

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



The International Organization 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



United Nations Human Settlements Programme



United Nations Children's Fund

CONTRIBUTORS



Government of Austria



Delivering Results Together



Expanded DaO Funding Window



Government of Luxembourg



Government of Netherlands



Government of Norway



Government of Spain



United Nations Industrial
Development Organization



United Nations Office on
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 **2018** 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.

2018 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 **2018**. 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 **2018**, **7** contributors deposited US\$ **28,703,909** in contributions and US\$ **302,160** was earned in interest. Refunds to contributors were US\$ **1,582,513**.

The cumulative source of funds was US\$ **27,423,555**. Of this amount, US\$ **26,999,151** has been net funded to **17** Participating Organizations, of which US\$ **24,673,601** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **287,039**. Table 1 provides an overview of the overall sources, uses, and balance of the **Cape Verde Transition Fund** as of 31 December 2018.

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

	Annual 2017	Annual 2018	Cumulative
Sources of Funds			
Contributions from donors	-	1,857,850	28,703,909
Fund Earned Interest and Investment Income	31,345	25,041	242,847
Interest Income received from Participating Organizations	535	2,284	59,313
Refunds by Administrative Agent to Contributors	-	(1,582,513)	(1,582,513)
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	31,880	302,662	27,423,555
Use of Funds			
Transfers to Participating Organizations	1,386,862	2,750,869	28,023,647
Refunds received from Participating Organizations	(441,374)	(10,082)	(1,024,495)
Net Funded Amount	945,488	2,740,787	26,999,151
Administrative Agent Fees	-	18,579	287,039
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	114	122	865
Other Expenditures	-	-	-
Total: Uses of Funds	945,602	2,759,488	27,287,055
Change in Fund cash balance with Administrative Agent	(913,721)	(2,456,826)	136,500
Opening Fund balance (1 January)	3,507,048	2,593,326	-
Closing Fund balance (31 December)	2,593,326	136,500	136,500
Net Funded Amount (Includes Direct Cost)	945,488	2,740,787	26,999,151
Participating Organizations' Expenditure (Includes Direct Cost)	1,779,471	2,599,759	24,673,601
Balance of Funds with Participating Organizations			2,325,550

2. PARTNER CONTRIBUTIONS

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

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 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
Government of Austria	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
Government of Luxembourg	12,105,504	10,247,654	1,857,850	12,105,504
Government of Netherlands	1,105,280	1,105,280	-	1,105,280
Government of Norway	1,435,400	1,435,400	-	1,435,400
Government of Spain	6,000,000	6,000,000	-	6,000,000
Grand Total	28,703,909	26,846,059	1,857,850	28,703,909

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\$ **242,847**.

Interest received from Participating Organizations amounts to US\$ **59,313**, bringing the cumulative interest received to US\$ **302,160**.

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
Administrative Agent			
Fund Earned Interest and Investment Income	217,805	25,041	242,847
Total: Fund Earned Interest	217,805	25,041	242,847
Participating Organization			
FAO	5,514		5,514
UNCTAD	8,937		8,937
UNDP	17,174		17,174
UNDP(UNV)	591	1,849	2,440
UNESCO	2,031		2,031
UNFPA	1,049		1,049
UNIDO	6,376	435	6,811
UNODC	13,901		13,901
UNWOMEN	1,456		1,456
Total: Agency earned interest	57,030	2,284	59,313
Grand Total	274,835	27,325	302,160

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\$ **28,023,647** 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. In **2018**, US\$ **2,740,787** was net funded to 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	4,358,399	(525,682)	3,832,717	50,000	(522)	49,478	4,408,399	(526,204)	3,882,195
ILO	2,313,431	(22,678)	2,290,753	886,779	(1,031)	885,748	3,200,210	(23,709)	3,176,501
IOM	545,210		545,210	50,000		50,000	595,210		595,210
ITC	113,045	(11,761)	101,284				113,045	(11,761)	101,284
UNCTAD	525,945		525,945	50,000	(1,843)	48,157	575,945	(1,843)	574,102
UNDP	5,249,830		5,249,830	1,096,998		1,096,998	6,346,828		6,346,828
UNDP(UNV)	229,451		229,451	50,000		50,000	279,451		279,451
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	(382)	1,725,661	50,000		50,000	1,776,043	(382)	1,775,661
UNHABITAT	500,279		500,279	90,000		90,000	590,279		590,279
UNICEF	1,524,022	(36)	1,523,986	105,000	(627)	104,373	1,629,022	(662)	1,628,360
UNIDO	1,600,843	(175)	1,600,668	80,293	(5,079)	75,214	1,681,136	(5,254)	1,675,882
UNODC	2,755,775		2,755,775	121,799		121,799	2,877,574		2,877,574
UNWOMEN	633,849		633,849	120,000	(980)	119,020	753,849	(980)	752,869
WFP	1,541,181	(417,256)	1,123,925				1,541,181	(417,256)	1,123,925
WHO	1,042,338		1,042,338				1,042,338		1,042,338
Grand Total	25,272,778	(1,014,413)	24,258,364	2,750,869	(10,082)	2,740,787	28,023,647	(1,024,495)	26,999,151

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/CV100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2018** US\$ **2,599,759** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **26,999,151** and cumulative expenditures reported by the Participating Organizations amount to US\$ **24,673,601**. 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 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	5,278,173	3,882,195	3,832,195	48,777	3,880,972	99.97
ILO	3,200,210	3,176,501	1,446,281	583,397	2,029,678	63.90
IOM	595,210	595,210	545,210	49,986	595,196	100.00
ITC	113,045	101,284	101,284		101,284	100.00
UNCTAD	575,945	574,102	524,105	49,886	573,990	99.98
UNDP	6,346,828	6,346,828	4,227,581	1,291,606	5,519,187	86.96
UNDP(UNV)	279,451	279,451	209,674	45,785	255,459	91.41
UNEP	177,696	177,696	160,421		160,421	90.28
UNESCO	435,441	398,997	398,997		398,997	100.00
UNFPA	1,776,043	1,775,661	1,725,661	49,553	1,775,215	99.97
UNHABITAT	590,279	590,279	500,280	(1)	500,279	84.75
UNICEF	1,629,024	1,628,360	1,523,360		1,523,360	93.55
UNIDO	1,681,136	1,675,882	1,456,958	221,389	1,678,347	100.15
UNODC	2,877,574	2,877,574	2,725,260	91,248	2,816,508	97.88
UNWOMEN	753,849	752,869	530,476	168,134	698,610	92.79
WFP	1,541,181	1,123,925	1,123,925		1,123,925	100.00
WHO	1,042,338	1,042,338	1,042,174	0	1,042,174	99.98
Grand Total	28,893,423	26,999,151	22,073,842	2,599,759	24,673,601	91.39

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	
Cape Verde							
Consolidation of Democracy	934,264	927,969		6,336	934,264	934,306	100.00
CPV Delivering Results Togethr	3,381,305	3,148,223	(2,330)	168,422	3,378,975	3,316,645	98.16
CPV Food and Nutrition	4,028,064	4,028,064			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-Environment, Energy & Disaster	1,643,929	1,637,179	(3,304)	283	1,640,626	1,637,462	99.81
CPV- Growth & Economic Opportunities	3,341,396	3,317,878	(1,560)	17,998	3,339,836	3,335,875	99.88
CPV-Quality of the Education System	835,333	815,533		19,800	835,333	835,333	100.00
CPV-Reform of Health Sector	1,451,863	1,451,699			1,451,863	1,451,699	99.99
CPV-Youth Participation	340,886	323,397		17,489	340,886	340,886	100.00
Econ Grad&Integ-Glob Ecny	770,731	768,880	(877)	975	769,854	769,854	100.00
P1 Inclusive Growth	3,366,862	2,082,654	1,375,114	918,722	4,741,976	3,001,377	63.29
P2 Institutions & Citizenship	226,073	226,064	411,799	292,174	637,872	518,238	81.24
P3 Disparities & Inequity	1,217,412	634,785	862,925	1,106,551	2,080,337	1,741,336	83.70
P4 Environment-Climate Change	81,667	79,422	100,000	51,010	181,667	130,432	71.80
Strengthening of Security	2,217,696	2,216,717	(980)	(1)	2,216,716	2,216,716	100.00
Cape Verde Total:	24,258,364	22,073,843	2,740,787	2,599,759	26,999,151	24,673,601	91.39
Grand Total:	24,258,364	22,073,843	2,740,787	2,599,759	26,999,151	24,673,601	91.39

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)	2,338,383	-	2,338,383	10.14
Personnel (Old)	3,665,811	-	3,665,811	15.90
Training of Counterparts (Old)	1,023,143	-	1,023,143	4.44
Contracts (Old)	2,336,016	-	2,336,016	10.13
Other direct costs (Old)	573,476	-	573,476	2.49
Staff & Personnel Cost (New)	2,870,563	603,195	3,473,758	15.07
Supplies, Commodities and Materials (New)	721,518	69,271	790,789	3.43
Equipment, Vehicles, Furniture and Depreciation (New)	422,489	117,762	540,252	2.34
Contractual Services (New)	1,832,782	770,547	2,603,329	11.29
Travel (New)	1,662,268	374,624	2,036,892	8.83
Transfers and Grants (New)	831,162	61,824	892,985	3.87
General Operating (New)	2,345,113	435,907	2,781,020	12.06
Programme Costs Total	20,622,723	2,433,130	23,055,853	100.00
¹ Indirect Support Costs Total	1,451,119	166,629	1,617,748	7.02
Total	22,073,843	2,599,759	24,673,601	

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 **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\$ **18,579** was deducted in AA-fees. Cumulatively, as of 31 December **2018**, US\$ **287,039** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **166,629** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **1,617,748** 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.