



**POOLED FUND RDC**

# **Consolidated Annual Financial Report on Activities Implemented under the DRC Pooled Fund**

**Report of the Administrative Agent of the DRC Pooled Fund  
for the period 1 January to 31 December 2010**

United Nations Development Programme

<http://mdtf.undp.org>

May 2011

## Table of Content

1. Introduction .....	6
2. Sources, Uses, and Balance of Funds .....	7
3. Financial Delivery Rate .....	8
4. Donor Contributions.....	8
5. Interest Earned at the Fund and Agency Level .....	10
6. Transfer of Approved Funding to Participating Organizations .....	11
7. Expenditure Overview .....	12
8. Expenditures reported by Category .....	13
9. Transparency and Accountability.....	14

## List of Tables

Table 1: Financial Overview, as of 31 December 2010 (amounts in US\$ Thousands) .....	7
Table 2: Financial Delivery Rates, as of 31 December 2010 (amounts in US\$ Thousands) .....	8
Table 3: Donor Deposits, as of 31 December 2010 (amounts in US\$ Thousands).....	9
Table 4: Received Interest at the Fund and Agency Level, as of 31 December 2010 (amounts in US\$ Thousands) .....	10
Table 5: Transfers to Participating Organizations, as of 31 December 2010 (in US\$ Thousands) .....	11
Table 6: Expenditure by Participating Organization, as of 31 December 2010 (in US\$ Thousands) .....	12
Table 7: Total Expenditure by Category, as of 31 December 2010 (in US\$ Thousands).....	13

## DRC Pooled Fund

### PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization (FAO)



United Nations Office for the Coordination of Humanitarian Affairs (OCHA)



United Nations Development Programme (UNDP)



United Nations Children's Fund (UNICEF)



United Nations Population Fund (UNFPA)



United Nations High Commissioner for Refugees (UNHCR)



United Nations Development Fund for Women (UNIFEM)



United Nations Office for Project Services (UNOPS)



World Food Programme (WFP)



World Health Organization (WHO)



United Nations Mine Action Service (UNMAS)

### PARTICIPATING NON-UN ORGANIZATION



International Organization for Migration (IOM)

**DRC Pooled Fund**

CONTRIBUTING DONORS	
UNITED KINGDOM	
THE NETHERLANDS	
SWEDEN	
IRELAND	
NORWAY	
SPAIN	
BELGIUM	
CANADA	
DENMARK	
LUXEMBOURG	

## Definitions

### **Allocation**

Amount approved by the DRC Pooled Fund Humanitarian Coordinator for a project/programme.

### **Approved Project/Programme**

A project/programme document, including budget that has been approved by the Humanitarian Coordinator for fund allocation purposes.

### **Donor Commitment**

A Donor contribution as per signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Donor Trust Fund Office (MDTF Office), in its capacity as the Administrative Agent of the DRC Pooled Fund.

### **Direct Costs**

Costs that can be traced to or identified as part of the cost of a project in an economically feasible way.

### **Donor Deposit**

Cash deposit received by the UNDP MDTF Office for the DRC Pooled Fund.

### **Indirect Cost<sup>1</sup>**

A general cost that cannot be directly related to any particular programme or activity of the Participating Organization. These costs are recovered in accordance with each Participating Organization's own financial regulations and rules.

### **Net funded amount**

Amount transferred to a Participating Organization minus refunds of unspent balances from the Participating Organization.

### **Participating Organizations**

Organizations that have signed a Memorandum of Understanding with the UNDP MDTF Office.

### **Project Commitment**

The amount for which legally binding contracts have been signed, including multi-year commitments which may be disbursed in future years.

### **Project Disbursement**

The amount paid to a vendor or entity for goods received, work completed, and/or services rendered (does not include unliquidated obligations).

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<sup>1</sup> UNDG Financial Policies Working Group

**Project Financial Closure**

A project/programme is considered financially closed when all financial obligations of an operationally completed project/programme have been settled, and no further financial charges may be incurred.

**Project Operational Closure**

A project/programme is considered operationally closed when all activities for which a Participating Organization is responsible under the approved programmatic document have been completed.

**Project Expenditure**

Amount of project disbursement plus unliquidated obligations related to payments due for the year (except for UN Organizations that have adopted the International Public Sector Accounting Standards (IPSAS)).

**Project Start Date**

Date of transfer of first instalment from the MDTF Office to the Participating Organization.

**Total Approved Budget**

Amount approved by the Humanitarian Coordinator.

## 1. Introduction

This Consolidated Annual Financial Report of the DRC Pooled Fund is prepared by the United Nations Development Programme (UNDP) in fulfillment of its obligations as Administrative Agent of the DRC Pooled Fund, contained in the DRC Pooled Fund Terms of Reference, the Memorandum of Understanding (MOU) signed between the UNDP MDTF Office and the Participating UN Organizations, and the Standard Administrative Arrangements (SAAs) between the UNDP MDTF Office and Donors<sup>2</sup>.

The UNDP MDTF Office serves as Administrative Agent for the DRC Pooled Fund and is responsible for concluding an MOU with Participating UN Organizations and SAAs with donors. It receives, administers and manages contributions from Donors, and disburses these funds to the Participating UN Organizations in accordance with the decisions of the Humanitarian Coordinator. The MDTF Office has delegated to the UNDP DRC Country Office some of the Administrative Agent functions, such as transfer of funds to the Participating Organizations following the Humanitarian Coordinator's decisions; regular interaction on the Administrative Agent functions with donors and Participating Organizations at the country level; and provision of regular financial statements on the DRC Pooled Fund Account to the Humanitarian Coordinator for transmission to the Pooled Fund Board and donors.

The Administrative Agent prepares and submits Consolidated Annual Financial Reports to the Humanitarian Coordinator, Pooled Fund Board and donors. The annual consolidated financial reports are prepared by the UNDP DRC Country Office with guidance from the UNDP MDTF Office in New York. The Consolidated Annual Financial Reports is the result of the MDTF Office's consolidation of information and data provided in the financial reports and statements submitted by the Participating Organizations.

This Consolidated Annual Financial Report covers the period 1 January to 31 December 2010 and provides financial data on progress made in the implementation of projects<sup>3</sup> funded by the DRC Pooled Fund. It is posted on the MDTF Office GATEWAY (<http://mdtf.undp.org/factsheet/fund/HCG10>).

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<sup>2</sup> The content of this Report has been shared by the Administrative Agent with the Humanitarian Coordinator for the DRC and OCHA for inclusion in the DRC Pooled Fund Annual Report. Similar to 2009 Annual Report, this report is also finalized as a stand-alone Administrative Agent Report. For increased public transparency, it is posted on the MDTF Office GATEWAY. (<http://mdtf.undp.org/factsheet/fund/HCG10>).

<sup>3</sup> Project is used it refers broadly to Projects and Programmes indistinctly.

## 2. Sources, Uses, and Balance of Funds

In 2010 US\$ 102.6 million was deposited into the DRC Pooled Fund Account. Of this amount, US\$ 92.2 million (90 percent) has been transferred to ten Participating Organizations (nine Participating UN Organizations and IOM).

The financial overview of the DRC Pooled Fund is presented in Table 1. As of 31 December 2010, cumulatively, from DRC Pooled Fund inception in 2006 through the end of 2010, US\$ 580.9 million had been received from donors and US\$ 536 million transferred to Participating Organizations.

The balance of funds with Administrative Agent as of 31 December 2010 was US\$ 48.9 million, whereas the balance of funds with Participating Organizations was US\$ 62.9 million.

**Table 1: Financial Overview, as of 31 December 2010** (amounts in US\$ Thousands)

	Prior Years As of 31 Dec 2009	Current Year Jan-Dec 2010	TOTAL
<b>Sources of Funds</b>			
Gross Donor Contributions	478,308	102,594	580,901
Fund Earned Interest Income	4,862	622	5,484
Interest Income received from Participating Organizations	570	568	1,137
<b>Total: Sources of Funds</b>	<b>483,739</b>	<b>103,783</b>	<b>587,523</b>
<b>Uses of Funds</b>			
Transfer to Participating Organizations	443,793	92,204	535,997
Refunds received from Participating Organizations	-	(3,171)	(3,171)
<b>Net Funded Amount to Participating Organizations</b>	<b>443,793</b>	<b>89,033</b>	<b>532,826</b>
Administrative Agent Fees	4,783	1,026	5,809
Direct Costs	-	-	-
Bank Charges	0	-	0
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>448,576</b>	<b>90,059</b>	<b>538,635</b>
<b>Balance of Funds Available with Administrative Agent</b>	<b>35,163</b>	<b>13,724</b>	<b>48,888</b>
Net Funded Amount to Participating Organizations	443,793	89,033	532,826
Participating Organizations' Expenditure	358,097	111,851	469,948
<b>Balance of Funds with Participating UN Organizations</b>	<b>85,696</b>	<b>(22,818)</b>	<b>62,877</b>

Apart from Donor contributions, the other source of funds for the DRC Pooled Fund is interest income. The two sources of interest earned income are: (1) Administrative Agent (Fund-level) earned interest, which is the interest earned by the MDTF Office as the Administrative Agent on the balance of funds remaining in the DRC Pooled Fund account, and (2) Participating Organization earned interest, which is the amount earned by the Participating Organizations on the undisbursed balance of the DRC Pooled Fund funds. As of the end of the reporting period, the total fund earned interest was US\$ 5.5 million and the Participating Organizations refunded interest earnings was US\$ 1.1 million. A detailed explanation of interest income is provided in Table 4.



Refunds from the Participating UN Organizations of unspent balances from projects financially closed during the reporting period is amounted to US\$ 3.2 million, which brought the net funded amount of 2010 to US\$ 89 million.

The Administrative Agent fee amounted to US\$ 1.02 million in 2010 was charged at the approved rate of 1 percent on deposits in accordance of LOAs/SAAAs signed with donors and MOU signed with Participating Organizations.

### 3. Financial Delivery Rate

As shown in Table 2, the total cumulative expenditure as of 31 December 2010 was US\$ 469.9 million, which represents 88 percent of total funds transferred to the Participating Organizations. It is important to note that all prior year non-reported expenditures have been adjusted and the incorrect mapping of 2009 expenditure between UNDP/PUNO and UNDP/NGO projects has been resolved in the reporting period.

**Table 2: Financial Delivery Rate, as of 31 December 2010** (amounts in US\$ Thousands)

Fund	Prior Years as of 31 Dec 2009		Current Year Jan-Dec 2010		TOTAL		Delivery Rate ( % )
	Net Funded Amount	Expend	Net Funded Amount	Expend	Net Funded Amount	Expend	
DRC Pooled Fund	443,793	358,097	89,033	111,851	532,826	469,948	88.20
<b>Total</b>	<b>443,793</b>	<b>358,097</b>	<b>89,033</b>	<b>111,851</b>	<b>532,826</b>	<b>469,948</b>	<b>88.20</b>

### 4. Donor Contributions

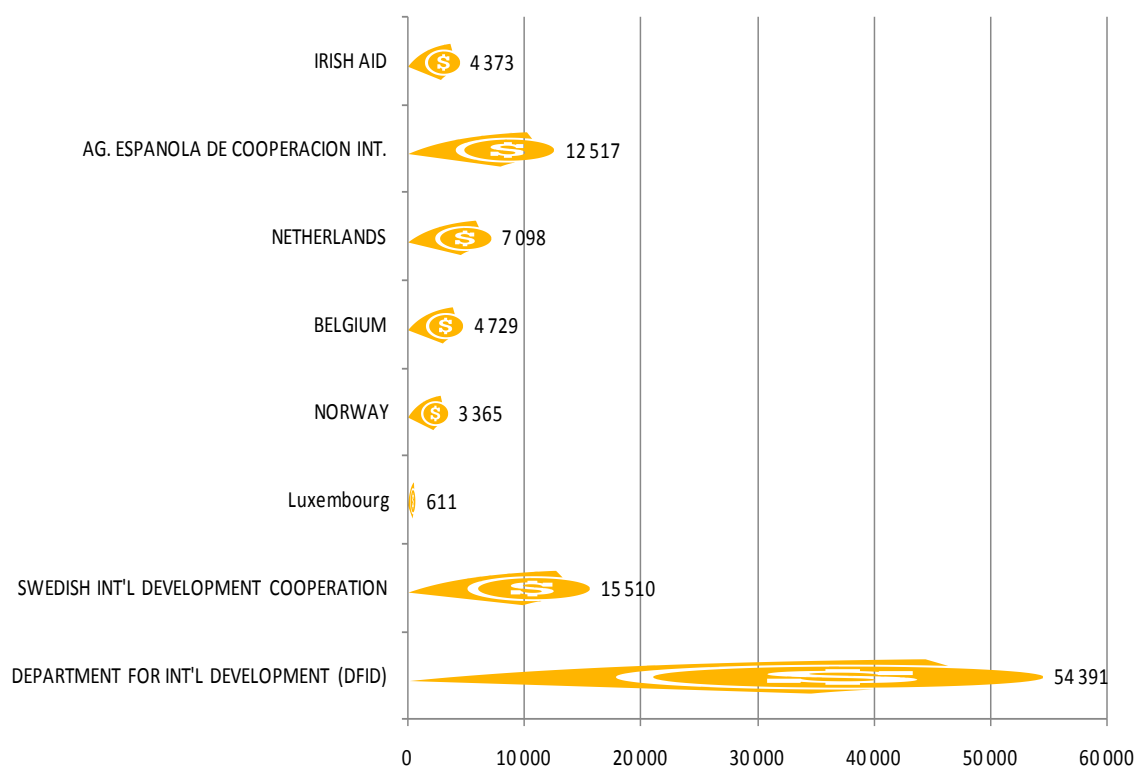
Table 3 gives the breakdown of the contributions received. In 2010 the total contribution from eight donors amounted to US\$ 102.6 million. The three largest donors in 2010 were: the United Kingdom Department for International Development [DFID] (US\$ 54.4 million)<sup>4</sup>, Swedish International Development Cooperation Agency [Sida] (US\$ 15.5 million) and the *Agencia Española De Cooperación Internacional para el Desarrollo* [AECID/Spain] (US\$ 12.5 million).

<sup>4</sup> US\$31.2 million of this contribution was paid in December 2010 and was scheduled for 2011 activities.

**Table 3: Donor Deposits, as of 31 December 2010** (amounts in US\$ Thousands)

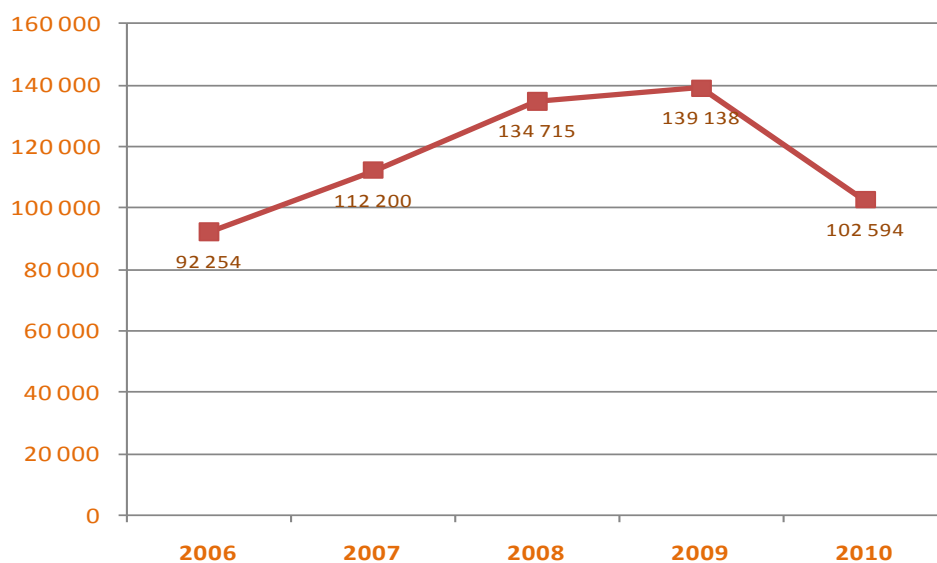
Donor Name	Deposits					Grand Total
	2006	2007	2008	2009	2010	
DFID/UK	54,562	58,593	58,721	77,449	54,391	303,715
CIDA/Canada	3,128	3,080	0	0	0	6,207
Sida/Sweden	14,534	14,766	22,847	19,849	15,510	87,506
Denmark	0	0	0	1,808	0	1,808
Luxembourg	0	0	489	666	611	1,767
Norway	3,325	3,303	6,153	3,091	3,365	19,238
Belgium	1,981	815	2,006	6,219	4,729	15,750
Netherlands	14,724	22,228	28,216	17,000	7,098	89,266
AECID/Spain	0	0	5,296	7,919	12,517	25,732
Irish Aid	0	9,417	10,987	5,137	4,373	29,913
<b>Total</b>	<b>92,254</b>	<b>112,200</b>	<b>134,715</b>	<b>139,138</b>	<b>102,594</b>	<b>580,901</b>

**Graph 1: Donor Deposits in 2010** (amounts in US\$ Thousands)



As shown in Graph 2 below, the Humanitarian assistance for the DRC Pooled Fund funding level decreased in 2010 by 26 percent over the previous year.

**Graph 2: Donor Deposits by year**



## 5. Interest Earned at the Fund and Agency Level

During the reporting period, the DRC Pooled Fund earned interest income was US\$ 1.1 million which when combined with the interest income from prior years brings the total Fund and Participating Organization- level to US\$ 6.6 million as described in Table 4.

All interest earned by the Participating Organizations shall be credited to the DRC Pooled Fund account unless the Pooled Fund Board have approved decisions that govern the specific use of interest earned on donor contributions.

**Table 4: Received Interest at the Fund and Agency Level, as of 31 December 2010**  
(amounts in US\$ Thousands)

	Prior Years as of 31 Dec 2009	Current Year Jan-Dec 2010	TOTAL
<b>Administrative Agent</b>			
Fund Earned Interest Income	4,862	622	5,484
<b>Total: Fund Earned Interest Income</b>	<b>4,862</b>	<b>622</b>	<b>5,484</b>
<b>Participating Organization (PO) Earned Interest Income</b>			
FAO	514	0	514
UNDP	0	616	616
UNFPA	0	8	8
UNOPS	56	(56)	0
<b>Total: Part Org Earned Interest Income</b>	<b>570</b>	<b>568</b>	<b>1,137</b>
<b>TOTAL</b>	<b>5,432</b>	<b>1,189</b>	<b>6,621</b>

## 6. Net Transfer of Approved Funding to Participating Organizations

In 2010, the DRC Pooled Fund transferred net funded amount to ten Participating Organizations for approved projects for a total of US\$ 89 million, which accounted for 87 percent of the total deposited funds.

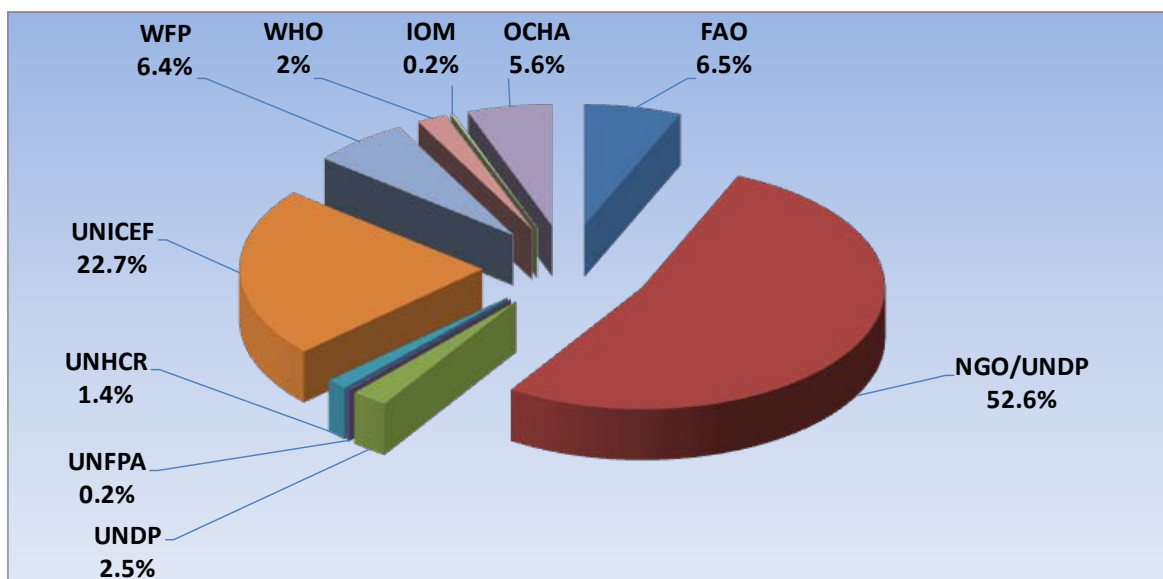
The distribution of approved funding, consolidated by Participating Organization is summarized in Table 5.

**Table 5: Transfers to Participating Organizations, as of 31 December 2010** (in US\$ Thousands)

Participating Organization	Prior Years as of 31 Dec 2009		Current Year Jan-Dec 2010		TOTAL	
	Approved Amount	Net Funded Amount	Approved Amount	Net Funded Amount	Approved Amount	Net Funded Amount
FAO	50,327	50,327	5,965	5,079	56,292	55,406
NGO/UNDP	181,899	178,894	48,511	47,372	230,410	226,266
UNDP	2,050	2,151	2,276	2,276	4,326	4,427
UNFPA	8,900	8,900	140	(517)	9,040	8,383
UNHCR	14,149	14,149	1,312	1,312	15,461	15,461
UNICEF	95,932	95,932	20,924	20,435	116,856	116,367
UNWOMEN	300	300	0	0	300	300
UNOPS	4,724	4,724	0	0	4,724	4,724
WFP	35,749	35,749	5,922	5,922	41,670	41,670
WHO	21,730	21,730	1,800	1,800	23,530	23,530
UNAIDS	100	0	0	0	100	0
IOM	2,086	2,086	160	160	2,246	2,246
OCHA	28,651	28,651	5,194	5,194	33,845	33,845
UNMAS	200	200	0	0	200	200
<b>Total</b>	<b>446,796</b>	<b>443,793</b>	<b>92,204</b>	<b>89,033</b>	<b>539,001</b>	<b>532,826</b>

The NGOs receiving funding through UNDP, acting as the Management Agent, received the largest amount for DRC Pooled Fund funding (52.6 percent), which represented 131 NGO projects, followed by UNICEF (22.7 percent), FAO (6.5 percent) and WFP (6.4 percent)

**Graph 2: Funds Transferred to Participating Organizations in 2010**



## 7. Expenditure Overview

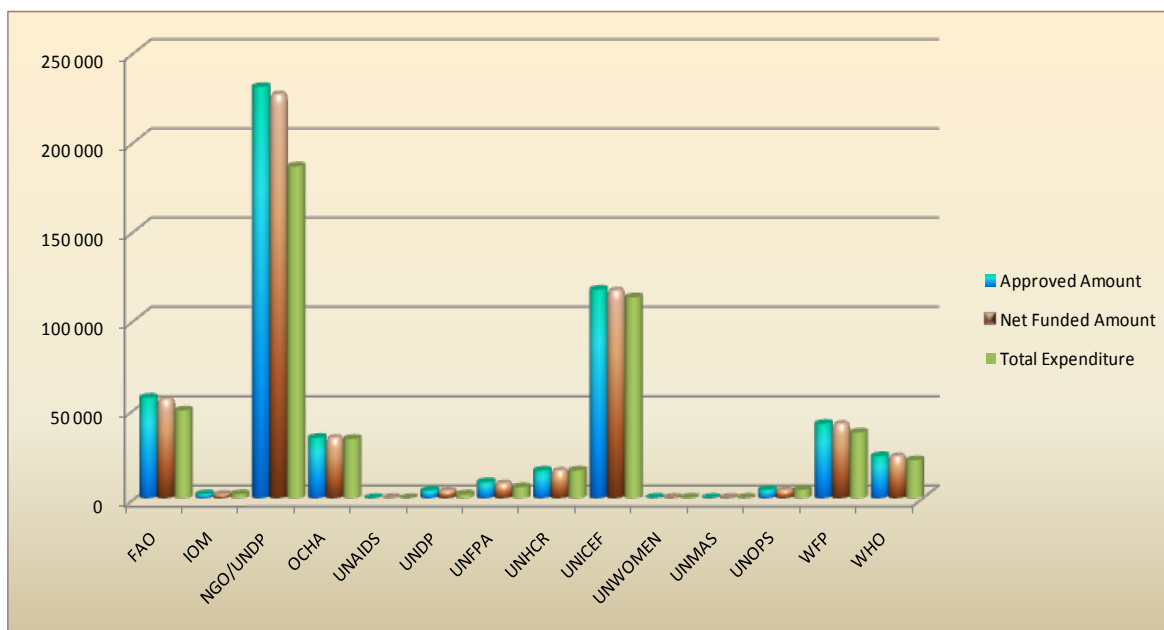
As indicated earlier in the report, MOU, and LOAs/SAs governing the DRC Pooled Fund stipulate that for each project approved for DRC Pooled Fund funding, each Participating Organization shall provide the Administrative Agent with the expenditure reports prepared in accordance with the accounting and reporting procedures applicable to the Participating Organization concerned. Table 6 reflects cumulative expenditures by Participating Organization.

**Table 6: Expenditure by Participating Organization, as of 31 December 2010 (in US\$ Thousands)**

Participating Organization	Approved Amount	Funds Transferred	Total Expenditure	Expenditure by Category							% of Programme Costs
				Suppl, Commod, Equip & Transport	Personnel	Training	Contracts	Other Direct Costs	Total Programme Costs	Indirect Support Costs	
FAO	56,292	55,406	49,153	25,235	9,915	1,002	4,366	4,772	45,290	3,863	8.83
IOM	2,246	2,246	2,226	251	607	0	62	1,172	2,092	134	6.39
NGO/UNDP	230,410	226,267	185,881	3,279	2,474	0	1,486	168,520	175,759	10,122	5.76
OCHA	33,845	33,844	33,189	2,635	10,981	2,492	591	13,031	29,730	3,459	11.63
UNAIDS	100	0	0	0	0	0	0	0	0	0	0.00
UNDP	4,326	4,427	2,111	114	2,171	47	13	667	3,013	(902)	(29.93)
UNFPA	9,040	8,382	6,150	2,061	835	258	1,938	655	5,748	402	7.00
UNHCR	15,461	15,461	15,461	7,792	3,804	34	1,963	854	14,447	1,014	7.02
UNICEF	116,857	116,367	112,531	45,067	2,953	719	55,964	304	105,008	7,523	7.16
UNWOMEN	300	300	297	0	75		190	16	280	17	6.09
UNMAS	200	200	200	0	139	0	8	32	180	20	11.41
UNOPS	4,724	4,724	4,724	1,064	875	0	2,236	168	4,342	382	8.80
WFP	41,670	41,670	36,783	14,789	2,398	(71)	4,615	13,378	35,109	1,674	4.77
WHO	23,530	23,530	21,242	6,156	1,851	211	7,160	4,561	19,939	1,303	6.53
<b>Total</b>	<b>539,001</b>	<b>532,826</b>	<b>469,948</b>	<b>108,442</b>	<b>39,078</b>	<b>4,692</b>	<b>80,592</b>	<b>208,132</b>	<b>440,936</b>	<b>29,012</b>	<b>6.58</b>

Graph 3 illustrates the total expenditure by Participating Organization in relation of approved budget and funds transferred.

**Graph 3: Total Approved Budget, Total Transfers and Total Expenditures by Participating Organization, as of 31 December 2010 (in US\$ Thousands)**



## 8. Expenditures reported by Category

Table 7 provides a summary of total expenditure by reporting period and by six categories of expenditure.

**Table 7: Total Expenditure by Category, as of 31 December 2010 (in US\$ Thousands)**

Budget Category	Expenditure			% of Total Programme Costs
	Prior Years as of 31 Dec 2009	Current Year Jan-Dec 2010	Total	
Supplies, Commodities, Equipment and Transport	87,309	21,133	108,442	25
Personnel	39,206	(128)	39,078	9
Training of Counterparts	4,171	521	4,692	1
Contracts	62,096	18,496	80,592	18
Other Direct Costs	142,852	65,281	208,133	47
<b>Programme Costs Total</b>	<b>335,634</b>	<b>105,302</b>	<b>440,936</b>	<b>100</b>
Indirect Support Costs	22,463	6,549	29,012	6.58
<b>Total</b>	<b>358,097</b>	<b>111,851</b>	<b>469,948</b>	

The major portion of the DRC Pooled Fund funded project expenditures was *Other* Direct Cost (47 percent of total programme costs), supplies/ commodities/ equipment/ transport (25 percent), contracts (18 percent), personnel (9 percent). A detailed breakdown of the values of all expenditures in these categories can be found in Tables 6

The indirect cost share represents 6.6 percent (covering cumulative prior period of through December 2010) of the total programme costs, which is within 7 percent specified in the DRC Pooled Fund Memorandum of Understanding and Letters of Agreement/Standard Administrative Arrangements.

## **9. Transparency and Accountability**

In 2010, the MDTF Office officially launched the MDTF Office GATEWAY (<http://mdtf.undp.org>). It is a knowledge platform providing real-time data from the MDTF Office accounting system, with a maximum of two-hour delay, on financial information on donor contributions, programme budgets and transfers to Participating Organizations. It is designed to provide transparent, accountable fund-management services to the United Nations system to enhance its coherence, effectiveness and efficiency. Each MDTF and JP administered by the MDTF Office has its own website on the GATEWAY with extensive narrative and financial information on the MDTF/JP including on its strategic framework, governance arrangements, eligibility and allocation criteria. Annual financial and narrative progress reports and quarterly/semi-annual updates on the results being achieved are also available. In addition, each programme has a Factsheet with specific facts, figures and updates on that programme is available on the DRC Pooled Fund web Site (<http://mdtf.undp.org/dashboard/fund/information?dash=HCG10>)

The GATEWAY provides easy access to more than 5,000 reports and documents on MDTFs/JPs and individual programmes, with tools and tables displaying related financial data. By enabling users in the field with easy access to upload progress reports and related documents also facilitates knowledge sharing and management among UN agencies. The MDTF Office GATEWAY is already being recognized as a 'standard setter' by peers and partners.