

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Viet Nam One Plan Fund II**

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 Fund for Agriculture
	International Labour Organisation
	International Organization for Migration
	Joint United Nations Programme on HIV/AIDS
	UN Conference on Trade and Development
	United Nations Development Programme
	United Nations Volunteers Programme
	United Nations Environment Programme
	United Nations Educational, Scientific and Educational Organization
	United Nations Population Fund

CONTRIBUTORS

	Australian Agency for International Development
	BELGIUM, Government of
	CANADIAN INTERNATIONAL DEVELOPMENT AGENC
	Delivering Results Together
	DEPARTMENT FOR INT'L DEVELOPMENT (DFID)
	Expanded DaO Funding Window
	FINLAND, Government of
	FRANCE, Government of
	IRISH AID
	LUXEMBOURG, Government of
	NETHERLANDS, Government of
	NEW ZEALAND, Government of
	NORWAY, Government of
	SPAIN, Government of
	SWEDISH INT'L DEVELOPMENT COOPERATION



UN Centre for Human Settlement



SWISS AGY FOR DEVELOPMENT & COOPERATION



United Nations Children's Fund



UN Industrial Development Organization



UN Office for Drug and Crime



UN WOMEN



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 **Viet Nam One Plan Fund II** 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 **Viet Nam One Plan Fund II**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/VN200>).

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 **Viet Nam One Plan Fund II** 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/VN200>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2018**, **16** contributors deposited US\$ **103,972,021** in contributions and US\$ **469,282** was earned in interest.

The cumulative source of funds was US\$ **104,441,304**

Of this amount, US\$ **102,997,914** has been net funded to **17** Participating Organizations, of which US\$ **102,947,584** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **1,039,720**. Table 1 provides an overview of the overall sources, uses, and balance of the **Viet Nam One Plan Fund II** 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	-	-	103,972,021
Fund Earned Interest and Investment Income	3,210	6,291	403,218
Interest Income received from Participating Organizations	2,010	7,504	66,064
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	5,220	13,795	104,441,304
Use of Funds			
Transfers to Participating Organizations	-	-	99,576,008
Refunds received from Participating Organizations	(5,459)	(97,252)	(745,753)
Net Funded Amount	(5,459)	(97,252)	98,830,255
Administrative Agent Fees	-	-	1,039,720
Direct Costs: (Steering Committee, Secretariat...etc.)	0	-	4,167,659
Bank Charges	12	16	1,162
Other Expenditures	-	-	-
Total: Uses of Funds	(5,447)	(97,236)	104,038,796
Change in Fund cash balance with Administrative Agent	10,667	111,031	402,507
Opening Fund balance (1 January)	280,809	291,476	-
Closing Fund balance (31 December)	291,476	402,507	402,507
Net Funded Amount (Includes Direct Cost)	(5,459)	(97,252)	102,997,914
Participating Organizations' Expenditure (Includes Direct Cost)	6,429,963	732,328	102,947,584
Balance of Funds with Participating Organizations			50,330

2. PARTNER CONTRIBUTIONS

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

The **Viet Nam One Plan Fund II** is currently being financed by **16** 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 Int'l Development	6,090,180	6,090,180	-	6,090,180
BELGIUM, Government of	3,899,700	3,899,700	-	3,899,700
CANADIAN INTERNATIONAL DEVELOPMENT AGENC	1,589,398	1,589,398	-	1,589,398
Delivering Results Together	3,680,000	3,680,000	-	3,680,000
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	11,456,412	11,456,412	-	11,456,412
Expanded DaO Funding Window	20,354,000	20,354,000	-	20,354,000
FINLAND, Government of	7,832,085	7,832,085	-	7,832,085
FRANCE, Government of	18,971	18,971	-	18,971
IRISH AID	11,742,611	11,742,611	-	11,742,611
LUXEMBOURG, Government of	4,898,204	4,898,204	-	4,898,204
NETHERLANDS, Government of	4,131,028	4,131,028	-	4,131,028
NEW ZEALAND, Government of	3,106,882	3,106,882	-	3,106,882
NORWAY, Government of	11,735,293	11,735,293	-	11,735,293
SPAIN, Government of	8,075,885	8,075,885	-	8,075,885
SWEDISH INT'L DEVELOPMENT COOPERATION	1,269,500	1,269,500	-	1,269,500
SWISS AGY FOR DEVELOPMENT & COOPERATION	4,091,872	4,091,872	-	4,091,872
Grand Total	103,972,021	103,972,021	-	103,972,021

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\$ **403,218**.

Interest received from Participating Organizations amounts to US\$ **66,064**, bringing the cumulative interest received to US\$ **469,282**.

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	396,927	6,291	403,218
Total: Fund Earned Interest	396,927	6,291	403,218
Participating Organization			
FAO	7,117	5,224	12,341
UNDP	2,305		2,305
UNV	3,745	938	4,683
UNESCO	10,941	36	10,977
UNIDO	24,085	1,306	25,391
UNODC	7,787		7,787
UNWOMEN	2,580		2,580
Total: Agency earned interest	58,560	7,504	66,064
Grand Total	455,487	13,795	469,282

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\$ 99,576,008 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\$ 97,252 was refunded by 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	5,395,965	(302,840)	5,093,125		(9,999)	(9,999)	5,395,965	(312,840)	5,083,125
ILO	6,617,991	(104,596)	6,513,394		(2,404)	(2,404)	6,617,991	(107,001)	6,510,990
IOM	401,964		401,964				401,964		401,964
UNAIDS	1,833,295		1,833,295				1,833,295		1,833,295
UNCTAD	61,950		61,950		(3,299)	(3,299)	61,950	(3,299)	58,651
UNDP	23,715,352		23,715,352				23,715,352		23,715,352
UNDP(UNV)	434,943	(27,669)	407,274				434,943	(27,669)	407,274
UNEP	84,500		84,500				84,500		84,500
UNESCO	3,611,271	(931)	3,610,340		(22,686)	(22,686)	3,611,271	(23,618)	3,587,653
UNFPA	7,216,950	(117,697)	7,099,253		(3,200)	(3,200)	7,216,950	(120,897)	7,096,053
UNHABITAT	2,026,699	(1,730)	2,024,969				2,026,699	(1,730)	2,024,969
UNICEF	24,517,788	(4,237)	24,513,551				24,517,788	(4,237)	24,513,551
UNIDO	4,579,722	(80,885)	4,498,837		(15,726)	(15,726)	4,579,722	(96,612)	4,483,110
UNODC	4,589,516	(3,007)	4,586,509				4,589,516	(3,007)	4,586,509
UNWOMEN	2,781,825	(4,908)	2,776,917		(4,494)	(4,494)	2,781,825	(9,402 ¹)	2,772,423
WHO	11,706,279		11,706,279		(35,444)	(35,444)	11,706,279	(35,444)	11,670,835 ²
Grand Total	99,576,008	(648,501)	98,927,507		(97,252)	(97,252)	99,576,008	(745,753)	98,830,255

¹ This amount includes refunds for projects that ended in 2012.

² The WHO country office reported US\$ 11,670,834. The final amount will be corrected in the final, certified financial report.

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/VN200>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2018** US\$ **244,835** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **98,830,255** and cumulative expenditures reported by the Participating Organizations amount to US\$ **98,795,802**. 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	5,451,165	5,083,125	5,064,088	19,026	5,083,114	100.00
IFAD	14,816					0
ILO	6,512,809	6,510,990	6,510,990		6,510,990	100.00
IOM	401,964	401,964	401,964		401,964	100.00
UNAIDS	1,833,295	1,833,295	1,830,319	2,474	1,832,793	99.97
UNCTAD	61,950	58,651	65,171	(6,398)	58,772	100.21
UNDP	23,715,352	23,715,352	23,708,477	6,874	23,715,352	100.00
UNDP(UNV)	434,943	407,274	405,747		405,747	99.63
UNEP	84,500	84,500	64,340		64,340 ³	76.14
UNESCO	3,611,271	3,587,653	3,587,453	(7)	3,587,446	99.99
UNFPA	7,611,526	7,096,053	7,096,040		7,096,040	100.00
UNHABITAT	2,026,699	2,024,969	2,012,383	161,215	2,173,598	107.34
UNICEF	24,938,133	24,513,551	24,468,695	44,587	24,513,282	100.00
UNIDO	4,579,722	4,483,110	4,487,026	(43,939)	4,443,087	99.11
UNODC	4,674,516	4,586,509	4,393,450	72,570 ⁴	4,466,020	97.37
UNWOMEN	2,781,825	2,772,423	2,773,277	(855)	2,772,423	100.00
WHO	12,554,973	11,670,835	11,681,547	(10,713)	11,670,834 ⁵	100.00
Grand Total	101,289,458	98,830,255	98,550,968	244,835	98,795,802	99.97

³ The UNEP country office reported expenditures of US\$56,327.29. The final expenditure amount will be corrected in the final, certified financial report.

⁴ According to the UNODC country office, this amount was expended in 2017.

⁵ The WHO country office reported US\$ 11,670,834. The final amount will be corrected in the final, certified financial report.

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	
Viet Nam							
OP 2006 Disaster Management	5,395,540	5,395,540			5,395,540	5,395,540	100.00
OP 2006 Environment	4,413,320	4,408,185		5,135	4,413,320	4,413,320	100.00
OP 2006 Governance	8,351,377	8,351,375		2	8,351,377	8,351,377	100.00
OP 2006 Social Economic Policy	17,602,945	17,602,944		1	17,602,945	17,602,945	100.00
OP 2006 Social Services	27,424,004	27,424,031		(27)	27,424,004	27,424,004	100.00
OP 2012 Governance & Particip.	10,353,875	9,992,184	(1,959)	223,714	10,351,916	10,215,898	98.69
OP 2012 Inclusive Growth	10,016,634	10,241,862	(28,005)	(33,643)	9,988,629	10,208,218	102.20
OP 2012 Services & Soc Protect	15,369,813	15,134,848	(67,288)	49,652	15,302,525	15,184,500	99.23
Viet Nam Total:	98,927,507	98,550,968	(97,252)	244,835	98,830,255	98,795,802	99.97
Grand Total:	98,927,507	98,550,968	(97,252)	244,835	98,830,255	98,795,802	99.97

5.3 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)	2,679,967	-	2,679,967	2.90
Personnel (Old)	13,505,521	-	13,505,521	14.61
Training of Counterparts (Old)	9,326,889	-	9,326,889	10.09
Contracts (Old)	16,477,958	-	16,477,958	17.82
Other direct costs (Old)	1,266,998	-	1,266,998	1.37
Staff & Personnel Cost (New)	15,038,174	38,340	15,076,514	16.31
Supplies, commodities and materials (New)	180,717	(24,875)	155,842	0.17
Equipment, vehicles, furniture and depreciation (New)	971,725	11,829	983,554	1.06
Contractual Services (New)	10,880,914	13,087	10,894,001	11.78
Travel (New)	3,843,389	91,957	3,935,346	4.26
Transfers and Grants (New)	9,460,563	40,464	9,501,026	10.28
General Operating (New)	8,616,915	35,360	8,652,276	9.36
Programme Costs Total	92,249,730	206,163	92,455,892	100.00
¹ Indirect Support Costs Total	6,301,238	38,672	6,339,910	6.86
Total	98,550,968	244,835	98,795,802	

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\$ was deducted in AA-fees. Cumulatively, as of 31 December 2018, US\$ 1,039,720 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 38,672 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 6,339,910 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\$ 4,167,659 has been charged as Direct Costs.

Table: Direct Costs

Participating Organization	Net Funded Amount	Expenditure	Delivery Rate
UNDP	4,167,659	4,151,782	100%
Total:	4,167,659	4,151,782	100%