

**Consolidated Annual Financial  
Report of the Administrative Agent  
for  
the Cape Verde Transition Fund**

**for the period 1 January to 31 December 2017**

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

31 May 2018

**PARTICIPATING ORGANIZATIONS**

	Food and Agriculture Organization
	International Labour Organisation
	International Organisation for Migration
	International Trade Centre
	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
	United Nations Population Fund

**CONTRIBUTORS**

	Government of Austria
	Delivering Results Together
	Expanded DaO Funding Window
	Government of Luxembourg
	Government of Netherlands
	Government of Norway
	Government of Spain



UN Centre for  
Human  
Settlements  
Programme



United Nations  
Children's Fund



UN Industrial  
Development  
Organisation



UN Office for  
Drugs 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.

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## INTRODUCTION

This Consolidated Annual Financial Report of the **Cape Verde Transition 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 **2017** and provides financial data on progress made in the implementation of projects of the **Cape Verde Transition Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/CV100>).

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

## 2017 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Cape Verde Transition Fund** using the pass-through funding modality as of 31 December 2017. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:

<http://mptf.undp.org/factsheet/fund/CV100>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December 2017, 7 contributors deposited US\$ 26,846,059 in contributions and US\$ 274,835 was earned in interest.

The cumulative source of funds was US\$ 27,120,894

Of this amount, US\$ 24,258,364 has been net funded to 17 Participating Organizations, of which US\$ 22,073,843 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 268,461. Table 1 provides an overview of the overall sources, uses, and balance of the **Cape Verde Transition Fund** as of 31 December 2017.

**Table 1. Financial Overview, as of 31 December 2017 (in US Dollars)**

	Annual 2016	Annual 2017	Cumulative
<b>Sources of Funds</b>			
Contributions from donors	3,618,904	-	26,846,059
Fund Earned Interest and Investment Income	20,164	31,345	217,805
Interest Income received from Participating Organizations	4,478	535	57,030
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
<b>Total: Sources of Funds</b>	<b>3,643,545</b>	<b>31,880</b>	<b>27,120,894</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	2,181,853	1,386,862	25,272,778
Refunds received from Participating Organizations	(541,311)	(441,374)	(1,014,413)
<b>Net Funded Amount</b>	<b>1,640,542</b>	<b>945,488</b>	<b>24,258,364</b>
Administrative Agent Fees	36,189	-	268,461
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	112	114	743
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>1,676,842</b>	<b>945,602</b>	<b>24,527,567</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>1,966,703</b>	<b>(913,721)</b>	<b>2,593,326</b>
Opening Fund balance (1 January)	1,540,345	3,507,048	-
<b>Closing Fund balance (31 December)</b>	<b>3,507,048</b>	<b>2,593,326</b>	<b>2,593,326</b>
Net Funded Amount (Includes Direct Cost)	1,640,542	945,488	24,258,364
Participating Organizations' Expenditure (Includes Direct Cost)	2,177,969	1,779,471	22,073,843
<b>Balance of Funds with Participating Organizations</b>			<b>2,184,522</b>

## 2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2017.

The **Cape Verde Transition Fund** is currently being financed by **7** contributors, as listed in the table below.

The table below includes commitments made up to 31 December 2017 through signed Standard Administrative Agreements, and deposits made through 2017. It does not include commitments that were made to the fund beyond 2017.

**Table 2. Contributors' Commitments and Deposits, as of 31 December 2017 (in US Dollars)**

Contributors	Total Commitments	Prior Years as of 31-Dec-2016 Deposits	Current Year Jan-Dec-2017 Deposits	Total Deposits
AUSTRIA, Government of	684,225	684,225	-	684,225
Delivering Results Together	3,438,500	3,438,500	-	3,438,500
Expanded DaO Funding Window	3,935,000	3,935,000	-	3,935,000
LUXEMBOURG, Government of	10,247,654	10,247,654	-	10,247,654
NETHERLANDS, Government of	1,105,280	1,105,280	-	1,105,280
NORWAY, Government of	1,435,400	1,435,400	-	1,435,400
SPAIN, Government of	6,000,000	6,000,000	-	6,000,000
<b>Grand Total</b>	<b>26,846,059</b>	<b>26,846,059</b>	<b>-</b>	<b>26,846,059</b>



### 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 2017, Fund earned interest amounts to US\$ **217,805**.

Interest received from Participating Organizations amounts to US\$ **57,030**, bringing the cumulative interest received to US\$ **274,835**.

Details are provided in the table below.

**Table 3. Sources of Interest and Investment Income, as of 31 December 2017 (in US Dollars)**

Interest Earned	Prior Years as of 31-Dec-2016	Current Year Jan-Dec-2017	Total
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	186,460	31,345	217,805
<b>Total: Fund Earned Interest</b>	<b>186,460</b>	<b>31,345</b>	<b>217,805</b>
<b>Participating Organization</b>			
FAO	5,241	273	5,514
UNCTAD	8,937		8,937
UNDP	17,174		17,174
UNDP(UNV)	591		591
UNESCO	2,031		2,031
UNFPA	1,049		1,049
UNIDO	6,114	262	6,376
UNODC	13,901		13,901
UNWOMEN	1,456		1,456
<b>Total: Agency earned interest</b>	<b>56,494</b>	<b>535</b>	<b>57,030</b>
<b>Grand Total</b>	<b>242,955</b>	<b>31,880</b>	<b>274,835</b>

#### 4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2017, the AA has transferred US\$ **25,272,778** 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 2017 (in US Dollars)**

Participating Organization	Prior Years as of 31-Dec-2016			Current Year Jan-Dec-2017			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	4,358,399	(515,636)	3,842,763		(10,045)	(10,045)	4,358,399	(525,682)	3,832,717
ILO	1,370,365	(8,930)	1,361,435	943,066	(13,748)	929,318	2,313,431	(22,678)	2,290,753
IOM	545,210		545,210				545,210		545,210
ITC	113,045	(11,761)	101,284				113,045	(11,761)	101,284
UNCTAD	525,945		525,945				525,945		525,945
UNDP	4,806,034		4,806,034	443,796		443,796	5,249,830		5,249,830
UNDP(UNV)	229,451		229,451				229,451		229,451
UNEP	177,696		177,696				177,696		177,696
UNESCO	435,441	(36,444)	398,997				435,441	(36,444)	398,997
UNFPA	1,726,043	(56)	1,725,987		(326)	(326)	1,726,043	(382)	1,725,661
UNHABITAT	500,279		500,279				500,279		500,279
UNICEF	1,524,022	(36)	1,523,986				1,524,022	(36)	1,523,986
UNIDO	1,600,843	(175)	1,600,668				1,600,843	(175)	1,600,668
UNODC	2,755,775		2,755,775				2,755,775		2,755,775
UNWOMEN	633,849		633,849				633,849		633,849
WFP	1,541,181		1,541,181		(417,256)	(417,256)	1,541,181	(417,256)	1,123,925
WHO	1,042,338		1,042,338				1,042,338		1,042,338
<b>Grand Total</b>	<b>23,885,916</b>	<b>(573,039)</b>	<b>23,312,876</b>	<b>1,386,862</b>	<b>(441,374)</b>	<b>945,488</b>	<b>25,272,778</b>	<b>(1,014,413)</b>	<b>24,258,364</b>

## 5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2017** 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 **2017** expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/CV100>.

## 5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2017**, US\$ **945,488** was net funded to Participating Organizations, and US\$ **1,779,471** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **24,258,364** and cumulative expenditures reported by the Participating Organizations amount to US\$ **22,073,843**. This equates to an overall Fund expenditure delivery rate of **91** percent.

**Table 5.1 Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2017 (in US Dollars)**

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2016	Current Year Jan-Dec-2017	Cumulative	
FAO	5,228,173	3,832,717	3,812,911	19,284	3,832,195	99.99
ILO	2,313,431	2,290,753	1,241,657	204,624	1,446,281	63.14
IOM	545,210	545,210	545,210		545,210	100.00
ITC	113,045	101,284	101,284		101,284	100.00
UNCTAD	525,945	525,945	523,926	179	524,105	99.65
UNDP	5,249,830	5,249,830	3,019,363	1,208,219	4,227,581	80.53
UNDP(UNV)	229,451	229,451	209,674		209,674	91.38
UNEP	177,696	177,696	160,421		160,421	90.28
UNESCO	435,441	398,997	398,997		398,997	100.00
UNFPA	1,726,043	1,725,661	1,725,561	101	1,725,661	100.00
UNHABITAT	500,279	500,279	500,280		500,280	100.00
UNICEF	1,524,024	1,523,986	1,523,987	(627)	1,523,360	99.96
UNIDO	1,600,843	1,600,668	1,432,049	24,908	1,456,958	91.02
UNODC	2,755,775	2,755,775	2,479,617	245,643	2,725,260	98.89
UNWOMEN	633,849	633,849	436,872	93,605	530,476	83.69
WFP	1,541,181	1,123,925	1,161,228	(37,303)	1,123,925	100.00
WHO	1,042,338	1,042,338	1,021,336	20,838	1,042,174	99.98
<b>Grand Total</b>	<b>26,142,554</b>	<b>24,258,364</b>	<b>20,294,372</b>	<b>1,779,471</b>	<b>22,073,842</b>	<b>90.99</b>

## 5.2 EXPENDITURE BY PILLAR

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

**Table 5.2 Expenditure by Pillar, as of 31 December 2017 (in US Dollars)**

Country/Sector	Prior Years as of 31-Dec-2016		Current Year Jan-Dec-2017		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
<b>Cape Verde</b>							
Consolidation of Democracy	934,264	992,697		(64,728)	934,264	927,969	99.33
CPV Delivering Results Togethr	3,403,940	2,605,781	(22,634)	542,442	3,381,305	3,148,223	93.11
CPV Food and Nutrition	4,445,320	4,065,365	(417,256)	(37,301)	4,028,064	4,028,064	100.00
CPV-Child & Social Protection	348,944	348,944			348,944	348,944	100.00
CPV-Coordination Unit	71,937	66,432			71,937	66,432	92.35
CPV-Env'mt, Energy & Disaster	1,643,929	1,615,705		21,474	1,643,929	1,637,179	99.59
CPV-Growth&Econ Opportunities	3,342,555	3,315,665	(1,159)	2,212	3,341,396	3,317,878	99.30
CPV-Quality of the Educatn Sys	835,333	815,533			835,333	815,533	97.63
CPV-Reform of Health Sector	1,451,863	1,442,893		8,806	1,451,863	1,451,699	99.99
CPV-Youth Participation	340,886	323,397			340,886	323,397	94.87
Econ Grad&Integ-Glob Ecny	770,731	767,659		1,221	770,731	768,880	99.76
P1 Inclusive Growth	1,980,000	1,463,552	1,386,862	619,102	3,366,862	2,082,654	61.86
P2 Institutions & Citizenship	226,073	226,010		54	226,073	226,064	100.00
P3 Disparities & Inequity	1,217,738	49,674	(326)	585,111	1,217,412	634,785	52.14
P4 Environment-Climate Change	81,667	43,010		36,412	81,667	79,422	97.25
Strengthening of Security	2,217,696	2,152,054		64,664	2,217,696	2,216,717	99.96
<b>Cape Verde Total:</b>	<b>23,312,876</b>	<b>20,294,372</b>	<b>945,488</b>	<b>1,779,471</b>	<b>24,258,364</b>	<b>22,073,843</b>	<b>90.99</b>
<b>Grand Total:</b>	<b>23,312,876</b>	<b>20,294,372</b>	<b>945,488</b>	<b>1,779,471</b>	<b>24,258,364</b>	<b>22,073,843</b>	<b>90.99</b>

## 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

### 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 2017 (in US Dollars)**

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2016	Current Year Jan-Dec-2017	Total	
Supplies, Commodities, Equipment and Transport (Old)	2,338,383	-	2,338,383	11.34
Personnel (Old)	3,665,811	-	3,665,811	17.78
Training of Counterparts (Old)	1,023,143	-	1,023,143	4.96
Contracts (Old)	2,336,016	-	2,336,016	11.33
Other direct costs (Old)	573,476	-	573,476	2.78
Staff & Personnel Cost (New)	2,491,729	378,834	2,870,563	13.92
Supplies, Commodity and Materials (New)	688,598	32,921	721,518	3.50
Equipment, Vehicles, Furniture and Depreciation (New)	283,598	138,891	422,489	2.05
Contractual Services (New)	1,436,837	395,945	1,832,782	8.89
Travel (New)	1,282,745	379,523	1,662,268	8.06
Transfers and Grants (New)	787,923	43,238	831,162	4.03
General Operating (New)	2,015,254	329,858	2,345,113	11.37
<b>Programme Costs Total</b>	<b>18,923,513</b>	<b>1,699,210</b>	<b>20,622,723</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	1,370,858	80,261	1,451,119	7.04
<b>Total</b>	<b>20,294,372</b>	<b>1,779,471</b>	<b>22,073,843</b>	

<sup>1</sup> **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 2017, 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 2017, US\$ **268,461** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **80,261** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **1,451,119** as of 31 December 2017.

## 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.