

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Joint SDG 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



United Nations Development Programme

CONTRIBUTORS



Government of Denmark



Government of Germany



Government of Ireland



Government of Netherlands



Government of Luxembourg



Government of Monaco



Government of Norway

Private Sector



SDG Fund



Government of Spain



Government of Sweden



Swiss Agency for Development & Cooperation



United Nations Children's Fund

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 **Joint SDG 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 **Joint SDG Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/IPS00>).

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 **Joint SDG 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/IPS00>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2018**, **11** contributors deposited US\$ **45,913,919**, other MDTFs US\$ **230,047** in contributions and US\$ **247,078** was earned in interest.

The cumulative source of funds was US\$ **46,391,044**

Of this amount, US\$ **350,000** has been funded as direct costs, of which US\$ **21,108** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **459,139**. Table 1 provides an overview of the overall sources, uses, and balance of the **Joint SDG 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	3,052,814	42,861,106	45,913,919
Contributions from MDTFs	-	230,047	230,047
- Sub-total Contributions	3,052,814	43,091,152	46,143,966
Fund Earned Interest and Investment Income	6,224	240,854	247,078
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	3,059,038	43,332,006	46,391,044
Use of Funds			
Transfers to Participating Organizations	-	-	-
Refunds received from Participating Organizations	-	-	-
Net Funded Amount	-	-	-
Administrative Agent Fees	30,528	428,611	459,139
Direct Costs: (Steering Committee, Secretariat...etc.)	-	350,000	350,000
Bank Charges	2	390	392
Other Expenditures	-	-	-
Total: Uses of Funds	30,530	779,001	809,531
Change in Fund cash balance with Administrative Agent	3,028,508	42,553,005	45,581,513
Opening Fund balance (1 January)	-	3,028,508	-
Closing Fund balance (31 December)	3,028,508	45,581,513	45,581,513
Net Funded Amount (Includes Direct Cost)	-	350,000	350,000
Participating Organizations' Expenditure (Includes Direct Cost)	-	21,108	21,108
Balance of Funds with Participating Organizations			328,892

2. PARTNER CONTRIBUTIONS

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

The **Joint SDG 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

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

Contributors	Total Commitments		Total Commitments	Total Deposits		Total Deposits	Deposit Rate 2018	Deposit Rate for future year commitments
	As of 31 Dec 2018	Due Future Years		Prior Years as of 31-Dec-2017 Deposits	Current Year Jan-Dec-2018 Deposits			
Government of Denmark	1,827,708	-	1,827,708	-	1,827,708	1,827,708	100.00%	100.00%
Government of Germany	456,087	464,576	920,663	-	456,087	456,087	100.00%	49.54%
Government of Ireland	562,476	-	562,476	-	562,476	562,476	100.00%	100.00%
Government of Luxembourg	-	1,137,656	1,137,656	0	-	-	0.00%	0.00%
Government of Monaco	34,130	-	34,130	-	-	-	0.00%	0.00%
Government of the Netherlands	11,036,025	17,373,066	28,409,091	-	11,036,025	11,036,025	100.00%	38.85%
Government of Norway	1,170,618	-	1,170,618	-	1,170,618	1,170,618	100.00%	100.00%
Private Sector	83,155	-	83,155	-	83,155	83,155	100.00%	100.00%
SDG Fund	230,047	-	230,047	-	230,047	230,047	100.00%	100.00%
Government of Spain	10,000,000	-	10,000,000	-	10,000,000	10,000,000	100.00%	100.00%
Government of Sweden	17,653,974	-	17,653,974	-	17,653,974	17,653,974	100.00%	100.00%
Swiss Agency for Development Cooperation	3,052,814	-	3,052,814	3,052,814	-	3,052,814	100.00%	100.00%
UNICEF	71,063	-	71,063	-	71,063	71,063	100.00%	100.00%
Grand Total	46,178,096	18,975,298	65,153,394	3,052,814	43,091,153	46,143,967	99.93%	70.82%

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\$ 247,078.

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	6,224	240,854	247,078
Total: Fund Earned Interest	6,224	240,854	247,078
Participating Organization			
Total: Agency earned interest			
Grand Total	6,224	240,854	247,078

4. 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\$ **428,611** was deducted in AA-fees. Cumulatively, as of 31 December **2018**, US\$ **459,139** has been charged in AA-fees.

5. 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.

6. 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'. In the reporting period, direct costs charged to the fund amounted to US\$ **350,000**. 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	21,108	6%
Total:	350,000	21,108	6%