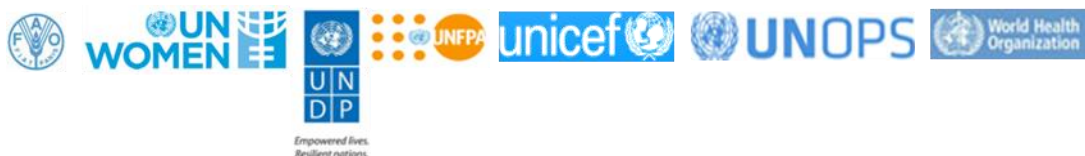


Seventh Consolidated Annual Progress Report on Projects Implemented under the Maldives One UN Fund

Report of the Administrative Agent of the Maldives One UN Fund
for the Period 1 January – 31 December 2017

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

April 2018



Maldives One UN Fund

PARTICIPATING ORGANISATIONS



Food and Agriculture Organization (FAO)



United Nations Children’s Fund (UNICEF)



United Nations Development Programme (UNDP)



United Nations Office for Project Services (UNOPS)



United Nations Population Fund (UNFPA)



UN Women



World Health Organization (WHO)

CONTRIBUTING DONORS



Denmark



Expanded DaO Funding Window

Narrative report prepared by United Nations Maldives, Resident Coordinator Office:

Yuko Oaku and Huda Adam

Abbreviations and Acronyms

AA	Administrative Agent
AWP	Annual Work Plan
CSES	Communication and Stakeholder Engagement Strategy
CSO	Civil Society Organisations
CBDRM	Community-based Disaster Risk Management
DRR	Disaster Risk Reduction
EFW	Expanded Funding Window
FAO	Food and Agriculture Organization
GCA	Government Coordinating Agency
HDI	Human Development Index
IWG	Island Working Groups
IWRM	Integrated Water Resource Management
JAWP	Joint Annual Work Plans
LCCF	Laamu Climate Change Forum
LDC	Least Developed Countries
LECRdD	Low Emission Climate-Resilient Development
LGA	Local Government Authority
LSA	Land and Survey Authority
LWG	Laamu Working Group
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MEE	Ministry of Environment, Energy
MOFT	Ministry of Finance and Treasury
MOFT-ERMD	Ministry of Finance and Treasury - External Resources Management Department
MOU	Memorandum of Understanding
MPTF Office	Multi-Partner Trust Fund Office UNDP
NBS	National Bureau of Statistics
NDMC	National Disaster Management Centre
NGO	Non-Governmental Organization
PB	Programme Board
PCU	Programme Coordination Unit
PTC	Programme Technical Committee
PUNOs	Participating United Nations Organizations

RC	Resident Coordinator
SDG	Sustainable Development Goals
SOP	Standard Operating Procedure
SWM	Solid Waste Management
TOR	Terms of Reference
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Council for Asia and Pacific
UNFPA	United Nations Population Fund
UNIDO	United Nations Industrial Development Organization
UNICEF	United Nations Children Fund
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
VCA	vulnerability capacity assessment
WASH	Water, Sanitation and Health
WDCs	Women's Development Committees
WHO	World Health Organization

Definitions¹

Allocation

Amount approved by the relevant steering committee for a project/programme.

Annual Work Plan (AWP)

Annual plans that set out the activities to be undertaken during the year to reach the results specified in the project/programme. AWP's include a timeframe, budget and responsibilities for completing the activities.

Approved Project/Programme

A project or programme that has been approved by the Maldives One UN Fund Board for fund allocation purposes.

Contributor Commitment

A contribution expected to be received or already deposited by a contributor based on a signed a Standard Administrative Arrangement (SAA) with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent (AA) of the Fund.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund.

Direct Cost

A financial indicator of the percentage of funds that have been utilized by comparing the expenditures report by a Participating Organization against the 'net funded amount'.

Indirect Support Cost

A general cost that cannot be directly related to any particular programme or activity of the Participating Organisations. Under UN MPTFs, these costs amount to 7 percent as per the UNDG agreed MPTF cost recovery.

Net Funded Amount

Amount transferred to a Participating Organisation less any refunds transferred back by a Participating Organisation.

Participating Organisations

Organisations that have signed a Memorandum of Understanding (MOU) with the MPTF Office.

Project Expenditure

The sum of expenses reported by all Participating Organization irrespective of which basis of accounting each Participating Organization follows.

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.

¹ Common definitions used by the MPTF Office in annual progress reporting.

Project Operational Closure

A project or programme is considered operationally closed when all activities for which a Participating Organisation is responsible under the approved programmatic document have been completed.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organisation.

Total Approved Budget

Amount approved by the Steering Committee.

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Executive Summary

Introduction

The Maldives One UN Fund was established in December 2010, as one of several funding instruments to support the implementation of the UN Development Assistance Framework (UNDAF) and UNDAF Action Plan. The MOU was concluded between 10 Participating Organisations and UNDP Multi-Partner Trust Fund Office (MPTF Office) in its capacity as the Administrative Agent (AA) of the Maldives One UN Fund.

The Maldives One UN Fund will enhance the flexibility and predictability of funding to the UN system to implement the UNDAF and the UNDAF Action Plan in support of national priorities and emerging needs. The Maldives One UN Fund will ensure that funding and implementation are undertaken with special attention to transparency and accountability as well as efficient delivery and utilization of resources.

To enable possible resource mobilization for the new UNDAF 2016-2020 and proper closure of the One UN Fund after the completion of all the programmes under One UN Fund, the fund was extended until November 2018 by the One UN Fund Steering Committee.

Through the Maldives One UN Fund and under UNDAF's Outcome 9, the Low Emission Climate Resilient Development (LECRd) Programme is assisting government authorities in the Maldives in building capacities at national and local levels to support low carbon life-styles, climate change adaptation, and disaster risk reduction. The programme is currently providing support to 12 islands in Laamu atoll to realize low emission and climate resilient development. The programme seeks to mainstream LECRd issues into local level development planning and service delivery for greater community-level ownership and sustainability of programme benefits.

The Programme builds on the integrated efforts of seven Participating United Nations Organizations (PUNOs) operating in the Maldives: UNDP, UNICEF, UNOPS, UNFPA, UN WOMEN, WHO and FAO. The LECRd Programme Board (PB), comprised of a wide range of stakeholders, provides policy direction and approves financial allocations. Oversight and coordination functions are carried out by the Programme Coordination Unit (PCU), the Programme Technical Committee (PTC), and the UN Technical Group (UNTG) integrating focal points from all PUNOs.

With most of LECRd programme activities drawing to close, a terminal evaluation was conducted in November 2017, the report which was received in March 2018. The residual activities of LECRd will be completed by November 2018.

Strategic Framework

The United Nations Development Assistance Framework (UNDAF) is the strategic programme framework between the Government of the Republic of Maldives and the United Nations. UNDAF 2011-2015 was aligned with national priorities to guide the UN system's assistance to Government of the Maldives, while promoting national ownership. The UNDAF process was built on existing cooperation and was formulated through a nationally-owned, consultative, and participatory process and signed by the Ministry of Finance and Treasury (MOFT) as the Government Coordinating Agency (GCA).

According to the final evaluation, the UNDAF 2011-2015 contributed and added value to addressing development challenges in Maldives in several ways. UN agencies contributed to develop national institutional systems and capacities in the planning, collection and use of evidence-based data to support policy formulation and planning. Secondly, UN studies and surveys highlighted inequalities that are

normally concealed by aggregated data such as MDG+ and graduation to middle-income country. And thirdly, through some of their programmes, UN agencies supported the government to institutionalise systems and develop guidelines for inclusiveness, targeting and reaching the most vulnerable groups.

During the period, the new UNDAF 2016-2020 was formulated. It draws on the full range of expertise and resources of the United Nations in the Maldives to deliver development results. Overall, the new UNDAF reinforces the partnership between the Government and the United Nations in support of national priorities and in line with the Sustainable Development Goals (SDGs) for the post-2015 period, tailored to the local context. In particular, it will be focused on benefitting the most vulnerable populations in the country, linked to Maldives' obligations under its ratification of various international Conventions and human rights instruments. Four strategic focus areas have been selected that respond to national needs and make use of the United Nations' comparative advantages. These were identified and further detailed into outcomes and outputs through an intensive consultation process with the Government:

- Youth and Children
- Gender
- Governance
- Environment and Climate Change

Project Approval and Financial Performance

As of 30 March 2018, a total of \$10,187,288 had been deposited in the Maldives One UN Fund with contributions received from the Government of Denmark and the Expanded Delivering as One (DaO) Funding Window (EFW) for achievement of the Sustainable Development Goals (SDGs). US\$ 171,818 has been earned in interest, bringing the cumulative source of funds to US\$ 10,359,106. Three projects have been set-up under the Maldives One UN Fund.

The Maldives One UN Fund Board approved its first programme for a total of \$445,500 in 2011 on aid-effectiveness and UN coherence. By 31 December 2015 this funding on aid-effectiveness was expended. No activities were carried out under the project in 2016. However, in 2016 the UNDAF Steering Committee took the decision to extend the One UN Fund and the DaO project was also extended by allocating the interest earned from the One UN Fund of \$160,415. Hence, the total project budget for aid-effectiveness project is \$605,915.

In 2012 a second programme was approved namely "Low-Emission Climate Resilient Development (LECRd) Programme Development" of \$423,255 (Project Initiation Plan). The total of US\$ 9,377,076 has been transferred to 7 Participating Organizations for the "Low-Emission Climate Resilient Development (LECRd)" Programme. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 101,873. The reporting period for the LECRd programme is 8 November 2013 to 31 December.

Transparency and Accountability

The MPTF Office provides regular information on the operations of the [Maldives One UN Fund](#) on its GATEWAY. The [MPTF Office GATEWAY](#) is a knowledge platform providing real-time data, with a maximum two-hour delay, on financial information from the MPTF Office accounting system on donor contributions, programme budgets and transfers to Participating Organisations. All narrative reports are posted on the GATEWAY which provides easy access to over 9,600 relevant reports and documents, with tools and tables displaying financial and programme data. By providing easy access to the growing number of progress reports and related documents uploaded by users in the field, it facilitates knowledge sharing and

management among UN Organisations. It is designed to provide transparent, accountable fund-management services to the UN system to enhance its coherence, effectiveness and efficiency. The MPTF Office GATEWAY has been recognised as a 'standard setter' by peers and partners.

1 Introduction

The Maldives One UN Fund was established in December 2010 with the conclusion of the Memorandum of Understanding (MOU) between 7 Participating Organisations and the UNDP Multi-Partner Trust Fund Office (MPTF Office) in its capacity as the Administrative Agent (AA) of the Maldives One UN Fund. The Maldives One UN Fund became operational on 1 July 2011 with the first contribution from the Government of Denmark.

The seventh Consolidated Annual Progress Report on Activities Implemented under the Maldives One UN Fund is submitted to the Maldives One UN Fund Board and contributing Donors, in fulfilment of the reporting provisions of the Maldives One UN Fund Terms of Reference (TOR), the MOU between the MPTF Office and Participating Organisations, and the Standard Administrative Arrangement (SAA) between MPTF Office and Donors.

The Maldives One UN Fund reports on the implementation of projects and programmes approved for funding from 1 January to 31 December 2017.

In line with the MOU, the Progress Report is consolidated based on information and data contained in the individual progress reports and financial statements submitted by Participating Organisations to the MPTF Office. It is neither an evaluation of the Maldives One UN Fund nor the MPTF Office's assessment of the performance of the Participating Organisations.

2 Background

2.1 Situation Analysis

The Maldives projects a mixed picture of development trajectory. It graduated from the least developed country (LDC) category in 2011 and has achieved GNI per capita of USD 5600 in 2013 (WB, 2015). In November 2014, Maldives was selected as the Chair of the Alliance of Small Island States (AOSIS) for 2015-2016, indicating the importance that the Government places on the climate change related vulnerability issues of the Maldives as well as its foreign policy supporting active role in global governance and partnerships.

The Maldives' Human Development Index (HDI) has increased steadily from 0.599 in 2000 to 0.698 in 2013, placing it 103rd of 187 countries at the top of the medium human development category and above the average for South Asia. Life expectancy at birth has increased for both women and men, child survival has improved significantly, and the maternal mortality ratio has declined sharply. In large part all these achievements have occurred because of the expansion of services, including universal immunization; high per-capita health spending; and improved antenatal care at atoll level. Key reproductive health indicators such as skilled attendance at birth and coverage of antenatal care have been maintained at par with other middle-income countries.



UN Photo Shoko Noda

The Multidimensional Poverty Index for Maldives identifies multiple deprivations within the same household in education, health and standard of living. This shows that poverty is intrinsic to numerous development areas beyond income, and that these are therefore important when addressing pro-poor development themes and targeting interventions. The impact of poverty has been greatest on children (18 percent living in poverty) and adolescents with few job prospects (unemployment of 43 percent among 15-to 24-year-olds). Women in the atolls also are disproportionately affected when it comes to lower development outcomes. Overall, underlying disparities and exclusions will need to be addressed. When the value of the global HDI is adjusted for inequality in the distribution of various dimensions, for example, it falls to 0.521, a loss of slightly more than 25 per cent; like the MPI, this suggests there continue to be significant pockets of poverty and deprivation in the country. At the same time, the HDI value for Male' has been found to stand at 0.734, compared with a cumulative HDI value of 0.627 for all atolls. Remote islands with small populations, such as in low-performing regions, have limited access to services and job opportunities and face general isolation. The main source of disparity between Male' and the atolls, meanwhile, has been found in income status and wealth, which determines the ability to seek quality services where they are available. Dispersed and small population, economies of scale and high per capita cost of services challenges equitable service delivery to many islands.

2.2 UNDAF 2016 -2020

The United Nations Development Assistance Framework (UNDAF) 2016-2020, signed between the Government of the Maldives and the UN system in August 2015 presents a coherent vision and strategy for a unified approach to assist the country in reaching its national development priorities where the UN system has a comparative advantage.

The process of UNDAF formulation was inclusive, participatory and evidence-based. In identifying the UNDAF areas of cooperation, national stakeholders considered the dramatic political and governance changes, the significant developments in the economic, socio-cultural, and natural environment of the country, and the major challenges to achieving the nation's development goals and international

commitments. The vulnerabilities of the Maldives to global crises, natural disasters, climate change, and other external factors were also considered. The UNDAF is the framework that guided the UN system in planning its assistance to address these risks and to sustain its development gains as the country transitioned to middle-income status.

The UNDAF has **four outcome areas**:

- **Youth and Children**
- **Gender**
- **Governance**
- **Environment and Climate Change**

3 Governance Arrangements

The Maldives One UN Fund TOR outlines the governance arrangements and decision-making process. The Governance Structure is outlined below.

3.1 Board

The Maldives One UN Fund Board is composed of representatives from the Government, the UN system, and the donor community. The Government is represented by the Ministry of Finance and Treasury (MOFT), Ministry of Foreign Affairs, and the Office of the President. The heads of the Participating Organisations are members of the Board as UN representatives. The Board is co-chaired by the MOFT as head of the GCA and the Resident Coordinator (RC). Since the two major programmes have different donors and stakeholders two separate programme boards are maintained for ease of planning and implementation.

The Board is responsible for:

- Reviewing and approving the TOR and Rules of Procedures
- Ensuring alignment of allocations with UNDAF and national priorities
- Establishing criteria for allocation of un-earmarked funds
- Reviewing and approving proposals from Participating Organisations
- Ensuring consultations with key stakeholders
- Reviewing periodic reports, audits, and lesson learned reviews

3.2 Resident Coordinator (RC)

The overall management of the Maldives One UN Fund is led and coordinated by the RC. In line with the overall objective of enhanced UN coherence in the Maldives, the RC is responsible for:

- Providing strategic leadership of the One UN Fund on the basis of the UNDAF and UNDAF Action Plan
- Advocating and mobilising resources for the One UN Fund in collaboration with Participating Organisations
- Leading a consultative process on allocations from the One UN Fund, and taking final decisions if consensus cannot be reached, with documented process and rationale for such decisions
- Holding the head of the Participating Organisations accountable for the funds allocated to their respective organisation under the One UN Fund

- Providing substantive support to the Maldives One UN Fund, including liaising regularly with the AA to ensure the proper coordination of the Fund

3.3 Resident Coordinator's Office (RCO)

The Resident Coordinator's Office (RCO) supports the RC in the management of the Maldives One UN Fund. The RCO acts as the Secretariat for the Board, working closely with MOFT.

The RCO, LECReD Programme Technical Committee and MOFT together compiled, reviewed and assessed the proposed priorities for funding allocations, ensuring that proposals are in line with the UNDAF and other national priorities before submitting the appropriate recommendation to the Board.

3.4 Theme Groups

To coordinate effectively and efficiently, the Maldives UNCT has established several inter-agency groups or Theme Groups (called Results Groups). The groups were established to be the mechanism to develop strategies that will support the achievement of the UNDAF outcome, ensure that the UN agencies collaborate efficiently and effectively, and facilitate partnership with various stakeholders and donors. The groups reports and recommends appropriate action to the UNCT.

The following are the UN inter-agency groups established under the UNDAF New Programming Cycle 2016-2020: Youth and Children, Gender, Governance, Environment and Climate Change, Communications, Operation Management, UNDAF Technical Team, SDGs, Joint UN Team on HIV/AIDS and Contingency Planning.

3.5 Administrative Agent (AA)

As the AA for the Maldives One UN Fund, the UNDP MPTF Office is responsible for the receipt, administration and management of contributions from Donors; disbursement of funds to the Participating Organisations in accordance with instructions from the Board, through the RC, and consolidation of narrative and financial reports produced by each of the Participating Organisations as well as the provision of these reports to the Board and Donors. The MPTF Office performs the full range of AA functions in accordance with the UNDG-approved "Protocol on the Administrative Agent for MDTF and JP, and One UN Funds".

In line with the MOU concluded between Participating Organisations and the MPTF Office, a clear delineation, including distinct reporting lines and an accountability framework, has been established and is maintained within UNDP between its functions as an AA performed by the MPTF Office and its functions as a Participating Organisation performed by UNDP Maldives.

4 Decision-Making Process

Guided by the UNDAF, the UNCT prepares Joint Work Plans (JWPs), documenting planned activities, budgets and resources for the year. Based on the indicative work plans, the Theme Groups/Inter-Agency Groups submit proposed funding priorities and an updated resources matrix indicating sources of funds and funding gaps. Proposals for funding reviewed and compiled by the RCO, LECReD Programme Technical Committee and the MOFT are submitted to the Board.

The Board reviews the proposed priorities to ensure that they are aligned with the UNDAF/UNDAF Action Plan and emerging national priorities based on which Participating Organisations develop and submit proposals. The Board utilises the allocation criteria to finalise and approve funding with the available un-

earmarked funds. Decisions are based on a consultative process and documented jointly by the RCO Office and the MOFT.

When earmarked contributions are received, the Board allocates the resources based on the following criteria:

- Alignment with the UNDAF and strategic priorities
- Implementation capacity of the relevant partner(s)
- Comparative advantages of the Participating Organisation in supporting the implementation of activities
- Priorities which would otherwise not be funded with realistic outcome budgets
- Additional criteria for subsequent allocations include: previous track record of the implementing partner and the Participating Organisation on delivering results, absorptive capacity, and timely, accurate, and meaningful reporting

5 Approval and Implementation Updates

5.1 Programme Allocation, Overview and Status

Contributing Donors for One UN Fund

5.2 Implementation Achievements

The section below provides an overview of the main implementation achievements during the reporting period as reported by the Participating Organisations.

5.2.1 UNDAF Outcome: Institutional capacity strengthened and framework in place to coordinate and plan national development at local and national levels

The Programme “Strengthening UN Coherence, Aid Effectiveness and M&E” shortly called as the Delivering as One project was implemented from 2012 to 2015 by utilizing USD 445, 500 received from Expanded DaO funding window. By 31 December 2015 this funding was expended. No activities were carried out under the project in 2016. However, in 2016 the UNDAF Steering Committee took the decision to extend the One UN Fund and the DaO project was also extended by allocating the interest earned from the One UN Fund of \$160,415. From July to November 2016 RC Office worked with the MOFT to formulate and agree on a work plan. This work plan has been signed by the co-chairs of the Steering Committee and activities are being implemented from January 2017 to November 2018.

Through the funding from this project, UN visibility and strategic partnerships were enhanced. Through continued leadership and dialogue by UNRC, engagement with Government and key stakeholders were improved. Notably, through utilization of funds from this project and others a public event of UN Day 2017 planned and executed in partnership with the diplomatic community based in Maldives and the Ministry of Foreign Affairs was a resounding success. This event, co-hosted by UNRC and the Foreign Secretary, featured the Member State Corners of Bangladesh, China, India, Japan, Pakistan, Saudi Arabia, Sri Lanka and Maldives to showcase their respective cultures and activities in the country and to strengthen partnership and solidarity. At the event, the UN Communications Group featured Sustainable Development Goals for awareness raising. The event was participated by dignitaries from embassies, government officials, civil society organizations, UN staff, tourists and the general public. It is estimated that more than 800 people participated in the event.

Under this outcome, UN agencies worked to increase the awareness of the SDGs through joint advocacy efforts in close collaboration with the SDG Unit of the Ministry of the Environment and Energy, which is the principal coordinating agency for the SDGs in the Maldives. One-minute infomercial on the SDGs in the local language was developed and was aired on public media outlets and social media to increase the public knowledge of the SDGs. Additionally, promotion materials, such as T-shirts and tote-bags, with SDGs in the local language printed were developed to further support the advocacy efforts. These were used in the UN Day 2017 event as well as other advocacy events and opportunities throughout the year.

Efforts were undertaken to train UN staff to apply and implement “Do No Harm” and other conflict sensitivity approaches to national and community-level programming in the current context of political situation in the country. Utilization of Human Rights Based Approaches (HRBA) was promoted through implementation and review of the UNDAF Joint Work Plans 2016-2017. In the updated JWP 2017-2018,

human rights recommendations, including that of UPR for Maldives were incorporated into the UNDAF M&E framework.

5.2.2 UNDAF Outcome: Enhanced capacities at national and local levels to support low carbon lifestyles, climate change adaptation and risk reduction

The Low Emission Climate Resilient Development (LECRd) Programme aims to assist government authorities in the Maldives in building capacities at national and local levels to support low carbon lifestyles, climate change adaptation, and disaster risk reduction. The programme is currently providing support to 12 islands in Laamu atoll to realize low emission and climate resilient development (LECRd). The programme seeks to mainstream LECRd issues into local level development planning and service delivery for greater community-level ownership and sustainability of programme benefits.

The Programme builds on the integrated efforts of seven Participating United Nations Organizations (PUNOs) operating in the Maldives: UNDP, UNICEF, UNOPS, UNFPA, UN WOMEN, WHO and FAO. The programme is innovative and represents a pioneering initiative of bringing together the wealth of diverse development-oriented expertise from these United Nations Organizations with equally diverse national and local partners to address this multi-faceted development challenge. The LECRd Programme Board (PB), comprised of a wide range of stakeholders, provides policy direction and approves financial allocations. Oversight and coordination functions are carried out by the Programme Coordination Unit, the Programme Technical Committee, and the UN Technical Group integrating focal points from all PUNOs. The Multi-Partner Trust Fund (MPTF) Office serves as the Administrative Agent for the LECRd Programme Fund.

Refer to the LECRd Final Programme Report for further reporting of the LECRd Programme, including the activities in 2017,

6 Financial Performance

The Financial Performance section includes key financial data on the Maldives One UN Fund and is presented as an annex. Financial information is also available on the on the MPTF Office GATEWAY: <http://mptf.undp.org>.

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Maldives 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



United Nations
Development
Programme



United Nations
Population Fund



United Nations
Children's Fund



UN Office for
Project Services



UNWOMEN



World Health
Organization

CONTRIBUTORS



Government of Denmark



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.

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INTRODUCTION

This Consolidated Annual Financial Report of the **Maldives 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 **Maldives One UN Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/MV100>).

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 **Maldives 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/MV100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2017, 2 contributors deposited US\$ **10,187,288** in contributions and US\$ **171,818** was earned in interest.

The cumulative source of funds was US\$ **10,359,106**. Of this amount, US\$ **10,245,831** has been net funded to **7** Participating Organizations, of which US\$ **9,174,788** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **101,873**. Table 1 provides an overview of the overall sources, uses, and balance of the **Maldives 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	-	-	10,187,288
Fund Earned Interest and Investment Income	9,439	106	171,818
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	9,439	106	10,359,106
Use of Funds			
Transfers to Participating Organizations	3,632,017	-	10,245,831
Refunds received from Participating Organizations	-	-	-
Net Funded Amount	3,632,017	-	10,245,831
Administrative Agent Fees	-	-	101,873
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	48	0	1,906
Other Expenditures	-	-	-
Total: Uses of Funds	3,632,065	0	10,349,610
Change in Fund cash balance with Administrative Agent	(3,622,626)	105	9,496
Opening Fund balance (1 January)	3,632,017	9,391	-
Closing Fund balance (31 December)	9,391	9,496	9,496
Net Funded Amount (Includes Direct Cost)	3,632,017	-	10,245,831
Participating Organizations' Expenditure (Includes Direct Cost)	3,273,181	2,402,704	9,174,788
Balance of Funds with Participating Organizations			1,071,044

2. PARTNER CONTRIBUTIONS

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

The **Maldives One UN Fund** is currently being financed by **2** 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	Current Year	Total Deposits
		as of 31-Dec-2016 Deposits	Jan-Dec-2017 Deposits	
Government of Denmark	9,737,288	9,737,288	-	9,737,288
Expanded DaO Funding Window	450,000	450,000	-	450,000
Grand Total	10,187,288	10,187,288	-	10,187,288

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\$ **171,818**.

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	171,712	106	171,818
Total: Fund Earned Interest	171,712	106	171,818
Participating Organization			
Total: Agency earned interest			
Grand Total	171,712	106	171,818

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\$ **10,245,831** to 7 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	184,575		184,575				184,575		184,575
UNDP	7,303,005		7,303,005				7,303,005		7,303,005
UNFPA	330,009		330,009				330,009		330,009
UNICEF	340,750		340,750				340,750		340,750
UNOPS	1,254,163		1,254,163				1,254,163		1,254,163
UNWOMEN	211,861		211,861				211,861		211,861
WHO	621,468		621,468				621,468		621,468
Grand Total	10,245,831		10,245,831				10,245,831		10,245,831

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/MV100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2017**, US\$ was net funded to Participating Organizations, and US\$ **2,402,704** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **10,245,831** and cumulative expenditures reported by the Participating Organizations amount to US\$ **9,174,788**. This equates to an overall Fund expenditure delivery rate of **90** percent.

The agencies with the three highest delivery rates are: UNOPS (99%), UNFPA (92%) and UNDP (89%)

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	184,575	184,575	82,804	71,962	154,766	83.85
UNDP	7,303,005	7,303,005	4,509,898	2,017,357	6,527,255	89.38
UNFPA	330,009	330,009	263,421	41,533	304,954	92.41
UNICEF	340,750	340,750	186,173	94,465	280,637	82.36
UNOPS	1,254,163	1,254,163	1,222,602	13,608	1,236,210	98.57
UNWOMEN	211,861	211,861	121,988	49,935	171,923	81.15
WHO	621,468	621,468	385,197	113,845	499,042	80.30
Grand Total	10,245,831	10,245,831	6,772,083	2,402,704	9,174,788	89.55

5.2 EXPENDITURE BY [UNDAF OUTCOME OR THEMATIC AREA]

Table 5 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 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	
Maldives							
Aid Coordination M&E	445,500	442,371		65,056	445,500	507,426	113.90
Economic Development & Env't	9,800,331	6,329,713		2,337,649	9,800,331	8,667,361	88.44
Maldives Total:	10,245,831	6,772,083		2,402,704	10,245,831	9,174,788	89.55
Grand Total:	10,245,831	6,772,083		2,402,704	10,245,831	9,174,788	89.55

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	
Personnel (Old)	117,657	-	117,657	1.37
Other direct costs (Old)	3,882	-	3,882	0.05
Staff & Personnel Cost (New)	1,034,806	167,426	1,202,232	14.02
Supplies, Commodities and Materials (New)	30,765	142,497	173,262	2.02
Equipment, Vehicles, Furniture and Depreciation (New)	315,875	(23,150)	292,725	3.41
Contractual Services (New)	2,844,489	1,342,785	4,187,274	48.84
Travel (New)	614,052	81,841	695,893	8.12
Transfers and Grants (New)	496,936	316,948	813,884	9.49
General Operating (New)	870,888	215,020	1,085,909	12.67
Programme Costs Total	6,329,349	2,243,368	8,572,718	100.00
¹ Indirect Support Costs Total	442,734	159,336	602,070	7.02
Total	6,772,083	2,402,704	9,174,788	

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\$ **101,873** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **159,336** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **602,070** 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.