

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Mozambique One UN 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)

31 May 2017

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization



International Fund for Agriculture



International Labour Organisation



International Organization for Migration



International Trade Centre



Joint United Nations Programme on HIV/AIDS



United Nations Capital Development Fund



UN Conference on Trade and Development



United Nations Development Programme



United Nations Environment Programme



United Nations Educational,

CONTRIBUTORS



Canadian International Development Agency



Department for International Development (DFID)



Delivering Results Together



Expanded DaO Funding Window



Government of Iceland



Government of the Netherlands



Government of Norway



Government of Portugal



Government of Spain



Government of SWEDEN



Flemish Government

Scientific and
Cultural
Organization



United Nations
Population Fund



UN Centre for
Human
Settlement



UN High
Commissioner for
Refugees



United Nations
Children's Fund



UN Interregional
Crime Justice
Institute



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 **Mozambique One UN 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 **Mozambique One UN Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/MZ100>).

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 **Mozambique One UN 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/MZ100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2016, 11 contributors deposited US\$ 95,879,080 in contributions and US\$ 741,764 was earned in interest.

The cumulative source of funds was US\$ 96,620,843 (see respectively, Tables 2 and 3).

Of this amount, US\$ 94,104,150 has been transferred to 21 Participating Organizations, of which US\$ 92,733,107 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 958,791. Table 1 provides an overview of the overall sources, uses, and balance of the **Mozambique One UN 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	1,720,436	500,000	95,879,080
Fund Earned Interest and Investment Income	8,108	5,331	468,186
Interest Income received from Participating Organizations	5,691	2,761	273,578
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	1,734,235	508,091	96,620,843
Use of Funds			
Transfers to Participating Organizations	3,458,231	1,249,906	96,346,214
Refunds received from Participating Organizations	(387,577)	(824,986)	(2,242,064)
Net Funded Amount	3,070,654	424,920	94,104,150
Administrative Agent Fees	17,204	5,000	958,791
Direct Costs: (Steering Committee, Secretariat...etc.)	180,000	125,000	725,400
Bank Charges	92	32	1,050
Other Expenditures	-	-	-
Total: Uses of Funds	3,267,950	554,952	95,789,391
Change in Fund cash balance with Administrative Agent	(1,533,715)	(46,861)	831,453
Opening Fund balance (1 January)	2,412,029	878,314	-
Closing Fund balance (31 December)	878,314	831,453	831,453
Net Funded Amount	3,070,654	424,920	94,104,150
Participating Organizations' Expenditure	5,029,898	2,589,319	92,733,107
Balance of Funds with Participating Organizations			1,371,043

2. PARTNER CONTRIBUTIONS

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

The **Mozambique One UN Fund** is currently being financed by **11** 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
CANADIAN INTERNATIONAL DEVELOPMENT AGENC	28,491,395	28,491,395	-	28,491,395
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	96,741	96,741	-	96,741
Delivering Results Together	3,500,000	3,000,000	500,000	3,500,000
Expanded DaO Funding Window	39,668,000	39,668,000	-	39,668,000
ICELAND, Government of	50,000	50,000	-	50,000
NETHERLANDS, Government of	6,641,320	6,641,320	-	6,641,320
NORWAY, Government of	4,572,788	4,572,788	-	4,572,788
PORTUGAL, Government of	33,597	33,597	-	33,597
SPAIN, Government of	12,000,000	12,000,000	-	12,000,000
SWEDEN, Government of	638,400	638,400	-	638,400
FLEMISH GOVERNMENT	186,839	186,839	-	186,839
Grand Total	95,879,080	95,379,080	500,000	95,879,080

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\$ 468,186.

Interest received from Participating Organizations amounts to US\$ 273,578, bringing the cumulative interest received to US\$ 741,764.

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	462,855	5,331	468,186
Total: Fund Earned Interest	462,855	5,331	468,186
Participating Organization			
UNDP	139,048		139,048
UNIDO	28,635	272	28,907
FAO	4,044	2,346	6,390
UNFPA	22,435		22,435
UNWOMEN	16,243		16,243
UNCTAD	2,118		2,118
UNESCO	58,294	143	58,437
Total: Agency earned interest	270,817	2,761	273,578
Grand Total	733,672	8,091	741,764

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\$ 96,346,214 to 21 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	6,071,900	(6,806)	6,065,094	250,000	(52,129)	197,871	6,321,900	(58,935)	6,262,965
ILO	5,473,355	(6,979)	5,466,376		(2,125)	(2,125)	5,473,355	(9,104)	5,464,251
IOM	2,121,988		2,121,988				2,121,988		2,121,988
ITC	329,911	(23,749)	306,162				329,911	(23,749)	306,162
UNAIDS	704,418	(31,909)	672,509				704,418	(31,909)	672,509
UNCDF	1,453,622		1,453,622		(170,312)	(170,312)	1,453,622	(170,312)	1,283,310
UNCTAD	262,800	(2,598)	260,202				262,800	(2,598)	260,202
UNDP	10,447,056	(688)	10,446,368	149,402	(302,276)	(152,874)	10,596,458	(302,964)	10,293,494
UNEP	142,600		142,600				142,600		142,600
UNESCO	4,712,789	(1,012,765)	3,700,024	54,000	(96,849)	(42,849)	4,766,789	(1,109,614)	3,657,175
UNFPA	10,136,464		10,136,464	231,462	(33,924)	197,538	10,367,927	(33,924)	10,334,002
UNHABITAT	2,067,643		2,067,643				2,067,643		2,067,643
UNHCR	981,845		981,845				981,845		981,845
UNICEF	20,361,801		20,361,801	190,001		190,001	20,551,802		20,551,802
UNICRI	78,200		78,200		(2,372)	(2,372)	78,200	(2,372)	75,828
UNIDO	2,691,026		2,691,026		(157,147)	(157,147)	2,691,026	(157,147)	2,533,879
UNODC	150,000		150,000				150,000		150,000
UNWOMEN	3,382,126	(13,299)	3,368,827	125,130		125,130	3,507,256	(13,299)	3,493,958
WFP	16,008,758		16,008,758	249,910		249,910	16,258,668		16,258,668
WHO	7,518,005	(318,285)	7,199,720		(7,851)	(7,851)	7,518,005	(326,136)	7,191,869
Grand Total	95,096,308	(1,417,078)	93,679,230	1,249,906	(824,986)	424,920	96,346,214	(2,242,064)	94,104,150

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/MZ100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2016**, US\$ **424,920** million was net funded to Participating Organizations, and US\$ **2,589,319** million was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **94,104,150** and cumulative expenditures reported by the Participating Organizations amount to US\$ **92,733,107**. This equates to an overall Fund expenditure delivery rate of **99** percent.

The agencies with the three highest delivery rates are: WFP (104%), UNHABITAT (100%) and ITC (100%)

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	6,321,900	6,262,965	5,941,676	240,527	6,182,202	98.71
IFAD	298,000					0
ILO	5,473,355	5,464,251	5,464,251		5,464,251	100.00
IOM	2,121,988	2,121,988	2,121,988		2,121,988	100.00
ITC	329,911	306,162	306,163		306,163	100.00
UNAIDS	704,418	672,509	672,508		672,508	100.00
UNCDF	1,453,622	1,283,310	1,258,341	24,969	1,283,310	100.00
UNCTAD	262,800	260,202	258,891		258,891	99.50
UNDP	10,596,459	10,293,494	8,223,405	949,570	9,172,975	89.11 ¹
UNEP	142,600	142,600	139,566		139,566	97.87
UNESCO	4,766,789	3,657,175	3,603,175		3,603,175	98.52
UNFPA	10,367,927	10,334,002	9,587,603	433,053	10,020,656	96.97
UNHABITAT	2,067,643	2,067,643	2,075,601	263	2,075,864	100.40
UNHCR	981,845	981,845	981,845		981,845	100.00
UNICEF	20,551,802	20,551,802	19,989,839	457,483	20,447,322	99.49
UNICRI	78,200	75,828	75,828		75,828	100.00
UNIDO	2,691,026	2,533,879	2,583,707	(55,938)	2,527,768	99.76
UNODC	150,000	150,000	150,000		150,000	100.00
UNWOMEN	3,507,256	3,493,958	3,028,588	258,342	3,286,930	94.07
WFP	16,258,668	16,258,668	16,586,568	248,890	16,835,457	103.55 ²
WHO	7,518,005	7,191,869	7,094,246	32,161	7,126,407	99.09
Grand Total	96,644,214	94,104,150	90,143,788	2,589,319	92,733,107	98.54

¹ Expenditures to be reflected once the corrections being made are completed;

² Over expenditure due to exchange rate variations/

5.2 EXPENDITURE BY UNDAF OUTCOME

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	
Mozambique							
Bldg Commod. Value Chain	3,120,230	2,867,552			3,120,230	2,867,552	91.90
Change Management Project	1,177,712	739,993		466,331	1,177,712	1,206,325	102.43
Civil Society Organization	4,819,956	4,794,296		1	4,819,956	4,794,297	99.47
Decentralization & Integration	6,406,313	6,245,831	(113,303)	23,181	6,293,011	6,269,012	99.62
Disaster Risk Reduction	8,634,434	8,340,517	(42,586)	(3,906)	8,591,848	8,336,611	97.03
Effective Trade Policy & Mgt	1,476,717	1,446,697	(1,445)	29,125	1,475,272	1,475,822	100.04
Gender Equality	6,398,389	6,194,090	(260,593)	(53,589)	6,137,796	6,140,501	100.04
HIV & AIDS Response	11,502,335	11,498,791	(3,544)		11,498,791	11,498,791	100.00
Sexual and Reproductive Health	3,836,518	3,834,875	(1,643)		3,834,875	3,834,875	100.00
UNDAF 2012-15 Cross Cutting	1,010,028	258,765		28,992	1,010,028	287,757	28.49
UNDAF 2012-15 Economic Area	4,254,427	3,872,017	473,756	620,533	4,728,183	4,492,551	95.02
UNDAF 2012-15 Governance Area	3,921,280	2,043,738	(26,905)	1,286,431	3,894,375	3,330,170	85.51
UNDAF 2012-15 Social Area	26,849,811	27,754,515	414,499	186,576	27,264,310	27,941,091	102.48
Vulnerable Populations	4,944,288	4,944,288			4,944,288	4,944,288	100.00
Youth Employment	5,326,792	5,307,821	(13,316)	5,644	5,313,476	5,313,466	100.00
Mozambique Total:	93,679,230	90,143,788	424,920	2,589,319	94,104,150	92,733,107	98.54
Grand Total:	93,679,230	90,143,788	424,920	2,589,319	94,104,150	92,733,107	98.54

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 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	
Supplies, Commodities, Equipment and Transport (Old)	11,728,273	-	11,728,273	13.49
Personnel (Old)	14,911,279	-	14,911,279	17.15
Training of Counterparts (Old)	5,738,323	-	5,738,323	6.60
Contracts (Old)	14,779,857	-	14,779,857	17.00
Other direct costs (Old)	3,656,242	-	3,656,242	4.20
Staff & Personnel Cost (New)	4,034,318	211,934	4,246,252	4.88
Suppl, Comm, Materials (New)	9,445,414	711,990	10,157,404	11.68
Equip, Veh, Furn, Depn (New)	1,517,879	68,938	1,586,817	1.82
Contractual Services (New)	4,222,464	108,643	4,331,108	4.98
Travel (New)	2,936,107	366,213	3,302,319	3.80
Transfers and Grants (New)	7,596,743	444,695	8,041,438	9.25
General Operating (New)	3,926,496	549,153	4,475,649	5.15
Programme Costs Total	84,493,396	2,461,566	86,954,962	100.00
¹ Indirect Support Costs Total	5,650,391	127,754	5,778,145	6.64
Total	90,143,788	2,589,319	92,733,107	

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\$ **5,000** was deducted in AA-fees. Cumulatively, as of 31 December 2016, US\$ **958,791** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **127,754** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **5,778,145** 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\$ **125,000** were charged to the Fund. Cumulatively, as of 31 December 2016, US\$ **725,400** has been charged as Direct Costs.