

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



International Labour Organization



International Organization for Migration



International Trade Centre



Joint United Nations Programme on HIV/AIDS



United Nations Capital Development Fund



United Nations Conference on Trade and Development



United Nations Development Programme



United Nations Environment Programme



United Nations Educational, Scientific and Cultural Organization

## CONTRIBUTORS



Canadian International Development Agency



Delivering Results Together



Department for International Development (DFID)



Expanded DaO Funding Window



Flemish Government



Government of Iceland



Government of Netherlands



Government of Norway



Government of Portugal



Government of Spain



Government of Sweden



United Nations Population Fund



United Nations Centre for Human Settlement



United Nations High Commissioner for Refugee



United Nations Children's Fund



United Nations Interregional Crime and Justice Research Institute



United Nations Industrial Development Organization



United Nations 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 **Mozambique One UN Fund** is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent, as per the terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) signed with contributors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and SAAs with contributors. It receives, administers and

manages contributions, and disburses these funds to the Participating Organizations. The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements, for transmission to contributors.

This consolidated financial report covers the period 1 January to 31 December **2018** and provides financial data on progress made in the implementation of projects of the **Mozambique One UN Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/MZ100>).

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

## 2018 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Mozambique One UN Fund** using the pass-through funding modality as of 31 December 2018. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:

<http://mptf.undp.org/factsheet/fund/MZ100>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December 2018, 11 contributors deposited US\$ 95,879,080 in contributions and US\$ 772,353 was earned in interest.

The cumulative source of funds was US\$ 96,651,433

Of this amount, US\$ 94,569,123 has been net funded to 21 Participating Organizations, of which US\$ 94,427,890 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 958,791. Table 1 provides an overview of the overall sources, uses, and balance of the **Mozambique One UN Fund** as of 31 December 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	-	-	95,879,080
Fund Earned Interest and Investment Income	8,680	19,040	495,905
Interest Income received from Participating Organizations	1,746	1,123	276,448
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
<b>Total: Sources of Funds</b>	<b>10,426</b>	<b>20,163</b>	<b>96,651,433</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	867,769	-	97,213,983
Refunds received from Participating Organizations	(686,266)	(441,930)	(3,370,260)
<b>Net Funded Amount</b>	<b>181,503</b>	<b>(441,930)</b>	<b>93,843,723</b>
Administrative Agent Fees	-	-	958,791
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	725,400
Bank Charges	36	44	1,130
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>181,539</b>	<b>(441,886)</b>	<b>95,529,043</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>(171,113)</b>	<b>462,049</b>	<b>1,122,389</b>
Opening Fund balance (1 January)	831,453	660,340	-
<b>Closing Fund balance (31 December)</b>	<b>660,340</b>	<b>1,122,389</b>	<b>1,122,389</b>
Net Funded Amount (Includes Direct Cost)	181,503	(441,930)	94,569,123
Participating Organizations' Expenditure (Includes Direct Cost)	1,346,369	348,415	94,427,890
<b>Balance of Funds with Participating Organizations</b>			<b>141,233</b>

## 2. PARTNER CONTRIBUTIONS

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

The **Mozambique One UN Fund** is currently being financed by **11** contributors, as listed in the table below.

The table below includes commitments made up to 31 December 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
Canadian International Development Agency	28,491,395	28,491,395	-	28,491,395
Delivering Results Together	3,500,000	3,500,000	-	3,500,000
Department for International Development (DFID)	96,741	96,741	-	96,741
Expanded DaO Funding Window	39,668,000	39,668,000	-	39,668,000
Flemish Government	186,839	186,839	-	186,839
Government of Iceland,	50,000	50,000	-	50,000
Government of Netherlands	6,641,320	6,641,320	-	6,641,320
Government of Norway	4,572,788	4,572,788	-	4,572,788
Government of Portugal	33,597	33,597	-	33,597
Government of Spain	12,000,000	12,000,000	-	12,000,000
Government of Sweden	638,400	638,400	-	638,400
<b>Grand Total</b>	<b>95,879,080</b>	<b>95,879,080</b>	<b>-</b>	<b>95,879,080</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\$ **495,905**.

Interest received from Participating Organizations amounts to US\$ **276,448**, bringing the cumulative interest received to US\$ **772,353**.

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	476,865	19,040	495,905
<b>Total: Fund Earned Interest</b>	<b>476,865</b>	<b>19,040</b>	<b>495,905</b>
<b>Participating Organization</b>			
FAO	7,382	748	8,130
UNCTAD	2,748		2,748
UNDP	139,048		139,048
UNESCO	58,535	335	58,870
UNFPA	22,435		22,435
UNIDO	28,933	41	28,974
UNWOMEN	16,243		16,243
<b>Total: Agency earned interest</b>	<b>275,324</b>	<b>1,123</b>	<b>276,448</b>
<b>Grand Total</b>	<b>752,189</b>	<b>20,163</b>	<b>772,353</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\$ 97,213,983 to 21 Participating Organizations (see list below).

#### 4.1 TRANSFER BY PARTICIPATING ORGANIZATION

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations. In 2018, US\$ 441,930 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	6,321,900	(147,653)	6,174,247				6,321,900	(147,653)	6,174,247
ILO	5,473,355	(9,104)	5,464,251				5,473,355	(9,104)	5,464,251
IOM	2,202,488		2,202,488				2,202,488		2,202,488
ITC	329,911	(23,749)	306,162				329,911	(23,749)	306,162
UNAIDS	704,418	(31,909)	672,509				704,418	(31,909)	672,509
UNCDF	1,453,622	(170,312)	1,283,310				1,453,622	(170,312)	1,283,310
UNCTAD	262,800	(3,909)	258,891				262,800	(3,909)	258,891
UNDP	10,921,727	(252,862)	10,668,865		(397,966)	(397,966)	10,921,727	(650,828)	10,270,899
UNEP	142,600		142,600				142,600		142,600
UNESCO	4,808,789	(1,109,614)	3,699,175				4,808,789	(1,109,614)	3,699,175
UNFPA	10,367,927	(166,383)	10,201,544		(4,300)	(4,300)	10,367,927	(170,683)	10,197,244
UNHABITAT	2,193,643		2,193,643		(10,121)	(10,121)	2,193,643	(10,121)	2,183,522
UNHCR	981,845		981,845				981,845		981,845
UNICEF	20,551,802		20,551,802		(3,516)	(3,516)	20,551,802	(3,516)	20,548,286
UNICRI	78,200	(2,372)	75,828				78,200	(2,372)	75,828
UNIDO	2,796,026	(157,147)	2,638,879		(5,726)	(5,726)	2,796,026	(162,873)	2,633,153
UNODC	150,000		150,000				150,000		150,000
UNWOMEN	3,626,256	(97,678)	3,528,579		(20,301)	(20,301)	3,626,256	(117,979)	3,508,278
WFP	16,328,668	(429,502)	15,899,166				16,328,668	(429,502)	15,899,166
WHO	7,518,005	(326,136)	7,191,869				7,518,005	(326,136)	7,191,869
<b>Grand Total</b>	<b>97,213,983</b>	<b>(2,928,330)</b>	<b>94,285,653</b>		<b>(441,930)</b>	<b>(441,930)</b>	<b>97,213,983</b>	<b>(3,370,260)</b>	<b>93,843,723</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/MZ100>.

## 5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2018** US\$ **344,283** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **93,843,723** and cumulative expenditures reported by the Participating Organizations amount to US\$ **93,676,929**. 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	6,322,582	6,174,247	6,174,983	(718)	6,174,266	100.00
IFAD	298,000					0
ILO	5,473,355	5,464,251	5,464,251		5,464,251	100.00
IOM	2,202,488	2,202,488	2,215,717	81,549	2,297,266	104.30
ITC	329,911	306,162	306,163	0	306,163	100.00
UNAIDS	704,418	672,509	672,508		672,508	100.00
UNCDF	1,453,622	1,283,310	1,283,310		1,283,310	100.00
UNCTAD	262,800	258,891	258,891		258,891	100.00
UNDP	10,971,829	10,270,899	10,122,597	121,900	10,244,496	99.74
UNEP	142,600	142,600	139,566		139,566	97.87
UNESCO	4,808,789	3,699,175	3,681,772	7,092	3,688,864	99.72
UNFPA	10,367,927	10,197,244	10,196,805		10,196,805	100.00
UNHABITAT	2,193,643	2,183,522	2,019,245	5,335	2,024,581	92.72
UNHCR	981,845	981,845	981,845		981,845	100.00
UNICEF	20,551,802	20,548,286	20,574,475	(25,524)	20,548,950	100.00
UNICRI	78,200	75,828	75,828		75,828	100.00
UNIDO	2,796,026	2,633,153	2,527,768	105,043	2,632,812	99.99
UNODC	150,000	150,000	150,000		150,000	100.00
UNWOMEN	3,626,256	3,508,278	3,441,348	5,585	3,446,933	98.25
WFP	16,328,668	15,899,166	15,855,144	44,021	15,899,166	100.00
WHO	7,518,005	7,191,869	7,190,429		7,190,429	99.98
<b>Grand Total</b>	<b>97,562,767</b>	<b>93,843,723</b>	<b>93,332,646</b>	<b>344,283</b>	<b>93,676,929</b>	<b>99.82</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>Mozambique</b>							
Bldg Commod. Value Chain	2,865,718	2,865,718			2,865,718	2,865,718	100.00
Change Management Project	1,177,712	1,206,325		(28,613)	1,177,712	1,177,712	100.00
Civil Society Organization	4,819,956	4,794,297		25,659	4,819,956	4,819,956	100.00
Decentralization & Integration	6,269,013	6,269,013			6,269,013	6,269,013	100.00
Disaster Risk Reduction	8,357,158	8,355,937		1,222	8,357,158	8,357,158	100.00
Effective Trade Policy & Management	1,475,272	1,475,823	(167)	(718)	1,475,105	1,475,105	100.00
Gender Equality	6,137,796	6,120,200	(20,301)	(2,705)	6,117,495	6,117,495	100.00
HIV & AIDS Response	11,498,791	11,498,791			11,498,791	11,498,791	100.00
Sexual and Reproductive Health	3,834,875	3,834,875			3,834,875	3,834,875	100.00
UNDAF 2012-15 Cross Cutting	1,195,297	1,096,290		68,831	1,195,297	1,165,121	97.48
UNDAF 2012-15 Economic Area	5,055,074	4,873,347	(21,905)	230,456	5,033,170	5,103,803	101.40
UNDAF 2012-15 Governance Area	3,880,916	3,445,015	(391,742)	5,585	3,489,174	3,450,600	98.89
UNDAF 2012-15 Social Area	27,460,310	27,239,253	(7,816)	44,566	27,452,494	27,283,818	99.39
Vulnerable Populations	4,944,288	4,944,288			4,944,288	4,944,288	100.00
Youth Employment	5,313,476	5,313,476			5,313,476	5,313,476	100.00
<b>Mozambique Total:</b>	<b>94,285,653</b>	<b>93,332,646</b>	<b>(441,930)</b>	<b>344,283</b>	<b>93,843,723</b>	<b>93,676,929</b>	<b>99.82</b>
<b>Grand Total:</b>	<b>94,285,653</b>	<b>93,332,646</b>	<b>(441,930)</b>	<b>344,283</b>	<b>93,843,723</b>	<b>93,676,929</b>	<b>99.82</b>

### 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)	11,728,273	-	11,728,273	13.36
Personnel (Old)	14,911,279	-	14,911,279	16.99
Training of Counterparts (Old)	5,738,323	-	5,738,323	6.54
Contracts (Old)	14,779,857	-	14,779,857	16.84
Other direct costs (Old)	3,656,242	-	3,656,242	4.17
Staff & Personnel Cost (New)	4,418,714	32,868	4,451,582	5.07
Supplies, Commodities and Materials (New)	9,575,803	40,423	9,616,226	10.95
Equipment, Vehicles, Furniture, Depreciation (New)	1,735,893	7,413	1,743,306	1.99
Contractual Services (New)	4,737,562	65,519	4,803,082	5.47
Travel (New)	3,474,893	74,099	3,548,992	4.04
Transfers and Grants (New)	7,963,207	(17,726)	7,945,481	9.05
General Operating (New)	4,784,729	75,393	4,860,122	5.54
<b>Programme Costs Total</b>	<b>87,504,777</b>	<b>277,989</b>	<b>87,782,765</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	5,827,869	66,294	5,894,164	6.71
<b>Total</b>	<b>93,332,646</b>	<b>344,283</b>	<b>93,676,929</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\$ **958,791** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **66,294** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **5,894,164** 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\$ **725,400** has been charged as Direct Costs.

**Table: Direct Costs**

Participating Organization	Net Funded Amount	Expenditure	Delivery Rate
UNDP	725,400	750,961	104%
<b>Total:</b>	<b>725,400</b>	<b>750,961</b>	<b>104%</b>