,037	-	8,060,037
<b>Grand Total</b>	<b>97,188,814</b>	<b>4,845,763</b>	<b>102,034,577</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\$ 389,705 and interest received from Participating Organizations amounts to US\$ 50,767, bringing the cumulative interest received to US\$ 440,472. 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	380,033	9,672	389,705
<b>Total: Fund Earned Interest</b>	<b>380,033</b>	<b>9,672</b>	<b>389,705</b>
<b>Participating Organization</b>			
FAO		3,104	3,104
UNDP	2,305		2,305
UNDP(UNV)	3,824		3,824
UNESCO	8,616	574	9,190
UNIDO	21,338	638	21,976
UNODC	6,649	1,138	7,787
UNWOMEN	1,670	911	2,580
<b>Total: Agency earned interest</b>	<b>44,402</b>	<b>6,365</b>	<b>50,767</b>
<b>Grand Total</b>	<b>424,435</b>	<b>16,037</b>	<b>440,472</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\$ 97,824,562 to 15 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 <sup>1</sup>	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	4,633,978		4,633,978	579,000	(37,929)	541,071	5,212,978	(37,929)	5,175,049
ILO	6,326,212	(100,824)	6,225,388	185,590	(1,230)	184,360	6,511,802	(102,054)	6,409,748
IOM	338,591		338,591	48,557		48,557	387,148		387,148
UNAIDS	1,558,173		1,558,173	245,611		245,611	1,803,784		1,803,784
UNDP	21,802,742		21,802,742	1,606,721		1,606,721	23,409,463		23,409,463
UNDP(UNV)	414,952		414,952	15,317		15,317	430,269		430,269
UNEP	84,500		84,500				84,500		84,500
UNESCO	3,312,215	(931)	3,311,284	237,239		237,239	3,549,454	(931)	3,548,523
UNFPA	6,620,608	(117,697)	6,502,911	407,655		407,655	7,028,263	(117,697)	6,910,566
UNHABITAT	1,843,499		1,843,499	176,380		176,380	2,019,879		2,019,879
UNICEF	22,941,918	(2,439)	22,939,478	1,245,213		1,245,213	24,187,131	(2,439)	24,184,691
UNIDO	4,421,530		4,421,530	121,208		121,208	4,542,738		4,542,738
UNODC	4,210,694	(3,007)	4,207,687	338,271		338,271	4,548,965	(3,007)	4,545,958
UNWOMEN	2,147,280	(28)	2,147,252	551,903	(4,880)	547,023	2,699,183	(4,908)	2,694,275
WHO	10,765,437		10,765,437	643,570		643,570	11,409,007		11,409,007
<b>Grand Total</b>	<b>91,422,327</b>	<b>(224,927)</b>	<b>91,197,400</b>	<b>6,402,235</b>	<b>(44,039)</b>	<b>6,358,196</b>	<b>97,824,562</b>	<b>(268,966)</b>	<b>97,555,596</b>

<sup>1</sup> Unspent balances that have been refunded to the Fund.



## 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\$ **97,555,596** and cumulative expenditures reported by the Participating Organizations amount to US\$ **89,248,046**. This equates to an overall Fund expenditure delivery rate of **91** 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	5,268,178	5,175,049	3,435,378	484,175	3,919,553	75.74
ILO	6,547,802	6,409,748	5,682,548	392,495	6,075,043	94.78
IOM	387,148	387,148	168,250	113,670	281,920	72.82
UNAIDS	1,803,784	1,803,784	999,786	451,101	1,450,887	80.44
UNDP	23,409,463	23,409,463	19,384,727	2,453,493	21,838,220	93.29
UNDP(UNV)	430,269	430,269	212,830	80,388	293,218	68.15
UNEP	84,500	84,500	58,035	6,399	64,434	76.25
UNESCO	3,549,454	3,548,523	3,041,384	309,505	3,350,888	94.43
UNFPA	7,422,839	6,910,566	5,644,774	727,335	6,372,109	92.21
UNHABITAT	2,019,879	2,019,879	1,770,158	121,808	1,891,966	93.67
UNICEF	24,607,476	24,184,691	20,942,881	1,534,954	22,477,835	92.94
UNIDO	4,542,738	4,542,738	3,703,888	391,483	4,095,371	90.15
UNODC	4,633,965	4,545,958	3,666,111	322,313	3,988,424	87.74
UNWOMEN	2,699,183	2,694,275	1,869,738	350,811	2,220,549	82.42
WHO	12,257,701	11,409,007	9,771,942	1,155,687	10,927,628	95.78
<b>Grand Total</b>	<b>99,664,377</b>	<b>97,555,596</b>	<b>80,352,430</b>	<b>8,895,616</b>	<b>89,248,046</b>	<b>91.48</b>

## 5.2 EXPENDITURE BY THEMES OF THE ONE PLANS

Table 5 displays the net funded amounts, expenditures incurred and the financial delivery rates by One Plan 2006-2010 Outcomes and One Plan 2012-2016 Focus Areas.

**Table 5. Expenditure by One Plan 2006-2010 Outcomes and One Plan 2012-2016 Focus Areas , as of 31 December 2015 (in US Dollars)**

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>One Plan 2006-2010 with the extension of 2011</b>							
OP 2006 Disaster Management	5,398,131	5,395,488	(1,235)	52	5,396,896	5,395,540	99.97
OP 2006 Environment	4,644,477	4,409,284		5,529	4,644,477	4,414,814	95.06
OP 2006 Governance	8,356,257	8,351,172	(4,880)	203	8,351,377	8,351,375	100.00
OP 2006 Social Economic Policy	17,702,296	17,415,920	(36,694)	(1,693)	17,665,602	17,414,226	98.58
OP 2006 Social Services	27,505,827	27,416,206		(27)	27,505,827	27,416,179	99.67
<b>One Plan 2012-2016</b>							
OP 2012 Governance & Participation.	7,824,607	5,383,745	2,268,054	1,670,473	10,092,661	7,054,218	69.89
OP 2012 Inclusive Growth	7,055,378	4,655,023	2,055,873	2,979,132	9,111,251	7,634,155	83.79
OP 2012 Services & Social Protect	12,710,428	7,325,592	2,077,078	4,241,947	14,787,506	11,567,539	78.23
<b>Grand Total:</b>	<b>91,197,400</b>	<b>80,352,430</b>	<b>6,358,196</b>	<b>8,895,616</b>	<b>97,555,596</b>	<b>89,248,046</b>	<b>91.48</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)	2,679,967	-	2,679,967	3.19
Personnel (Old)	13,505,521	-	13,505,521	16.06
Training of Counterparts (Old)	9,326,889	-	9,326,889	11.09
Contracts (Old)	16,477,958	-	16,477,958	19.59
Other direct costs (Old)	1,266,998	-	1,266,998	1.51
Staff & Personnel Cost (New)	8,733,118	2,834,592	11,567,711	13.75
Suppl, Comm, Materials (New)	68,532	84,458	152,990	0.18
Equip, Veh, Furn, Depn (New)	561,928	43,603	605,531	0.72
Contractual Services (New)	2,541,768	1,869,467	4,411,235	5.24
Travel (New)	1,413,174	729,858	2,143,031	2.55
Transfers and Grants (New)	5,808,128	1,767,138	7,575,266	9.01
General Operating (New)	13,389,199	1,006,967	14,396,166	17.12
<b>Programme Costs Total</b>	<b>75,773,180</b>	<b>8,336,083</b>	<b>84,109,263</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	4,579,250	559,532	5,138,782	6.11
<b>Total</b>	<b>80,352,430</b>	<b>8,895,616</b>	<b>89,248,046</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\$ **48,458** was deducted in AA-fees. Cumulatively, as of 31 December 2015, US\$ **1,020,346** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **559,532** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **5,138,782** 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\$271,143.