

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Pakistan One Fund**

for the period 1 January to 31 December 2016

Multi-Partner Trust Fund Office
Bureau for Management Services
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)

31May 2017

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
 Environment
 Programme



United Nations
 Educational,
 Scientific and
 Cultural
 Organization



United Nations
 Population Fund



UN Centre for
 Human
 Settlement



UN High
 Commissioner for
 Refugees

CONTRIBUTORS



Australian Agency for International
 Development



Department for International
 Development (DFID)



Delivering Results Together



Expanded DaO Funding Window



Government of the NETHERLANDS



Government of NORWAY



Swiss Agency for Development
 Cooperation



Government of SPAIN



United Nations
Children's Fund



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.

INTRODUCTION

This Consolidated Annual Financial Report of the **Pakistan One 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 **2016** and provides financial data on progress made in the implementation of projects of the **Pakistan One Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/PK100>).

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

2016 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Pakistan One Fund** using the pass-through funding modality as of 31 December **2016**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/PK100>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2016**, **8** contributors deposited US\$ **87,042,980** in contributions and US\$ **595,742** was earned in interest.

The cumulative source of funds was US\$ **87,638,722** (see respectively, Tables 2 and 3).

Of this amount, US\$ **83,740,056** has been transferred to **16** Participating Organizations, of which US\$ **82,369,143** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **870,430**. Table 1 provides an overview of the overall sources, uses, and balance of the **Pakistan One Fund** as of 31 December 2016.

Table 1. Financial Overview, as of 31 December 2016 (in US Dollars)

	Annual 2015	Annual 2016	Cumulative
Sources of Funds			
Contributions from donors	1,500,000	725,082	87,042,980
Fund Earned Interest and Investment Income	12,342	17,998	354,570
Interest Income received from Participating Organizations	2,513	499	241,172
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	1,514,855	743,579	87,638,722
Use of Funds			
Transfers to Participating Organizations	2,079,000	717,831	86,497,650
Refunds received from Participating Organizations	(502,153)	(605,375)	(2,757,594)
Net Funded Amount	1,576,847	112,457	83,740,056
Administrative Agent Fees	15,000	7,251	870,430
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	150,000
Bank Charges	102	101	1,262
Other Expenditures	-	-	-
Total: Uses of Funds	1,591,949	119,808	84,761,747
Change in Fund cash balance with Administrative Agent	(77,094)	623,771	2,876,975
Opening Fund balance (1 January)	2,330,298	2,253,204	-
Closing Fund balance (31 December)	2,253,204	2,876,975	2,876,975
Net Funded Amount	1,576,847	112,457	83,740,056
Participating Organizations' Expenditure	1,728,915	1,411,019	82,369,143
Balance of Funds with Participating Organizations			1,370,913

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2016.

The **Pakistan One Fund** is currently being financed by **8** contributors, as listed in the table below.

The table below includes commitments made through Standard Administrative Agreements signed up to 31 December 2016, and deposited.

Table 2. Contributors' Commitments and Deposits, as of 31 December 2016 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec-2015 Deposits	Current Year Jan-Dec-2016 Deposits	Total Deposits
Australian Agency for International Development	12,376,080	12,376,080	-	12,376,080
Department for International Development (DFID)	3,238,118	3,238,118	-	3,238,118
Delivering Results Together	3,725,082	3,000,000	725,082	3,725,082
Expanded DaO Funding Window	23,981,000	23,981,000	-	23,981,000
Government of the NETHERLANDS	7,811,680	7,811,680	-	7,811,680
Government of NORWAY	22,951,020	22,951,020	-	22,951,020
Swiss Agency for Development and Cooperation	960,000	960,000	-	960,000
Government of SPAIN	12,000,000	12,000,000	-	12,000,000
Grand Total	87,042,980	86,317,898	725,082	87,042,980

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 2016, Fund earned interest amounts to US\$ 354,570.

Interest received from Participating Organizations amounts to US\$ 241,172, bringing the cumulative interest received to US\$ 595,742.

Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2016 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Total
Administrative Agent			
Fund Earned Interest and Investment Income	336,572	17,998	354,570
Total: Fund Earned Interest	336,572	17,998	354,570
Participating Organization			
UNDP	171,437		171,437
UNIDO	26,305		26,305
FAO	1,071	499	1,570
UNFPA	11,627		11,627
UNWOMEN	5,772		5,772
UNESCO	24,460		24,460
Total: Agency earned interest	240,673	499	241,172
Grand Total	577,245	18,497	595,742

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2016, the AA has transferred US\$ 86,497,650 to 16 Participating Organizations (see list below).

4.1 TRANSFER BY PARTICIPATING ORGANIZATION

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 2016 (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2015			Current Year Jan-Dec-2016			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	2,873,471	(3,191)	2,870,281		(181)	(181)	2,873,471	(3,372)	2,870,100
ILO	2,762,772	(53,459)	2,709,313				2,762,772	(53,459)	2,709,313
IOM	619,800		619,800				619,800		619,800
UNAIDS	427,816	(98)	427,718	104,972		104,972	532,788	(98)	532,690
UNDP	13,478,586	(1,325,194)	12,153,392				13,478,586	(1,325,194)	12,153,392
UNEP	160,000		160,000				160,000		160,000
UNESCO	5,867,200	(170,839)	5,696,360				5,867,200	(170,839)	5,696,360
UNFPA	10,523,796		10,523,796	233,608	(323,704)	(90,096)	10,757,404	(323,704)	10,433,700
UNHABITAT	3,825,797		3,825,797		(4,487)	(4,487)	3,825,797	(4,487)	3,821,310
UNHCR	880,784		880,784				880,784		880,784
UNICEF	23,426,951	(222,316)	23,204,635	180,180	(5,052)	175,128	23,607,131	(227,368)	23,379,763
UNIDO	3,590,165	(94,924)	3,495,241		(112,033)	(112,033)	3,590,165	(206,957)	3,383,207
UNODC	252,133		252,133				252,133		252,133
UNWOMEN	1,972,406	(276,915)	1,695,491		(37,139)	(37,139)	1,972,406	(314,054)	1,658,352
WFP	1,958,950		1,958,950		(122,779)	(122,779)	1,958,950	(122,779)	1,836,171
WHO	13,159,192	(5,283)	13,153,909	199,071		199,071	13,358,263	(5,283)	13,352,980
Grand Total	85,779,819	(2,152,220)	83,627,600	717,831	(605,375)	112,457	86,497,650	(2,757,594)	83,740,056

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2016** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Participating Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The **2016** expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/PK100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2016**, US\$ **112,457** million was net funded to Participating Organizations, and US\$ **1,411,019** million was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **83,740,056** and cumulative expenditures reported by the Participating Organizations amount to US\$ **82,369,143**. This equates to an overall Fund expenditure delivery rate of **98** percent.

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2016 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Cumulative	
FAO	2,873,474	2,870,100	2,583,904	239,023	2,822,926	98.36
ILO	2,762,772	2,709,313	2,610,313	91,495	2,701,808	99.72
IOM	619,800	619,800	619,800		619,800	100.00
UNAIDS	532,788	532,690	427,718	18,834	446,552	83.83
UNDP	13,530,420	12,153,392	12,130,510	22,862	12,153,372	100.00
UNEP	160,000	160,000	158,454	1,564	160,018	100.01
UNESCO	5,867,200	5,696,360	5,696,360		5,696,360	100.00
UNFPA	10,757,418	10,433,700	10,191,148	26,208	10,217,356	97.93
UNHABITAT	3,825,797	3,821,310	3,766,320	28,542	3,794,862	99.31
UNHCR	880,784	880,784	880,784		880,784	100.00
UNICEF	23,607,156	23,379,763	22,902,583	223,475	23,126,058	98.91
UNIDO	3,590,165	3,383,207	3,195,802	(1,643)	3,194,159	94.41
UNODC	252,133	252,133	252,133		252,133	100.00
UNWOMEN	1,972,406	1,658,352	1,561,773	95,278	1,657,051	99.92
WFP	1,958,951	1,836,171	1,371,095	469,739	1,840,834	100.25
WHO	13,358,277	13,352,980	12,609,428	195,642	12,805,070	95.90
Grand Total	86,549,542	83,740,056	80,958,124	1,411,019	82,369,143	98.36

5.2 EXPENDITURE BY UNDAF OUTCOME

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

Table 5. Expenditure by UNDAF Outcome, as of 31 December 2016 (in US Dollars)

Country/Sector	Prior Years as of 31-Dec-2015		Current Year Jan-Dec-2016		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Pakistan							
Access to Safe W&S	1,115,574	1,101,688			1,115,574	1,101,688	98.76
Adult Literacy	3,926,556	3,881,411	(50,112)	(1,038)	3,876,445	3,880,373	100.10
Agriculture & Rural Dev.	2,065,898	2,016,649	(51,212)	(1,947)	2,014,686	2,014,703	100.00
Comm. Disease Contr	800,000	517,849			800,000	517,849	64.73
Decent Employ. & Poverty	1,812,572	1,769,197	(43,178)	197	1,769,394	1,769,394	100.00
Education Strengthening	972,170	972,170			972,170	972,170	100.00
Environmental Management	1,535,649	1,502,741	(4,487)	1,607	1,531,162	1,504,347	98.25
Gender Equality	11,741,982	11,694,965	(46,196)		11,695,786	11,694,965	99.99
Green Ind Waste Mng	867,630	808,934		(4,520)	867,630	804,414	92.71
Health Systems Dev.	474,032	459,203			474,032	459,203	96.87
HIV & AIDS	615,901	615,901			615,901	615,901	100.00
JP Disaster Risk Mangt	4,109,274	4,178,835	(69,340)	(145,271)	4,039,933	4,033,563	99.84
MDG Pro Poor Policy	1,219,120	1,216,893	(2,382)	(156)	1,216,738	1,216,737	100.00
MNCH & FP/ RH	2,927,760	2,901,694	(26,065)		2,901,695	2,901,694	100.00
Mob & Prot Poor & Vulnerable	2,061,877	2,025,118	(34,709)	(593,491)	2,027,168	1,431,627	70.62
Natural Res. Mangt	3,842,618	3,842,618			3,842,618	3,842,618	100.00
Norway PAK Part Initiative	22,721,449	22,470,464	(242,039)	8,436	22,479,410	22,478,900	100.00
Nutrition Health Pr	11,598,607	11,588,824	(10,469)	(686)	11,588,138	11,588,137	100.00
Population Census	2,326,451	2,326,115			2,326,451	2,326,115	99.99
Prel & Elem Educatn	1,036,772	1,024,340	(8,180)	4,253	1,028,593	1,028,593	100.00
Sec Edu with TVE&LS	1,941,364	1,938,643	(2,465)	1,038	1,938,899	1,939,681	100.04
SPA 1 Access to services			717,831	74,241	717,831	74,241	10.34
SPA 2 Economic growth	594,000	593,986		593,986	594,000	1,187,972	200.00
SPA 3 Resilience to disasters	535,726	209,156		312,214	535,726	521,370	97.32
SPA 5 Gender & social justice	297,000	6,477		182,718	297,000	189,195	63.70
SPA 6 Nutrition & FoodSecurity	1,543,274	364,452		979,438	1,543,274	1,343,890	87.08
Sustainable Urbanization	944,343	929,803	(14,539)		929,804	929,803	100.00
Pakistan Total:	83,627,600	80,958,124	112,457	1,411,019	83,740,056	82,369,143	98.36
Grand Total:	83,627,600	80,958,124	112,457	1,411,019	83,740,056	82,369,143	98.36

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 2016 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Total	
Supplies, Commodities, Equipment and Transport (Old)	11,526,836	-	11,526,836	14.92
Personnel (Old)	9,569,318	-	9,569,318	12.39
Training of Counterparts (Old)	1,433,620	-	1,433,620	1.86
Contracts (Old)	14,624,569	-	14,624,569	18.93
Other direct costs (Old)	1,655,289	-	1,655,289	2.14
Staff & Personnel Cost (New)	2,396,091	(50,073)	2,346,018	3.04
Supplies, Commodities, Materials (New)	3,227,100	398,156	3,625,256	4.69
Equipment, Vehicles, Furniture, Depreciation (New)	2,659,572	30,854	2,690,427	3.48
Contractual Services (New)	20,739,035	(203,849)	20,535,186	26.58
Travel (New)	1,118,941	175,440	1,294,381	1.68
Transfers and Grants (New)	4,092,529	769,627	4,862,155	6.29
General Operating (New)	2,885,807	208,740	3,094,547	4.01
Programme Costs Total	75,928,706	1,328,896	77,257,603	100.00
¹ Indirect Support Costs Total	5,029,417	82,122	5,111,540	6.62
Total	80,958,124	1,411,019	82,369,143	

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 2016, 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\$ 7,251 was deducted in AA-fees. Cumulatively, as of 31 December 2016, US\$ 870,430 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 82,122 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 5,111,540 as of 31 December 2016.

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'. Cumulatively, as of 31 December 2016, US\$ 150,000 has been charged as Direct Costs.