

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



International Labour organization



International organization for Migration



International Trade Centre



Joint United Nations Programme for HIV/AIDS



United Nations Capital Development Fund



United Nations Conference on Trade and Development



United Nations Development Programme.



United Nations Environment Programme



United Nations Educational, Scientific and Cultural organization

CONTRIBUTORS



Canadian International Development Agency



Delivering Results Together



DEPARTMENT FOR INT'L DEVELOPMENT (DFID)



Expanded DaO Funding Window



Flemish Government



Government of Iceland



Government of Netherlands



Government of Norway



Government of Portugal



Government of Spain



Government of Sweden



United Nations Population Fund



United Nations Centre for Human Settlement Programme



UN High Commissioner for Refugees



United Nations Children's Fund



United Nations Interregional Crime Justice Research Institute



United Nations 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.

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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 2017 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.

2017 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 2017. 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 2017, 11 contributors deposited US\$ 95,879,080 in contributions and US\$ 752,189 was earned in interest.

The cumulative source of funds was US\$ 96,631,269

Of this amount, US\$ 95,011,053 has been net funded to 21 Participating Organizations, of which US\$ 94,079,476 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 2017.

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

	Annual 2016	Annual 2017	Cumulative
Sources of Funds			
Contributions from donors	500,000	-	95,879,080
Fund Earned Interest and Investment Income	5,331	8,680	476,865
Interest Income received from Participating Organizations	2,761	1,746	275,324
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	508,091	10,426	96,631,269
Use of Funds			
Transfers to Participating Organizations	1,249,906	867,769	97,213,983
Refunds received from Participating Organizations	(824,986)	(686,266)	(2,928,330)
Net Funded Amount	424,920	181,503	94,285,653
Administrative Agent Fees	5,000	-	958,791
Direct Costs: (Steering Committee, Secretariat...etc.)	125,000	-	725,400
Bank Charges	32	36	1,086
Other Expenditures	-	-	-
Total: Uses of Funds	554,952	181,539	95,970,929
Change in Fund cash balance with Administrative Agent	(46,861)	(171,113)	660,340
Opening Fund balance (1 January)	878,314	831,453	-
Closing Fund balance (31 December)	831,453	660,340	660,340
Net Funded Amount (Includes Direct Cost)	549,920	181,503	95,011,053
Participating Organizations' Expenditure (Includes Direct Cost)	2,589,319	1,346,369	94,079,476
Balance of Funds with Participating Organizations			931,577

2. PARTNER CONTRIBUTIONS

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

The **Mozambique One UN Fund** is currently being financed by **11** 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
Canadian International Development Agency	28,491,395	28,491,395	-	28,491,395
Delivering Results Together	3,500,000	3,500,000	-	3,500,000
Department for International Development (DFID)	96,741	96,741	-	96,741
Expanded DaO Funding Window	39,668,000	39,668,000	-	39,668,000
Flemish Government	186,839	186,839	-	186,839
Government of Iceland	50,000	50,000	-	50,000
Government of Netherlands	6,641,320	6,641,320	-	6,641,320
Government of Norway	4,572,788	4,572,788	-	4,572,788
Government of Portugal	33,597	33,597	-	33,597
Government of Spain	12,000,000	12,000,000	-	12,000,000
Government of Sweden	638,400	638,400	-	638,400
Grand Total	95,879,080	95,879,080	-	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 2017, Fund earned interest amounts to US\$ **476,865**.

Interest received from Participating Organizations amounts to US\$ **275,324**, bringing the cumulative interest received to US\$ **752,189**.

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
Administrative Agent			
Fund Earned Interest and Investment Income	468,186	8,680	476,865
Total: Fund Earned Interest	468,186	8,680	476,865
Participating Organization			
FAO	6,390	992	7,382
UNCTAD	2,118	630	2,748
UNDP	139,048		139,048
UNESCO	58,437	98	58,535
UNFPA	22,435		22,435
UNIDO	28,907	26	28,933
UNWOMEN	16,243		16,243
Total: Agency earned interest	273,578	1,746	275,324
Grand Total	741,764	10,426	752,189

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\$ **97,213,983** 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 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	6,321,900	(58,935)	6,262,965		(88,718)	(88,718)	6,321,900	(147,653)	6,174,247
ILO	5,473,355	(9,104)	5,464,251				5,473,355	(9,104)	5,464,251
IOM	2,121,988		2,121,988	80,500		80,500	2,202,488		2,202,488
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	(170,312)	1,283,310				1,453,622	(170,312)	1,283,310
UNCTAD	262,800	(2,598)	260,202		(1,311)	(1,311)	262,800	(3,909)	258,891
UNDP	10,596,458	(302,964)	10,293,494	325,269	50,102	375,371	10,921,727	(252,862)	10,668,865
UNEP	142,600		142,600				142,600		142,600
UNESCO	4,766,789	(1,109,614)	3,657,175	42,000		42,000	4,808,789	(1,109,614)	3,699,175
UNFPA	10,367,927	(33,924)	10,334,002		(132,458)	(132,458)	10,367,927	(166,383)	10,201,544
UNHABITAT	2,067,643		2,067,643	126,000		126,000	2,193,643		2,193,643
UNHCR	981,845		981,845				981,845		981,845
UNICEF	20,551,802		20,551,802				20,551,802		20,551,802
UNICRI	78,200	(2,372)	75,828				78,200	(2,372)	75,828
UNIDO	2,691,026	(157,147)	2,533,879	105,000		105,000	2,796,026	(157,147)	2,638,879
UNODC	150,000		150,000				150,000		150,000
UNWOMEN	3,507,256	(13,299)	3,493,958	119,000	(84,379)	34,621	3,626,256	(97,678)	3,528,579
WFP	16,258,668		16,258,668	70,000	(429,502)	(359,502)	16,328,668	(429,502)	15,899,166
WHO	7,518,005	(326,136)	7,191,869				7,518,005	(326,136)	7,191,869
Grand Total	96,346,214	(2,242,064)	94,104,150	867,769	(686,266)	181,503	97,213,983	(2,928,330)	94,285,653

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/MZ100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In 2017, US\$ **181,503** was net funded to Participating Organizations, and US\$ **599,539** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **94,285,653** and cumulative expenditures reported by the Participating Organizations amount to US\$ **93,332,646**. This equates to an overall Fund expenditure delivery rate of **99** 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 ¹ %
			Prior Years as of 31-Dec-2016	Current Year Jan-Dec-2017	Cumulative	
FAO	6,322,582	6,174,247	6,182,202	(7,219)	6,174,983	100.01
IFAD	298,000					0
ILO	5,473,355	5,464,251	5,464,251		5,464,251	100.00
IOM	2,202,488	2,202,488	2,121,988	93,729	2,215,717	100.60
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	1,283,310	0	1,283,310	100.00
UNCTAD	262,800	258,891	258,891		258,891	100.00
UNDP	10,971,829	10,668,865	9,172,975	949,622	10,122,597	94.88
UNEP	142,600	142,600	139,566		139,566	97.87
UNESCO	4,808,789	3,699,175	3,603,175	78,597	3,681,772	99.53
UNFPA	10,367,927	10,201,544	10,020,656	176,149	10,196,805	99.95
UNHABITAT	2,193,643	2,193,643	2,075,864	(56,619)	2,019,245	92.05
UNHCR	981,845	981,845	981,845		981,845	100.00
UNICEF	20,551,802	20,551,802	20,447,322	127,153	20,574,475	100.11
UNICRI	78,200	75,828	75,828		75,828	100.00
UNIDO	2,796,026	2,638,879	2,527,768	0	2,527,768	95.79
UNODC	150,000	150,000	150,000		150,000	100.00
UNWOMEN	3,626,256	3,528,579	3,286,930	154,418	3,441,348	97.53
WFP	16,328,668	15,899,166	16,835,457	(980,313)	15,855,144	99.72
WHO	7,518,005	7,191,869	7,126,407	64,022	7,190,429	99.98
Grand Total	97,562,767	94,285,653	92,733,107	599,539	93,332,646	98.99

¹ Delivery rates below 100% correspond to the 2017 allocations. Most activities were completed beyond 31 December 2017.

5.2 EXPENDITURE BY THEMATIC AREA

Table 5.2 displays the net funded amounts, expenditures incurred and the financial delivery rates by Thematic Area.

Table 5.2 Expenditure by Thematic Area, 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	
Mozambique							
Bldg Commod. Value Chain	3,120,230	2,867,552	(254,512)	(1,834)	2,865,718	2,865,718	100.00
Change Management Project	1,177,712	1,206,325			1,177,712	1,206,325	102.43
Civil Society Organization	4,819,956	4,794,297			4,819,956	4,794,297	99.47
Decentralization & Integration	6,293,011	6,269,012	(23,998)	1	6,269,013	6,269,013	100.00
Disaster Risk Reduction	8,591,848	8,336,611	(234,689)	19,325	8,357,158	8,355,937	99.99
Effective Trade Policy & Management	1,475,272	1,475,822		1	1,475,272	1,475,823	100.04
Gender Equality	6,137,796	6,140,501		(20,301)	6,137,796	6,120,200	99.71
HIV & AIDS Response	11,498,791	11,498,791		0	11,498,791	11,498,791	100.00
Sexual and Reproductive Health	3,834,875	3,834,875			3,834,875	3,834,875	100.00
UNDAF 2012-15 Cross Cutting	1,010,028	287,757	185,269	808,533	1,195,297	1,096,290	91.72
UNDAF 2012-15 Economic Area	4,728,183	4,492,551	326,891	380,796	5,055,074	4,873,347	96.41
UNDAF 2012-15 Governance Area	3,894,375	3,330,170	(13,458)	114,845	3,880,916	3,445,015	88.77
UNDAF 2012-15 Social Area	27,264,310	27,941,091	196,000	(701,838)	27,460,310	27,239,253	99.19
Vulnerable Populations	4,944,288	4,944,288			4,944,288	4,944,288	100.00
Youth Employment	5,313,476	5,313,466		10	5,313,476	5,313,476	100.00
Mozambique Total:	94,104,150	92,733,107	181,503	599,539	94,285,653	93,332,646	98.99
Grand Total:	94,104,150	92,733,107	181,503	599,539	94,285,653	93,332,646	98.99

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)	11,728,273	-	11,728,273	13.40
Personnel (Old)	14,911,279	-	14,911,279	17.04
Training of Counterparts (Old)	5,738,323	-	5,738,323	6.56
Contracts (Old)	14,779,857	-	14,779,857	16.89
Other direct costs (Old)	3,656,242	-	3,656,242	4.18
Staff & Personnel Cost (New)	4,246,252	172,462	4,418,714	5.05
Supplies, Commodities and Materials (New)	10,157,404	(581,601)	9,575,803	10.94
Equipment, Vehicles, Furniture and Depreciation (New)	1,586,817	149,077	1,735,893	1.98
Contractual Services (New)	4,331,108	406,455	4,737,562	5.41
Travel (New)	3,302,319	172,574	3,474,893	3.97
Transfers and Grants (New)	8,041,438	(78,231)	7,963,207	9.10
General Operating (New)	4,475,649	309,080	4,784,729	5.47
Programme Costs Total	86,954,962	549,815	87,504,777	100.00
¹ Indirect Support Costs Total	5,778,145	49,724	5,827,869	6.66
Total	92,733,107	599,539	93,332,646	

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 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\$ **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\$ **49,724** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **5,827,869** 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.

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'. Cumulatively, as of 31 December 2017, US\$ **725,400** has been charged as Direct Costs.

Table: Direct Costs

Participating Organization	Net Funded Amount	Expenditure	Delivery Rate
UNDP	725,400	746,829	103%
Total:	725,400	746,829	103%