

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

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)

11 May 2017

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization



International Fund for Agriculture



International Labour Organisation



International Organization for Migration



Joint United Nations Programme for HIV/AIDS



UN Conference on Trade and Development



United Nations Development Programme



United Nations Volunteers Programme



United Nations Environment Programme



United Nations Educational, Scientific and Cultural Organization

CONTRIBUTORS



Australian Agency for Int'l Development



Government of BELGIUM



Canadian International Development Agency



Department for International Development



Delivering Results Together



Expanded DaO Funding Window



Government of FINLAND



Government of FRANCE



IRISH AID



Government of LUXEMBOURG



Government of the NETHERLANDS



Government of NORWAY



Government of NEW ZEALAND



Swiss Agency for Development and Cooperation



Swedish International Development Cooperation



United Nations
Population Fund



Government of SPAIN



UN Centre for
Human
Settlement



United Nations
Children's Fund



UN Industrial
Development
Organization



UN Office for Drug
and Crime



UNWOMEN



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 **Viet Nam One Plan Fund II** 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 **Viet Nam One Plan Fund II**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/VN200>).

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 **Viet Nam One Plan Fund II** 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/VN200>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2016**, **16** contributors deposited US\$ **103,972,021** in contributions and US\$ **450,267** was earned in interest.

The cumulative source of funds was US\$ **104,422,288** (see respectively, Tables 2 and 3).

Of this amount, US\$ **98,932,966** has been transferred to **17** Participating Organizations, of which US\$ **95,785,293** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **1,039,720**. Table 1 provides an overview of the overall sources, uses, and balance of the **Viet Nam One Plan Fund II** 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	4,845,763	1,937,445	103,972,021
Fund Earned Interest and Investment Income	9,672	4,012	393,717
Interest Income received from Participating Organizations	6,365	5,783	56,550
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	4,861,800	1,947,239	104,422,288
Use of Funds			
Transfers to Participating Organizations	6,402,235	1,751,446	99,576,008
Refunds received from Participating Organizations	(44,039)	(374,077)	(643,043)
Net Funded Amount	6,358,196	1,377,369	98,932,966
Administrative Agent Fees	48,458	19,374	1,039,720
Direct Costs: (Steering Committee, Secretariat...etc.)	271,143	683,515	4,167,659
Bank Charges	114	30	1,135
Other Expenditures	-	-	-
Total: Uses of Funds	6,677,911	2,080,289	104,141,479
Change in Fund cash balance with Administrative Agent	(1,816,111)	(133,050)	280,809
Opening Fund balance (1 January)	2,229,970	413,859	-
Closing Fund balance (31 December)	413,859	280,809	280,809
Net Funded Amount	6,358,196	1,377,369	98,932,966
Participating Organizations' Expenditure	8,895,616	6,537,247	95,785,293
Balance of Funds with Participating Organizations			3,147,673

2. PARTNER CONTRIBUTIONS

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

The **Viet Nam One Plan Fund II** is currently being financed by **16** contributors, as listed in the table below.

The table below includes commitments made through Standard Administrative Agreements signed up to 31 December 2016, and deposits; it does not include commitments for future years.

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	6,090,180	6,090,180	-	6,090,180
Government of BELGIUM	3,899,700	3,899,700	-	3,899,700
Canadian International Development Agency	1,589,398	1,581,380	8,018	1,589,398
Department for International Development (DFID)	11,456,412	11,436,106	20,306	11,456,412
Delivering Results Together	3,680,000	2,980,000	700,000	3,680,000
Expanded DaO Funding Window	20,354,000	20,354,000	-	20,354,000
Government of FINLAND	7,832,085	7,832,085	-	7,832,085
Government of FRANCE	18,971	15,009	3,962	18,971
IRISH AID	11,742,611	10,623,679	1,118,932	11,742,611
Government of LUXEMBOURG	4,898,204	4,877,696	20,508	4,898,204
Government of the NETHERLANDS	4,131,028	4,121,123	9,905	4,131,028
Government of NORWAY	11,735,293	11,709,906	25,387	11,735,293
Government of NEW ZEALAND	3,106,882	3,098,959	7,924	3,106,882
Swiss Agency for Development Cooperation	4,091,872	4,085,216	6,656	4,091,872
Swedish International Development Cooperation	1,269,500	1,269,500	-	1,269,500
Government of SPAIN	8,075,885	8,060,037	15,847	8,075,885
Grand Total	103,972,021	102,034,577	1,937,445	103,972,021

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\$ **393,717**.

Interest received from Participating Organizations amounts to US\$ **56,550**, bringing the cumulative interest received to US\$ **450,267**.

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	389,705	4,012	393,717
Total: Fund Earned Interest	389,705	4,012	393,717
Participating Organization			
UNDP	2,305		2,305
UNIDO	21,976	1,029	23,005
UNDP(UNV)	3,824	(79)	3,745
FAO	3,104	4,013	7,117
UNWOMEN	2,580		2,580
UNESCO	9,190	820	10,010
UNODC	7,787		7,787
Total: Agency earned interest	50,767	5,783	56,550
Grand Total	440,472	9,794	450,267

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\$ 99,576,008 to 17 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	5,212,978	(37,929)	5,175,049	182,987	(264,912)	(81,925)	5,395,965	(302,840)	5,093,125
ILO	6,511,802	(102,054)	6,409,748	106,189	(611)	105,578	6,617,991	(102,665)	6,515,326
IOM	387,148		387,148	14,816		14,816	401,964		401,964
UNAIDS	1,803,784		1,803,784	29,511		29,511	1,833,295		1,833,295
UNCTAD				61,950		61,950	61,950		61,950
UNDP	23,409,463		23,409,463	305,889		305,889	23,715,352		23,715,352
UNDP(UNV)	430,269		430,269	4,674	(27,669)	(22,995)	434,943	(27,669)	407,274
UNEP	84,500		84,500				84,500		84,500
UNESCO	3,549,454	(931)	3,548,523	61,817		61,817	3,611,271	(931)	3,610,340
UNFPA	7,028,263	(117,697)	6,910,566	188,687		188,687	7,216,950	(117,697)	7,099,253
UNHABITAT	2,019,879		2,019,879	6,820		6,820	2,026,699		2,026,699
UNICEF	24,187,131	(2,439)	24,184,691	330,657		330,657	24,517,788	(2,439)	24,515,348
UNIDO	4,542,738		4,542,738	36,984	(80,885)	(43,901)	4,579,722	(80,885)	4,498,837
UNODC	4,548,965	(3,007)	4,545,958	40,551		40,551	4,589,516	(3,007)	4,586,509
UNWOMEN	2,699,183	(4,908)	2,694,275	82,642		82,642	2,781,825	(4,908)	2,776,917
WHO	11,409,007		11,409,007	297,272		297,272	11,706,279		11,706,279
Grand Total	97,824,562	(268,966)	97,555,596	1,751,446	(374,077)	1,377,369	99,576,008	(643,043)	98,932,966

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/VN200>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2016**, US\$ **1,377,369** million was net funded to Participating Organizations, and US\$ **6,537,247** million was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **98,932,966** and cumulative expenditures reported by the Participating Organizations amount to US\$ **95,785,293**. This equates to an overall Fund expenditure delivery rate of **97** percent.

The agencies with the three highest delivery rates are: UNFPA (99%), UNDP(UNV) (99%) and ILO (98%)

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	5,451,165	5,093,125	3,919,553	782,369	4,701,922	92.32
IFAD	14,816					0
ILO	6,512,809	6,515,326	6,075,043	342,039	6,417,082	98.49
IOM	401,964	401,964	281,920	43,055	324,975	80.85
UNAIDS	1,833,295	1,833,295	1,450,887	224,243	1,675,129 ¹	91.37
UNCTAD	61,950	61,950		5,329	5,329	8.60
UNDP	23,715,352	23,715,352	21,838,220	1,319,733	23,157,952	97.65
UNDP(UNV)	434,943	407,274	293,218	108,381	401,599	98.61
UNEP	84,500	84,500	64,434		64,434	76.25
UNESCO	3,611,271	3,610,340	3,350,888	193,060	3,543,948	98.16
UNFPA	7,611,526	7,099,253	6,372,109	669,919	7,042,028	99.19
UNHABITAT	2,026,699	2,026,699	1,891,966	101,055	1,993,022	98.34
UNICEF	24,938,133	24,515,348	22,477,835	1,448,057	23,925,892	97.60
UNIDO	4,579,722	4,498,837	4,095,371	201,766	4,297,137	95.52
UNODC	4,674,516	4,586,509	3,988,424	414,580	4,403,003	96.00
UNWOMEN	2,781,825	2,776,917	2,220,549	455,712	2,676,261	96.38
WHO	12,554,973	11,706,279	10,927,628	227,950 ²	11,155,579	95.30
Grand Total	101,289,458	98,932,966	89,248,046	6,537,247	95,785,293	96.82

¹ The correct cumulative expenditure figure in May 2017 was USD 1,763,193, and will be corrected during the next reporting phase. Hence, the updated grand total number is USD 95,873,357.

² The final 2016 expenditure figure is USD 228,172, which was caused due to fluctuations in the currency exchange rate. The final number will be corrected during the next reporting phase. Hence, the updated grand total number is USD 6,537,469.

5.2 EXPENDITURE BY [UNDAF OUTCOME OR THEMATIC AREA]

Table 6 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome.

Table 6. 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	
Viet Nam							
OP 2006 Disaster Management	5,396,896	5,395,540		0	5,396,896	5,395,540	99.97
OP 2006 Environment	4,644,477	4,414,814	(231,157)	(6,629)	4,413,320	4,408,185	99.88
OP 2006 Governance	8,351,377	8,351,375			8,351,377	8,351,375	100.00
OP 2006 Social Economic Policy	17,665,602	17,414,226	(62,283)	188,718	17,603,318	17,602,944	100.00
OP 2006 Social Services	27,505,827	27,416,179	(80,025)	7,852	27,425,802	27,424,031	99.99
OP 2012 Governance & Particip.	10,092,661	7,054,218	261,214	2,264,126	10,353,875	9,318,344	90.00
OP 2012 Inclusive Growth	9,111,251	7,634,155	905,569	1,564,551	10,016,820	9,198,707	91.83
OP 2012 Services & Soc Protect	14,787,506	11,567,539	584,052	2,518,629	15,371,558	14,086,168	91.64
Viet Nam Total:	97,555,596	89,248,046	1,377,369	6,537,247	98,932,966	95,785,293	96.82
Grand Total:	97,555,596	89,248,046	1,377,369	6,537,247	98,932,966	95,785,293	96.82

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)	2,679,967	-	2,679,967	2.99
Personnel (Old)	13,505,521	-	13,505,521	15.06
Training of Counterparts (Old)	9,326,889	-	9,326,889	10.40
Contracts (Old)	16,477,958	-	16,477,958	18.38
Other direct costs (Old)	1,266,998	-	1,266,998	1.41
Staff & Personnel Cost (New)	11,567,711	2,419,750	13,987,460	15.60
Suppl, Comm, Materials (New)	152,990	(8,996)	143,994	0.16
Equip, Veh, Furn, Depn (New)	605,531	340,844	946,375	1.06
Contractual Services (New)	4,411,235	5,921,978	10,333,213	11.53
Travel (New)	2,143,031	1,593,148	3,736,179	4.17
Transfers and Grants (New)	7,575,266	1,341,621	8,916,887	9.95
General Operating (New)	14,396,166	(6,066,912)	8,329,253	9.29
Programme Costs Total	84,109,263	5,541,432	89,650,695	100.00
¹ Indirect Support Costs Total	5,138,782	995,816	6,134,598	6.84
Total	89,248,046	6,537,247	95,785,293	

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\$ **19,374** was deducted in AA-fees. Cumulatively, as of 31 December 2016, US\$ **1,039,720** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **995,816** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **6,134,598** 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'. In reporting period, direct costs amounting to US\$ **683,515** was charged. Cumulatively, as of 31 December 2016, US\$ **4,167,659** has been charged as Direct Costs. Of this amount 3,334,912 has been expended.