

# **Consolidated Annual Financial Report of the Administrative Agent for the Pakistan One Fund**

**for the period 1 January to 31 December 2018**

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

31 May 2019

**PARTICIPATING ORGANIZATIONS**

	Food and Agriculture Organization
	International Labour Organization
	International Organization for Migration
	Joint United Nations Programme on HIV/AIDS
	United Nations Development Programme
	United Nations Environment Programme
	United Nations Educational, Scientific and Cultural Organization
	United Nations Population Fund
	United Nations Centre for Human Settlement
	UN High Commissioner for Refugee
	United Nations Children's Fund

**CONTRIBUTORS**

	Australian Agency for International Development
	Delivering Results Together
	Department for International Development (DFID)
	Expanded DaO Funding Window
	Government of Netherlands
	Government of Norway
	Government of Spain
	Swiss Agency for Development & Cooperation



UN Industrial  
Development  
Organization



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 **Pakistan One 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 **2018** and provides financial data on progress made in the implementation of projects of the **Pakistan One Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/PK100>).

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

## 2018 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Pakistan One Fund** using the pass-through funding modality as of 31 December **2018**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/PK100>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December **2018**, **8** contributors deposited US\$ **87,042,980** in contributions and US\$ **660,260** was earned in interest.

The cumulative source of funds was US\$ **87,703,239**

Of this amount, US\$ **85,022,386** has been net funded to **16** Participating Organizations, of which US\$ **84,915,215** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **870,430**. Table 1 provides an overview of the overall sources, uses, and balance of the **Pakistan One Fund** as of 31 December 2018.

**Table 1. Financial Overview, as of 31 December 2018 (in US Dollars)**

	Annual 2017	Annual 2018	Cumulative
<b>Sources of Funds</b>			
Contributions from donors	-	-	87,042,980
Fund Earned Interest and Investment Income	29,001	32,612	416,183
Interest Income received from Participating Organizations	1,566	1,339	244,077
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
<b>Total: Sources of Funds</b>	<b>30,567</b>	<b>33,950</b>	<b>87,703,239</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	1,438,338	-	87,935,988
Refunds received from Participating Organizations	(423,399)	(82,609)	(3,263,603)
<b>Net Funded Amount</b>	<b>1,014,939</b>	<b>(82,609)</b>	<b>84,672,386</b>
Administrative Agent Fees	-	-	870,430
Direct Costs: (Steering Committee, Secretariat...etc.)	200,000	-	350,000
Bank Charges	108	90	1,459
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>1,215,046</b>	<b>(82,519)</b>	<b>85,894,274</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>(1,184,479)</b>	<b>116,469</b>	<b>1,808,965</b>
Opening Fund balance (1 January)	2,876,975	1,692,496	-
<b>Closing Fund balance (31 December)</b>	<b>1,692,496</b>	<b>1,808,965</b>	<b>1,808,965</b>
Net Funded Amount (Includes Direct Cost)	1,214,939	(82,609)	85,022,386
Participating Organizations' Expenditure (Includes Direct Cost)	1,111,303	1,434,770	84,915,215
<b>Balance of Funds with Participating Organizations</b>			<b>107,171</b>

## 2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2018.

The **Pakistan One Fund** is currently being financed by 8 contributors, as listed in the table below.

The table below includes commitments made up to 31 December 2018 through signed Standard Administrative Agreements, and deposits made through 2018. It does not include commitments that were made to the fund beyond 2018.

**Table 2. Contributors' Commitments and Deposits, as of 31 December 2018 (in US Dollars)**

Contributors	Total Commitments	Prior Years as of 31-Dec-2017 Deposits	Current Year Jan-Dec-2018 Deposits	Total Deposits
Australian Agency for International Development	12,376,080	12,376,080	-	12,376,080
Delivering Results Together	3,725,082	3,725,082	-	3,725,082
Department for International Development (DFID)	3,238,118	3,238,118	-	3,238,118
Expanded DaO Funding Window	23,981,000	23,981,000	-	23,981,000
Government of Netherlands	7,811,680	7,811,680	-	7,811,680
Government of Norway	22,951,020	22,951,020	-	22,951,020
Government of Spain	12,000,000	12,000,000	-	12,000,000
Swiss Agency for Development & Cooperation	960,000	960,000	-	960,000
<b>Grand Total</b>	<b>87,042,980</b>	<b>87,042,980</b>	<b>-</b>	<b>87,042,980</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 **2018**, Fund earned interest amounts to US\$ **416,183**.

Interest received from Participating Organizations amounts to US\$ **244,077**, bringing the cumulative interest received to US\$ **660,260**.

Details are provided in the table below.

**Table 3. Sources of Interest and Investment Income, as of 31 December 2018 (in US Dollars)**

Interest Earned	Prior Years as of 31-Dec-2017	Current Year Jan-Dec-2018	Total
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	383,571	32,612	416,183
<b>Total: Fund Earned Interest</b>	<b>383,571</b>	<b>32,612</b>	<b>416,183</b>
<b>Participating Organization</b>			
FAO	2,837		2,837
UNDP	171,437		171,437
UNESCO	24,460		24,460
UNFPA	11,627		11,627
UNIDO	26,604	1,339	27,943
UNWOMEN	5,772		5,772
<b>Total: Agency earned interest</b>	<b>242,738</b>	<b>1,339</b>	<b>244,077</b>
<b>Grand Total</b>	<b>626,309</b>	<b>33,950</b>	<b>660,260</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 2018, the AA has transferred US\$ **87,935,988** to **16** 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 2018 (in US Dollars)**

Participating Organization	Prior Years as of 31-Dec-2017			Current Year Jan-Dec-2018			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	2,873,471	(44,218)	2,829,253				2,873,471	(44,218)	2,829,253
ILO	2,911,272	(62,986)	2,848,286				2,911,272	(62,986)	2,848,286
IOM	619,800		619,800				619,800		619,800
UNAIDS	658,419	(98)	658,321		(3,891)	(3,891)	658,419	(3,989)	654,430
UNDP	13,775,586	(1,325,194)	12,450,392				13,775,586	(1,325,194)	12,450,392
UNEP	160,000		160,000				160,000		160,000
UNESCO	5,867,200	(170,839)	5,696,360				5,867,200	(170,839)	5,696,360
UNFPA	10,882,111	(323,704)	10,558,407		(4,822)	(4,822)	10,882,111	(328,526)	10,553,585
UNHABITAT	3,825,797	(4,822)	3,820,975		(11,782)	(11,782)	3,825,797	(16,604)	3,809,193
UNHCR	880,784		880,784				880,784		880,784
UNICEF	23,607,131	(229,431)	23,377,700		(16,259)	(16,259)	23,607,131	(245,690)	23,361,441
UNIDO	4,035,665	(270,560)	3,765,104		(45,855)	(45,855)	4,035,665	(316,415)	3,719,250
UNODC	252,133		252,133				252,133		252,133
UNWOMEN	1,972,406	(314,054)	1,658,352				1,972,406	(314,054)	1,658,352
WFP	2,255,950	(122,779)	2,133,171				2,255,950	(122,779)	2,133,171
WHO	13,358,263	(312,307)	13,045,956				13,358,263	(312,307)	13,045,956
<b>Grand Total</b>	<b>87,935,988</b>	<b>(3,180,994)</b>	<b>84,754,995</b>		<b>(82,609)</b>	<b>(82,609)</b>	<b>87,935,988</b>	<b>(3,263,603)</b>	<b>84,672,386</b>

## 5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2018** 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 **2018** expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/PK100>.

## 5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2018**, US\$ **82,609** was refunded by Participating Organizations, and US\$ **1,300,524** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **84,672,386** and cumulative expenditures reported by the Participating Organizations amount to US\$ **84,633,847**. This equates to an overall Fund expenditure delivery rate of **100** percent.

**Table 5.1 Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2018 (in US Dollars)**

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2017	Current Year Jan-Dec-2018	Cumulative	
FAO	2,873,474	2,829,253	2,829,253		2,829,253	100.00
ILO	2,911,272	2,848,286	2,699,786	126,300	2,826,086	99.22
IOM	619,800	619,800	619,800		619,800	100.00
UNAIDS	658,419	654,430	563,978	80,472	644,450	98.48
UNDP	13,775,588	12,450,392	12,167,444	282,669	12,450,114	100.00
UNEP	160,000	160,000	160,000		160,000	100.00
UNESCO	5,867,200	5,696,360	5,696,360		5,696,360	100.00
UNFPA	10,882,125	10,553,585	10,489,544	63,555	10,553,099	100.00
UNHABITAT	3,825,797	3,809,193	3,801,231	5,689	3,806,920	99.94
UNHCR	880,784	880,784	880,784		880,784	100.00
UNICEF	23,607,156	23,361,441	23,360,512		23,360,512	100.00
UNIDO	4,035,665	3,719,250	3,287,108	429,797	3,716,905	99.94
UNODC	252,133	252,133	252,133		252,133	100.00
UNWOMEN	1,972,406	1,658,352	1,658,352		1,658,352	100.00
WFP	2,255,951	2,133,171	1,836,124	297,000	2,133,124	100.00
WHO	13,358,277	13,045,956	13,030,913	15,041	13,045,954	100.00
<b>Grand Total</b>	<b>87,936,048</b>	<b>84,672,386</b>	<b>83,333,323</b>	<b>1,300,524</b>	<b>84,633,847</b>	<b>99.95</b>

## 5.2 EXPENDITURE BY UNDAF OUTCOME

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

**Table 5.2 Expenditure by UNDAF Outcome, as of 31 December 2018 (in US Dollars)**

Country/Sector	Prior Years as of 31-Dec-2017		Current Year Jan-Dec-2018		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
<b>Pakistan</b>							
Access to Safe W&S	1,115,574	1,101,688	(5,427)	(1)	1,110,147	1,101,687	99.24
Adult Literacy	3,876,445	3,876,445			3,876,445	3,876,445	100.00
Agriculture & Rural Development	2,014,686	2,014,686			2,014,686	2,014,686	100.00
Communicable Disease Control	517,849	517,849			517,849	517,849	100.00
Decent Employment & Poverty	1,769,394	1,769,394			1,769,394	1,769,394	100.00
Education Strengthening	972,170	972,170			972,170	972,170	100.00
Environmental Management	1,531,162	1,504,797	(39,621)	(13,257)	1,491,541	1,491,541	100.00
Gender Equality	11,694,967	11,694,967			11,694,967	11,694,967	100.00
Green Ind Waste Management	804,027	804,027			804,027	804,027	100.00
Health Systems Development	459,203	459,203			459,203	459,203	100.00
HIV & AIDS	615,901	615,901			615,901	615,901	100.00
JP Disaster Risk Management	4,039,933	4,033,578	(6,355)	0	4,033,578	4,033,578	100.00
MDG Pro Poor Policy	1,216,738	1,216,738			1,216,738	1,216,738	100.00
MNCH & FP/ RH	2,901,695	2,901,695			2,901,695	2,901,695	100.00
Mob & Prot Poor & Vulnerable	2,025,612	2,025,613		(1)	2,025,612	2,025,612	100.00
Natural Res. Management	3,842,618	3,842,618			3,842,618	3,842,618	100.00
Norway PAK Part Initiative	22,470,441	22,478,901			22,470,441	22,478,901	100.04
Nutrition Health Programme	11,588,138	11,588,138			11,588,138	11,588,138	100.00
Population Census	2,326,115	2,326,115			2,326,115	2,326,115	100.00
Pre & Elementary Education	1,028,593	1,028,593			1,028,593	1,028,593	100.00
Sec Edu with TVE&LS	1,938,899	1,938,899			1,938,899	1,938,899	100.00
SPA 1 Access to services	968,169	788,993	(8,713)	159,068	959,456	948,061	98.81
SPA 2 Economic growth	1,188,000	593,986		569,470	1,188,000	1,163,456	97.93
SPA 3 Resilience to disasters	1,129,726	541,794		585,345	1,129,726	1,127,139	99.77
SPA 5 Gender & social justice	287,473	281,341	(6,233)	(102)	281,240	281,240	100.00
SPA 6 Nutrition & FoodSecurity	1,501,663	1,485,391	(16,259)		1,485,404	1,485,391	100.00
Sustainable Urbaniz	929,804	929,804			929,804	929,804	100.00
<b>Pakistan Total:</b>	<b>84,754,995</b>	<b>83,333,323</b>	<b>(82,609)</b>	<b>1,300,524</b>	<b>84,672,386</b>	<b>84,633,847</b>	<b>99.95</b>
<b>Grand Total:</b>	<b>84,754,995</b>	<b>83,333,323</b>	<b>(82,609)</b>	<b>1,300,524</b>	<b>84,672,386</b>	<b>84,633,847</b>	<b>99.95</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 5.3 Expenditure by UNDG Budget Category, as of 31 December 2018 (in US Dollars)**

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2017	Current Year Jan-Dec-2018	Total	
Supplies, Commodities, Equipment and Transport (Old)	11,526,836	-	11,526,836	14.52
Personnel (Old)	9,569,318	-	9,569,318	12.05
Training of Counterparts (Old)	1,433,620	-	1,433,620	1.81
Contracts (Old)	14,624,569	-	14,624,569	18.42
Other direct costs (Old)	1,655,289	-	1,655,289	2.09
Staff & Personnel Cost (New)	2,398,507	109,241	2,507,748	3.16
Supplies, Commodities and Materials (New)	3,695,083	(198,003)	3,497,080	4.41
Equipment, Vehicles, Furniture and Depreciation (New)	2,748,809	284,707	3,033,516	3.82
Contractual Services (New)	20,860,056	(502,823)	20,357,232	25.64
Travel (New)	1,362,487	117,629	1,480,115	1.86
Transfers and Grants (New)	5,007,431	683,842	5,691,273	7.17
General Operating (New)	3,284,691	721,002	4,005,693	5.05
<b>Programme Costs Total</b>	<b>78,166,696</b>	<b>1,215,594</b>	<b>79,382,289</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	5,166,627	84,930	5,251,557	6.62
<b>Total</b>	<b>83,333,323</b>	<b>1,300,524</b>	<b>84,633,847</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 2018, 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 2018, US\$ **870,430** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **84,930** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **5,251,557** as of 31 December 2018.

## 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 2018, US\$ **350,000** has been charged as Direct Costs.

**Table: Direct Costs**

Participating Organization	Net Funded Amount	Expenditure	Delivery Rate
UNDP	350,000	281,368	80%
<b>Total:</b>	<b>350,000</b>	<b>281,368</b>	<b>80%</b>