

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Kurdistan Vision 2020 Facility 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)

25 May 2017

PARTICIPATING ORGANIZATIONS



Food and
Agriculture
Organizat



International
Labour Organisat



UNDP(MDTF/PUNO
only).



United Nations
Educational, Sc



United Nations
Population Fund



UN Centre for
Human Settlement



United Nations
Children's Fund



UNWOMEN



World Food
Programme



World Health
Organization

CONTRIBUTORS



Kurdistan Regional Govt Iraq

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 **Kurdistan Vision 2020 Facility 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 **Kurdistan Vision 2020 Facility Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/IQK00>).

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 **Kurdistan Vision 2020 Facility 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/IQK00>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2016**, 1 contributor deposited US\$ **4,200,861** in contributions and US\$ **5,644** was earned in interest.

The cumulative source of funds was US\$ **4,206,505** (see respectively Tables 2 and 3)

Of this amount, US\$ **3,673,817** has been net funded to **10** Participating Organizations, of which US\$ **3,340,040** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **42,009**. Table 1 provides an overview of the overall sources, uses, and balance of the **Kurdistan Vision 2020 Facility 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	-	-	4,200,861
Fund Earned Interest and Investment Income	2,397	1,883	5,573
Interest Income received from Participating Organizations	-	71	71
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	2,397	1,954	4,206,505
Use of Funds			
Transfers to Participating Organizations	450,320	15,000	3,688,817
Refunds received from Participating Organizations	-	(15,000)	(15,000)
Net Funded Amount	450,320	-	3,673,817
Administrative Agent Fees	-	-	42,009
Direct Costs: (Steering Committee, Secretariat...etc.)	-	119,412	259,412
Bank Charges	19	11	51
Other Expenditures	-	-	-
Total: Uses of Funds	450,339	119,423	3,975,288
Change in Fund cash balance with Administrative Agent	(447,941)	(117,468)	231,217
Opening Fund balance (1 January)	796,627	348,685	-
Closing Fund balance (31 December)	348,685	231,217	231,217
Net Funded Amount	450,320	-	3,673,817
Participating Organizations' Expenditure	2,177,258	(185,200)	3,340,040
Balance of Funds with Participating Organizations			333,777

2. PARTNER CONTRIBUTIONS

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

The **Kurdistan Vision 2020 Facility Fund** is currently being financed by 1 contributors, as listed in the table below.

The table below includes commitments made up to 31 December 2016 through signed Standard Administrative Agreements, and deposits made through 2016. It does not include commitments that were made to the fund beyond 2016.

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
Kurdistan Regional Govt Iraq	4,200,861	4,200,861	-	4,200,861
Grand Total	4,200,861	4,200,861	-	4,200,861

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\$ 5,573.

Interest received from Participating Organizations amounts to US\$ 71, bringing the cumulative interest received to US\$ 5,644.

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	3,690	1,883	5,573
Total: Fund Earned Interest	3,690	1,883	5,573
Participating Organization			
UNESCO		71	71
Total: Agency earned interest		71	71
Grand Total	3,690	1,954	5,644

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\$ **3,688,817** to **10** 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	64,000		64,000				64,000		64,000
ILO	303,520		303,520				303,520		303,520
UNDP	575,735		575,735	15,000	(15,000)		590,735	(15,000)	575,735
UNESCO	50,000		50,000				50,000		50,000
UNFPA	604,530		604,530				604,530		604,530
UNHABITAT	808,449		808,449				808,449		808,449
UNICEF	697,268		697,268				697,268		697,268
UNWOMEN	142,513		142,513				142,513		142,513
WFP	87,930		87,930				87,930		87,930
WHO	339,872		339,872				339,872		339,872
Grand Total	3,673,817		3,673,817	15,000	(15,000)		3,688,817	(15,000)	3,673,817

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/IQK00>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2016**, US\$ was net funded to Participating Organizations, and US\$ **(185,200)** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **3,673,817** and cumulative expenditures reported by the Participating Organizations amount to US\$ **3,340,040**. This equates to an overall Fund expenditure delivery rate of **91** percent.

The agencies with the three highest delivery rates are: UNDP (100%), UNHABITAT (100%) and ILO (99%)

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	64,000	64,000	54,757	8,532	63,289	98.89
ILO	303,520	303,520	172,034	128,917	300,951	99.15
UNDP	590,735	575,735	402,967	172,283	575,249	99.92
UNESCO	50,000	50,000	44,685	631	45,316	90.63
UNFPA	604,530	604,530	573,400	22,708	596,109	98.61
UNHABITAT	808,449	808,449	855,423	(49,129)	806,294	99.73
UNICEF	697,268	697,268	1,219,919	(533,996)	685,923	98.37
UNWOMEN	142,513	142,513	69,603	396	69,999	49.12
WFP	87,930	87,930				0
WHO	339,872	339,872	132,452	64,457	196,910	57.94
Grand Total	3,688,817	3,673,817	3,525,239	(185,200)	3,340,040	90.91

5.3 EXPENDITURE BY PROJECT

Table 6 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

Table 5. Expenditure by Project within Sector, as of 31 December 2016 (in US Dollars)

Sector / Project No. and Project Title		Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
1.1 Equal Access							
00091232	P1-IS-02 Reintegration of Deta	UNFPA	On Going	95,600	95,600	91,499	95.71
00091232	P1-IS-02 Reintegration of Deta	UNICEF	On Going	120,000	120,000	120,000	100.00
00091233	P1-IS-03 Rehab for Mine Victim	UNDP	On Going	133,200	133,200	133,200	100.00
00091233	P1-IS-03 Rehab for Mine Victim	UNICEF	On Going	80,000	80,000	80,000	100.00
00091234	P1-ED-01 Child Friendly School	UNFPA	On Going	47,872	47,872	47,734	99.71
00091234	P1-ED-01 Child Friendly School	UNICEF	On Going	105,472	105,472	105,472	100.00
00091234	P1-ED-01 Child Friendly School	WFP	On Going	54,784	54,784		0
00091234	P1-ED-01 Child Friendly School	WHO	On Going	47,872	47,872	27,349	57.13
00091236	P1-IS-05 FGM Elimination	UNICEF	On Going	120,000	120,000	119,560	99.63
00091237	P1-IS-06 Disadvantaged Youth	ILO	On Going	303,520	303,520	300,951	99.15
00091237	P1-IS-06 Disadvantaged Youth	UNFPA	On Going	215,600	215,600	215,557	99.98
00091240	P1-HT-01 Improve PHC Services	UNFPA	On Going	165,458	165,458	165,081	99.77
00091240	P1-HT-01 Improve PHC Services	UNICEF	On Going	171,796	171,796	161,718	94.13
00091240	P1-HT-01 Improve PHC Services	WFP	On Going	33,146	33,146		0
00091240	P1-HT-01 Improve PHC Services	WHO	On Going	292,000	292,000	169,561	58.07
1.1 Equal Access: Total				1,986,320	1,986,320	1,737,681	87.48
1.2 People's Participation							
00091231	P1-IS-01 Safer Cities in Suli	UNDP	On Going	15,043	43		0

00091231	P1-IS-01 Safer Cities in Suli	UNHABITAT	On Going	57,916	57,916	152,361	263.07
00091231	P1-IS-01 Safer Cities in Suli	UNWOMEN	On Going	16,513	16,513	2,449	14.83
00091235	P1-IS-04 Ct. of Gender Studies	UNWOMEN	On Going	80,000	80,000	25,995	32.49
1.2 People's Participation: Total				169,472	154,472	180,805	117.05

2 Living Standards							
00091238	P1-IS-07 Soc-Eco Women Empower	FAO	On Going	64,000	64,000	63,289	98.89
00091238	P1-IS-07 Soc-Eco Women Empower	UNESCO	On Going	50,000	50,000	45,316	90.63
00091238	P1-IS-07 Soc-Eco Women Empower	UNFPA	On Going	80,000	80,000	76,238	95.30
00091238	P1-IS-07 Soc-Eco Women Empower	UNWOMEN	On Going	46,000	46,000	41,555	90.34
00091239	P1-IS-08 National UNVs	UNDP	On Going	232,060	232,060	231,918	99.94
00091241	P2-HS-01 Urban Planning	UNHABITAT	On Going	750,533	750,533	653,933	87.13
00091242	P2-WS-01 Water Conserv/Mgt	UNICEF	On Going	100,000	100,000	99,174	99.17
2 Living Standards: Total				1,322,593	1,322,593	1,211,422	91.59

3.2 Legislative Framework							
00091243	P4-GV-01 Support for HR Board	UNDP	On Going	210,432	210,432	210,132	99.86
3.2 Legislative Framework: Total				210,432	210,432	210,132	99.86

Grand Total				3,688,817	3,673,817	3,340,040	90.91
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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. 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
- 9.

Table 7. 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	
Staff & Personnel Cost (New)	530,386	41,303	571,689	18.27
Suppl, Comm, Materials (New)	105,169	7,444	112,612	3.60
Equip, Veh, Furn, Depn (New)	50,566	17,723	68,289	2.18
Contractual Services (New)	928,829	(55,759)	873,069	27.89
Travel (New)	255,689	(7,665)	248,024	7.92
Transfers and Grants (New)	842,275	(235,513)	606,762	19.39
General Operating (New)	591,295	58,226	649,521	20.75
Programme Costs Total	3,304,208	(174,241)	3,129,967	100.00
¹ Indirect Support Costs Total	221,031	(10,958)	210,073	6.71
Total	3,525,239	(185,200)	3,340,040	

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\$ **42,009** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **(10,958)** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **210,073** 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 the reporting period, direct costs charged to the fund amounted to US\$ **119,412**. Cumulatively, as of 31 December 2016, US\$ **259,412** has been charged as Direct Costs.