

**Consolidated Annual Financial
Report of the Administrative Agent
of
the Kyrgyzstan One Fund**

for the period 1 January to 31 December 2016

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
GATEWAY: <http://mptf.undp.org>

31 May 2017

PARTICIPATING ORGANIZATIONS



Food and Agriculture
Organization (FAO)



International Labour
Organisation (ILO)



United Nations Development
Programme (UNDP)



United Nations Volunteers
Programme



United Nations Population
Fund (UNFPA)



UN High Commissioner for
Refugees (UNHCR)



United Nations Children's
Fund (UNICEF)



UN Industrial Development
Organization (UNIDO)



United Nations Entity for
Gender Equality and the
Empowerment of Women
(UNWOMEN)



World Food Programme
(WFP)



World Health Organization
(WHO)

CONTRIBUTORS



Expanded DaO Funding Window

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 Kyrgyzstan 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/KG100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2016, one contributor deposited US\$ 9,960,000 in contributions and US\$ 54,204 was earned in interest.

The cumulative source of funds was US\$ 10,014,204

Of this amount, US\$ 9,739,314 has been net funded to 11 Participating Organizations, of which US\$ 9,728,042 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 99,600. Table 1 provides an overview of the overall sources, uses, and balance of the Kyrgyzstan 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	-	-	9,960,000
Fund Earned Interest and Investment Income	281	516	12,298
Interest Income received from Participating Organizations	1,315	-	41,906
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	1,596	516	10,014,204
Use of Funds			
Transfers to Participating Organizations	-	-	9,761,215
Refunds received from Participating Organizations	(11,919)	(8,349)	(21,902)
Net Funded Amount	(11,919)	(8,349)	9,739,314
Administrative Agent Fees	-	-	99,600
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	98,178
Bank Charges	2	3	109
Other Expenditures	-	-	-
Total: Uses of Funds	(11,917)	(8,346)	9,937,201
Change in Fund cash balance with Administrative Agent	13,513	8,861	77,003
Opening Fund balance (1 January)	54,628	68,141	-
Closing Fund balance (31 December)	68,141	77,003	77,003
Net Funded Amount	(11,919)	(8,349)	9,739,314
Participating Organizations' Expenditure	(4,194)	32,761	9,728,042
Balance of Funds with Participating Organizations			11,272

2. PARTNER CONTRIBUTIONS

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

Table 2. Contributors' 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
Expanded DaO Funding Window	9,960,000	9,960,000	-	9,960,000
Grand Total	9,960,000	9,960,000	-	9,960,000

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 Administrative Agent.

As of 31 December 2016, Fund earned interest amounts to US\$ 12,298.

Interest received from Participating Organizations amounts to US\$ 41,906, bringing the cumulative interest received to US\$ 54,204. 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	11,782	516	12,298
Total: Fund Earned Interest	11,782	516	12,298
Participating Organization			
FAO	1,206		1,206
UNDP	37,482		37,482
UNDP(UNV)	111		111
UNIDO	2,871		2,871
UNWOMEN	236		236
Total: Agency earned interest	41,906		41,906
Grand Total	53,688	516	54,204

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 Administrative Agent has transferred US\$ 9,761,215 to 11 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 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	1,060,247	(11,919)	1,048,328				1,060,247	(11,919)	1,048,328
ILO	241,404	(1,634)	239,770				241,404	(1,634)	239,770
UNDP	2,824,203		2,824,203				2,824,203		2,824,203
UNDP(UNV)	52,965		52,965				52,965		52,965
UNFPA	305,903		305,903				305,903		305,903
UNHCR	506,446		506,446				506,446		506,446
UNICEF	1,307,653		1,307,653				1,307,653		1,307,653
UNIDO	533,725		533,725		(8,349)	(8,349)	533,725	(8,349)	525,377
UNWOMEN	134,269		134,269				134,269		134,269
WFP	2,582,431		2,582,431				2,582,431		2,582,431
WHO	211,969		211,969				211,969		211,969
Grand Total	9,761,215	(13,553)	9,747,662		(8,349)	(8,349)	9,761,215	(21,902)	9,739,314

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/KG100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In 2016, US\$ (8,349) was net funded to Participating Organizations, and US\$ 32,761 was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ 9,739,314 and cumulative expenditures reported by the Participating Organizations amount to US\$ 9,728,042. This equates to an overall Fund expenditure delivery rate of 100 percent.

Table 5.1 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	1,060,247	1,048,328	1,048,328		1,048,328	100.00
ILO	241,404	239,770	239,770		239,770	100.00
UNDP	2,824,203	2,824,203	2,772,066	35,922	2,807,988	99.43
UNDP(UNV)	52,965	52,965	52,965		52,965	100.00
UNFPA	305,903	305,903	305,903		305,903	100.00
UNHCR	506,446	506,446	506,446		506,446	100.00
UNICEF	1,307,653	1,307,653	1,315,756		1,315,756	100.62
UNIDO	533,725	525,377	525,379	(3,161)	522,218	99.40
UNWOMEN	134,269	134,269	134,269		134,269	100.00
WFP	2,582,431	2,582,431	2,582,431		2,582,431	100.00
WHO	211,969	211,969	211,969		211,969	100.00
Grand Total	9,761,215	9,739,314	9,695,281	32,761	9,728,042	99.88

5.2 EXPENDITURE BY [UNDAF OUTCOME OR THEMATIC AREA]

Table 5.2 displays the net funded amounts, expenditures incurred and the financial delivery rates by [UNDAF Outcome or Thematic Area].

Table 5.2 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	
Kyrgyzstan							
Agriculture	1,846,400	1,811,280	(8,349)	(4,920)	1,838,052	1,806,360	98.28
Energy	987,569	981,744		1,760	987,569	983,503	99.59
Environment	796,856	813,239			796,856	813,239	102.06
Food Security	2,582,431	2,582,431			2,582,431	2,582,431	100.00
Risk Management	1,117,122	1,081,200		35,922	1,117,122	1,117,122	100.00
Social Services	2,417,284	2,425,387			2,417,284	2,425,387	100.34
Kyrgyzstan Total:	9,747,662	9,695,281	(8,349)	32,761	9,739,314	9,728,042	99.88
Grand Total:	9,747,662	9,695,281	(8,349)	32,761	9,739,314	9,728,042	99.88

5.3 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. See table below.

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 5.3 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)	1,537,058	-	1,537,058	16.80
Personnel (Old)	643,580	-	643,580	7.04
Training of Counterparts (Old)	114,034	-	114,034	1.25
Contracts (Old)	554,053	-	554,053	6.06
Other direct costs (Old)	512,785	-	512,785	5.61
Staff & Personnel Cost (New)	309,065	-	309,065	3.38
Suppl, Comm, Materials (New)	1,626,499	41	1,626,540	17.78
Equip, Veh, Furn, Depn (New)	564,425	(2,994)	561,431	6.14
Contractual Services (New)	1,138,008	-	1,138,008	12.44
Travel (New)	437,841	-	437,841	4.79
Transfers and Grants (New)	855,991	-	855,991	9.36
General Operating (New)	823,475	33,572	857,046	9.37
Programme Costs Total	9,116,814	30,618	9,147,432	100.00
¹ Indirect Support Costs Total	578,467	2,143	580,610	6.35
Total	9,695,281	32,761	9,728,042	

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\$ was deducted in AA-fees. Cumulatively, as of 31 December 2016, US\$ 99,600 has been charged in AA-fees.
- Indirect Costs of Participating Organizations: Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 2,143 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 580,610 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'. The total direct costs charged to the Fund amounts to US\$ 98,178.