



The Republic of Sudan

**SUDAN COMMON HUMANITARIAN FUND
CONSOLIDATED ANNUAL FINANCIAL REPORT**

Report of the Administrative Agent

For the period from 1 January 2010 to 31 December 2010

May 2011

PARTICIPATING UN ORGANIZATIONS



Food and Agriculture Organization (FAO)



UN 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 Entity for Gender Equality and the Empowerment of Women (UNWOMEN)



United Nations Office for Project Services (UNOPS)



World Food Programme (WFP)



World Health Organization (WHO)



United Nations Mine Action Services (UNMAS)



International Labor Organization (ILO)



United Nations Educational, Scientific and Cultural Organization (UNESCO)



The Joint United Nations Programme on HIV/AIDS (UNAIDS)



United Nations Environment Programme (UNEP)

PARTICIPATING NON-UN ORGANIZATIONS



International Organization for Migration (IOM)

Sudan Common Humanitarian Fund

CONTRIBUTING DONORS	
DENMARK	
IRELAND	
NETHERLANDS	
NORWAY	
SPAIN	
SWEDEN	
UNITED KINGDOM	

Definitions

Allocation

Amount approved by the Sudan Humanitarian Coordinator (HC) for a project/programme.

Approved Project/Programme

A project/programme document, including budget, etc., that is approved by the HC 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 Sudan CHF.

Donor Deposit

Cash deposit received by the UNDP MDTF Office for the Sudan CHF.

Indirect Support Cost¹

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

Managing Agent

UN Organization that has signed the MOU as a Participating UN Organization (PUNO) and performs an oversight function vis-à-vis NGOs receiving Sudan CHF funding. In the case of the Sudan CHF UNDP is the Managing Agent. The Managing Agent has the same obligations as any other PUNO that has signed the MOU, including for reporting.

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, this includes Participating UN Organizations, as well as Non-UN Participating Organizations, such as IOM.

¹ UNDG Financial Policies Working Group.

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 activities for which a Participating Organization is responsible under the approved programmatic document have been completed.

Project Commitment

The amount for which legally binding contracts have been signed, including multi-year commitments that 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).

Project Expenditure

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

Project Start Date

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

Total Approved Budget

Amount approved by the Humanitarian Coordinator.

Table of Contents

1.	Introduction	8
2.	Sources, Uses, and Balance of Sudan CHF Funds	8
3.	Donors Contributions.....	10
4.	Interest earned	11
5.	Transfer of Funds to Participating Organizations	12
6.	Expenditure reported by Participating Organizations	14
	6.1 Overall Expenditure and Financial Delivery Rates.....	14
	6.2 Total Expenditure Reported by Category	16
	6.3 Cumulative Expenditure by Participating Organization, with breakdown by Category	17
7.	Accountability and Transparency	17

1. Introduction

This Consolidated Annual Financial Report on the Sudan Common Humanitarian Fund (Sudan CHF) is prepared by the UNDP MDTF Office of the United Nations Development Programme (UNDP) in its capacity as the Administrative Agent (AA) of the Sudan CHF. The Administrative Agent (AA) role for the Sudan CHF has been delegated by the MDTF Office Executive Coordinator to the UNDP Sudan Country Director. The Report is submitted to the Sudan Humanitarian Coordinator (HC) in fulfillment of the reporting provisions of the Sudan CHF Terms of Reference (TOR), the Memorandum of Understanding (MOU) between the UNDP/MDTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) between the UNDP/MDTF Office and Donors².

The MDTF office serves as AA for the Sudan-CHF and is responsible for concluding SAAs with donors and MoUs with Participating Organizations. It receives, administers and manages contributions from Donors, and disburses these funds to the Participating Organizations in accordance with the decisions of the Humanitarian Coordinator (HC). Finally, the AA prepares and submits annual consolidated financial reports, as well as regular financial statements on the Sudan-CHF account to the HC, for transmission to donors.

This consolidated financial report covers the period 1 January to 31 December 2010 and provides financial data on progress made in the implementation of projects³ funded by the Sudan CHF. It is posted on the MDTF Office GATEWAY (mdtf.undp.org).

2. Sources, Uses, and Balance of Sudan CHF Funds

The Sudan Common Humanitarian Fund (CHF) is a pooled funding mechanism established in 2005 for humanitarian activities in Sudan. In 2010 in addition to the “Balance of Fund Available” brought forward from 2009 of US\$96.14 million (see the detail in Table 1 below), a total of US\$71.2 million was deposited into the Sudan CHF Fund account. Thus the total Fund Available for 2010 Transfers to the Participating Organization was US\$167.8 million and out of this amount, US\$163.55 million (98 percent) has been transferred to thirteen Participating Organizations (twelve Participating UN Organizations and IOM).

² While the content of this Report has been shared in previous years by the AA with the UN Deputy Resident Coordinator and Humanitarian Coordinator for Sudan, and OCHA for inclusion in the final Sudan CHF Annual Report, this year, the Report is also finalized as a standalone AA Report. For increased public transparency, it is posted on the MDTF Office GATEWAY (mdtf.undp.org).

³ Projects refer to both Projects and Programmes.

Description	Amounts
Balance of Fund Brought Forward from 2009:	
Contributions received in December 2009 to ensure predictability of funding ahead of the Humanitarian Planning Exercise for 2010:	
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	54,238
Government of NETHERLANDS	8,823
SWEDISH INT'L DEVELOPMENT COOPERATION	3,507
Sub total	66,568
Balance of funds that were not transferred to Participating Organizations in 2009	29,568
Balance of Fund Available 01 January 2010	96,136

Cumulatively, from the establishment of the Sudan CHF in 2006 through the end of 2010, US\$734.45 million had been received from donors and US\$735.46 million transferred to Participating Organizations. Table 2 provides an overview of the overall sources, uses, and balance of the Sudan CHF as of 31 December 2010.

	Prior Years 31-Dec-09	Current Year Jan-Dec 2010	TOTAL
Sources of Funds			
Gross Donor Contributions	663,205	71,243	734,449
Fund Earned Interest Income	6,427	608	7,035
Interest Income received from Participating Organizations	908	418	1,326
Other Revenues	-	-	-
Total: Sources Of Funds	670,540	72,270	742,810
Uses Of Funds			
Transfers to Participating Organizations	571,909	163,555	735,463
Refunds received from Participating Organizations	(4169)	(102)	(4271)
Net Funded Amount to Participating Organizations	567,740	163,453	731,193
Administrative Agent Fees	6,663	681	7,344
Direct Costs:(Steering Committee, Secretariat...etc)	-	-	-
Bank Charges	0	-	0
Other Expenditures	-	-	-
Total: Uses of Funds	574,404	164,134	738,537
Balance of Funds Available with Administrative Agent	96,137	(91,864)	4,273
Net Funded Amount to Participating Organizations	567,740	163,453	731,193
Participating Organizations' Expenditure	533,582	130,858	664,440
Balance of Funds with Participating Organizations	34,158	32,594	66,752

Since the inception of the Sudan CHF in 2006, refunds of unspent balances from allocations transferred to Participating Organizations amount to US\$ 4.27 million.

The Administrative Agent fee is charged at the standard MDTF rate of 1 percent on donors' deposits. The cumulative AA fee on the funds received at the end of 2010 amount to US\$7.34 million, of which US\$681 thousand was charged in 2010.

3. Donors Contributions

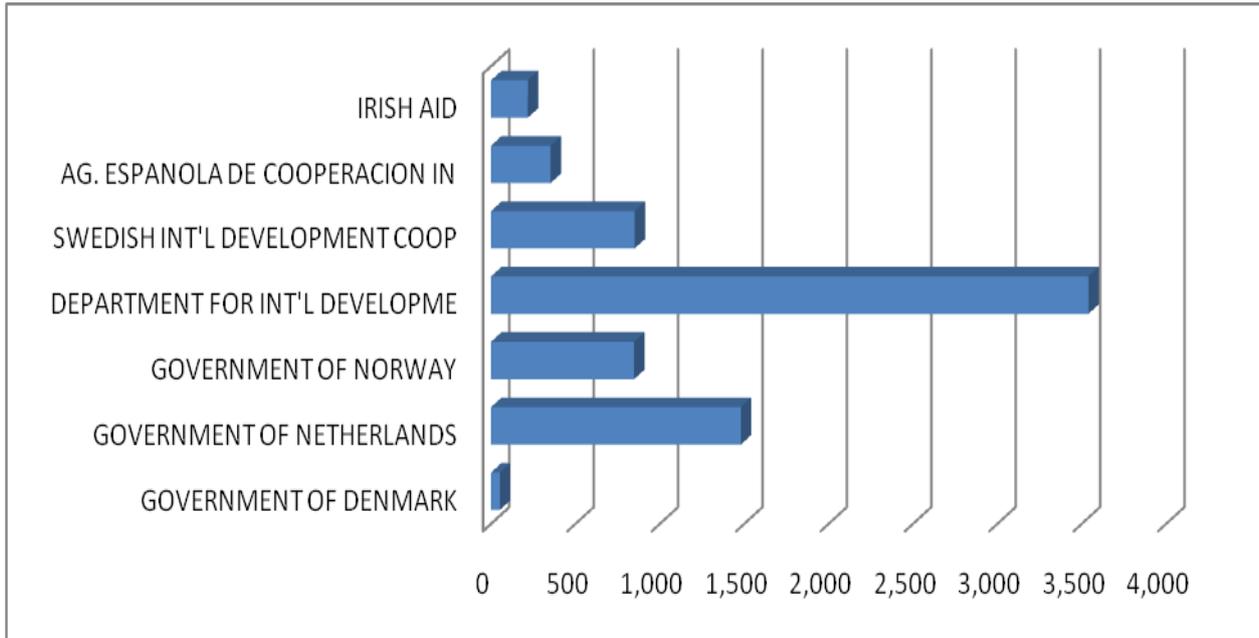
The Sudan CHF is financed by seven donors, namely Denmark, Ireland/Irish Aid, the Netherlands, Norway, Spain/AECID, Sweden/SIDA and the United Kingdom/DFID. Table 3 presents the breakdown of the contributions received for the years 2006 to 2010. Total contributions made to the Sudan CHF at the end of the reporting period amount to US\$734.44 million.

In the year 2010, contributions from donors amounted to US\$71.24 million. As shown in table 1 above three donors have deposit their contributions amounting US\$66.57 million for 2010 in December 2009. In addition, there was a US\$29.57 million carry over from 2009 (Balance of funds not transferred in 2009). This brings the total funding available for the year 2010 to US\$167.8 million. Taking into account contributions made in December 2009, the five largest donors for the year 2010 were: the United Kingdom Department for International Development (DFID) (US\$54.24 million deposited in December 2009), Norway (US\$20.08 million), the Netherlands (US\$19.03 million), the Swedish International Development Cooperation Agency (SIDA) (US\$17.41 million), and the Spanish *Agencia Española de Cooperación Internacional para el Desarrollo* (AECID) (US\$17.13 million).

Donors	Deposit in US Dollars					Grand Total
	2006	2007	2008	2009	2010	
DENMARK, Government of	-	-	392	-	4,879	5,272
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	88,557	79,091	79,523	106,870		354,041
IRISH AID	2,542	3,935	6,320	3,993	5,033	21,823
NETHERLANDS, Government of	51,330	37,037	25,676	23,824	10,210	148,076
NORWAY, Government of	14,163	17,511	17,034	16,015	20,081	84,804
AG. ESPANOLA DE COOPERACION INT.	-	9,511		8,686	17,133	35,329
SWEDISH INT'L DEVELOPMENT COOPERATION	15,796	19,976	20,681	14,742	13,908	85,103
Total	172,387	167,062	149,627	174,129	71,243	734,449

In total, at the end of the reporting period, as shown in figure 1 below, the largest contributors to the Sudan CHF were the United Kingdom Department for International Development (DFID), the Netherlands, the Swedish International Development Agency (SIDA), and Norway.

Figure 1. Percentage of Donor Deposits cumulative as of 31 December 2010, in Thousands US Dollars



4. Interest earned

Apart from donor contributions, the Sudan CHF also receives funds from the interest income earned. The two sources of interest income are: (1) Interest earned by the MDTF Office on the balance of funds with the Administrative Agent's (Fund) account. (2) Interest Income from the Participating Organization, which is the amount earned by the Participating Organizations on the undisbursed balance of the Sudan CHF funds.

As shown in table 4 below, by the end of 2010, the Fund earned interest amounted to US\$7.04 million and the Participating Organizations refunded interest earnings of US\$1.33 million. It is worth noting that the total interest amount earned of US\$8.36 million fully covers the cumulative Administrative Agent's fee of US\$7.34 million at the end of the reporting period.

Table 4 - Received Interest at the Fund and Agency Level in Thousands US Dollars

Administrative Agent	Prior Years as of Current Year		TOTAL
	31-Dec-09	Jan-Dec 2010	
Fund Earned Interest	6,427	608	7,035
Total - Fund Earned Interest Income	6,427	608	7,035
Participating Organization (PO)			
FAO	906	-	906
UNDP	-	196	196
UNFPA	-	190	190
UNOPS	2	17	20
UNWOMEN	-	15	15
Total - Interest Income received from PO	908	418	1,326
TOTAL	7,335	1,026	8,361

5. Transfer of Funds to Participating Organizations

Sixteen Participating Organizations have signed the MoU for the Sudan CHF since its inception in 2006. In 2010, the Sudan CHF has transferred funds to thirteen Participating Organizations for approved projects for a total of US\$163.55 million, which accounted for 97 percent of the total available fund during the year (US\$167.8 million).

In 2010, NGOs receiving funding through UNDP, acting as the Management Agent (MA), received the largest amount, US\$ 58.46 million (36 percent), which represented 178 NGO projects, followed by UNICEF, US\$ 32.32 million (20 percent), FAO, US\$ 17,66 million (11 percent) and WFP, US\$15.65 million (10 percent). Similarly, in cumulative terms since 2006, NGOs received the largest amount of Sudan CHF funding through UNDP acting as Managing Agent (US\$ 225.26 million, 31 percent), followed by UNICEF (US\$ 151.31 million, 21 percent), WFP (US\$ 99.77 million, 14 percent) and FAO (US\$ 72.55 million, 10 percent).

The distribution of approved funding, consolidated by Participating Organization is summarized in Table 5. The term “Net funded amount” refers to amounts transferred to a Participating Organization minus refunds of unspent balances from the Participating Organization.

Table 5 Transfer of Net Funded Amount by Participating Organization in Thousands US Dollars

Participating Organization	Prior Years as of		Current Year		TOTAL	
	31-Dec-09		Jan-Dec 2010			
	Approved Net Funded Amount	Funded Amount	Approved Net Funded Amount	Funded Amount	Approved Net Funded Amount	Funded Amount
FAO	55,996	54,892	17,658	17,658	73,655	72,550
ILO	500	500	-	-	500	500
IOM	16,238	16,238	8,850	8,850	25,088	25,088
OCHA	19,070	19,070	1,488	1,488	20,558	20,558
UNAIDS	467	467	-	-	467	467
UNDP/NGO	166,699	166,799	58,456	58,456	225,155	225,255
UNDP	20,345	19,415	1,304	1,304	21,649	20,719
UNEP	369	369	-	-	369	369
UNESCO	-	-	300	300	300	300
UNFPA	9,188	9,188	3,616	3,584	12,803	12,771
UNHCR	41,290	41,290	11,450	11,450	52,741	52,741
UNICEF	119,213	118,989	32,392	32,323	151,606	151,312
UNMAS	11,470	11,383	1,125	1,125	12,595	12,508
UNOPS	1,182	1,182	1,942	1,942	3,123	3,123
UNWOMEN	576	576	144	144	720	720
WFP	86,026	84,124	15,650	15,650	101,676	99,774
WHO	23,280	23,258	9,179	9,179	32,459	32,437
TOTAL	571,909	567,740	163,555	163,453	735,463	731,193

Figure 2 Percentage of funds Transferred by Participating Organization, as of 31 December 2010

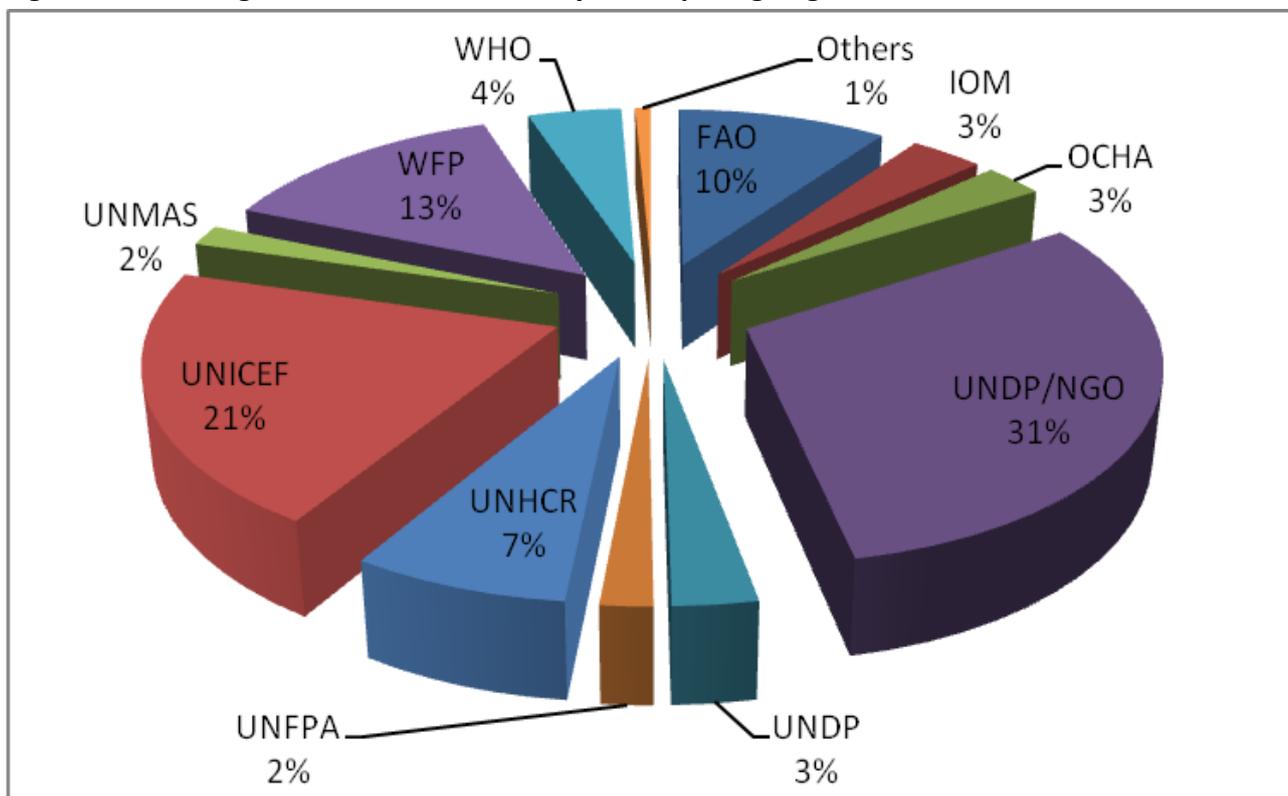


Table 6 below provides a breakdown of refunds received by the Administrative Agent from Participating Organizations. The refunds correspond to funding returned from unspent balances by the Participating Organization.

Participating Organization	Prior Years as of 31-Dec-09	Current Year Jan-Dec 2010	TOTAL
FAO	1,104		1,104
UNDP/NGO	830		830
UNFPA		33	33
UNICEF	224	69	293
UNMAS	87		87
WFP	1,902		1,902
WHO	22		22
TOTAL	4,169	102	4,271

6. Expenditure reported by Participating Organizations

Project expenditures are incurred and monitored by each Participating Organizations. They are reported following the UN Development Group (UNDG) six categories of expenditure in order to provide harmonized and comparable reporting expenditure to donors⁴.

All expenditures reports were submitted by the Participating Organizations, by using the MDTF Office's reporting tool (UNEX). These tables were extracted and analyzed by the MDTF Office and subsequently posted on the [MDTF Office GATEWAY](#).

6.1. Overall Expenditure and Financial Delivery Rates

Financial delivery rates are measured in terms of expenditure as a proportion of the amount transferred. In 2010 the total amount of reported expenditure was US\$130.86 million. Cumulatively since 2006, total expenditure reported by the Participating Organizations is US\$664.44 million. Tables 7 below shows the breakdown of expenditure reported by prior years and the reporting year (2010). The cumulative financial delivery rate at the end of the reporting period is 91 percent.

⁴ For further reference, see document "UNDG Harmonized Reporting to Donors for Joint Programmes" approved in 2006, available at www.undg.org/docs/9442/Explanatory-Note---Annex-D.doc.

Table 7 - Expenditure by Sector within Country in Thousands US Dollars

Country/Sector	Total Approved Amount	Net Funded Amount	Prior Years as 31-Dec-09	Expenditure		Delivery Rate (%)
				Current Jan-Dec	TOTAL	
Sudan (Khartoum)						
Sudan Common Humanitarian Fund	735,463	731,193	533,582	130,858	664,440	90.87
						0
Sudan (Khartoum) Total	735,463	731,193	533,582	130,858	664,440	90.87
TOTAL	735,463	731,193	533,582	130,858	664,440	90.87

Table 8 below reflects expenditure by Participating Organization and year. 2006 expenditure were reported in 2007.

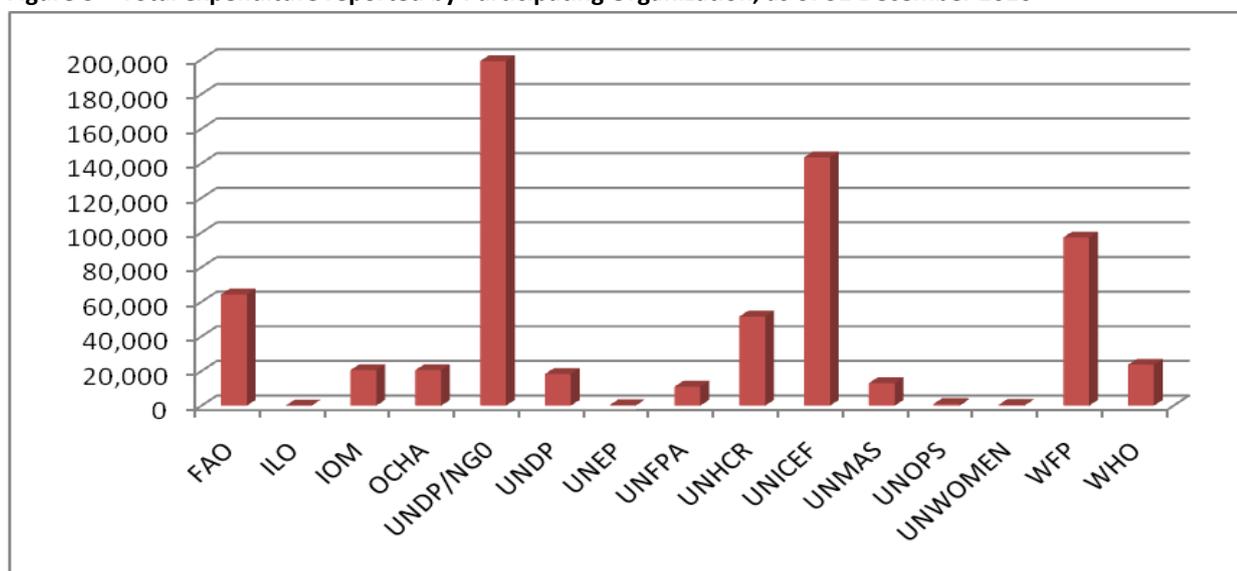
UNDP acting as Managing Agent reported the highest amount of expenditure due to the large amount of funding transferred to NGOs from the Sudan CHF (31 percent of total transferred). This amount represents 30 percent of the total reported expenditure for the Sudan CHF as of 31 December 2010.

Similarly, the Participating Organizations that have received the largest amount of Sudan CHF funding at the end of the reporting period, have reported the largest amount of expenditure, namely UNICEF (US\$ 143.44 million), WFP (US\$ 97.19 million) and FAO (US\$ 64.29 million).

Table 8 Expenditure by Participating Organization, with breakdown by Category for the period ending 31 December 2010

Participating Organization	TOTAL			Expenditure by Year					Grand total	Delivery Percentage
	Total Approved Amount	Net Transfer Amount	Refunded Amount	2006	2007	2008	2009	2010		
FAO	73,655	72,550	1,105	-	19,879	14,442	16,511	13,466	64,298	87%
ILO	500	500	0	-	0	6	6	75	87	17%
IOM	25,088	25,088	0	-	0	6,906	7,637	6,009	20,552	82%
OCHA	20,558	20,558	0	-	15,418	3,190	462	1,484	20,553	100%
UNAIDS	467	467	0	-	0	-	-	-	0	0%
UNDP/NGO	225,255	225,255	0	-	84,687	51,139	27,721	35,472	199,020	88%
UNDP	21,549	20,719	830	-	78	4,611	11,149	2,436	18,274	85%
UNEP	369	369	0	-	0	46	323	-	369	100%
UNESCO	300	300	0	-	0	-	-	-	0	0%
UNFPA	12,803	12,771	32	-	5,155	2,820	906	2,106	10,987	86%
UNHCR	52,741	52,741	0	-	26,927	-	14,364	10,179	51,470	98%
UNICEF	151,606	151,312	294	-	62,614	27,591	20,367	32,874	143,446	95%
UNMAS	12,595	12,508	87	-	8,526	-	2,800	1,699	13,024	103%
UNOPS	3,123	3,123	0	-	101	651	277	48	1,078	35%
UNWOMEN	720	720	0	-	0	-	432	6	438	61%
WFP	101,676	99,774	1,902	-	46,362	19,581	10,539	20,712	97,194	96%
WHO	32,459	32,437	22	-	11,046	5,503	2,810	4,293	23,653	73%
TOTAL	735,463	731,193	4,272	-	280,794	136,485	116,302	130,858	664,440	90.87%

Figure 3 – Total expenditure reported by Participating Organization, as of 31 December 2010



6.2. Total Expenditure Reported by Category

The Participating Organizations have reported their expenditure against the six UNDG harmonized categories. Table 8 hereunder presents expenditure by year and expenditure category. The largest categories of expenditure are: Other Direct Costs (64 percent cumulatively), Supplies/Commodities/ Equipment/ Transport (16 percent), and Personnel (13 percent).

Category	Expenditure		TOTAL
	Prior Years as of 31 Dec 2009	Current Year Jan-Dec 2010	
Supplies, Commodities, Equipment and Personnel	58,893	39,127	98,020
Training of Counterparts	3,203	1,555	4,758
Contracts	30,910	15,232	46,142
Other Direct Costs	365,621	40,982	406,603
Programme Costs Total	514,681	121,226	635,907
Indirect Support Costs	18,901	9,633	28,533
TOTAL	533,582	130,858	664,440

6.3. Cumulative Expenditure by Participating Organization, with breakdown by Category

As shown in Annex 1, at the end of the reporting period, the indirect support costs represented 4.49 percent of the total programme costs, which is below the 7 percent rate authorized in the Sudan CHF Memorandum of Understanding and the Standard Administrative Agreement with donors. Table 9 presents cumulative expenditure by Participating Organization, with breakdown by Category.

7. Accountability and Transparency

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.

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, The GATEWAY 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.

Annex 1 – Expenditure by Participating Organization, with breakdown by Category, in Thousands US Dollars

Participating Organization	TOTAL		Expenditure by Category								
	Total Approved Amount	Net Funded Amount	Supplies Commodities Equipment & Expenditure	Transport	Personnel	Training of Counterparts	Contracts	Other Direct Costs	Total Programme Cost	Indirect Support Costs	% of Total Program. Costs
FAO	73,655	72,550	64,298	28,319	15,417	1,449	8,680	5,408	59,273	5,025	8.48
ILO	500	500	87	6	60	-	15	1	81	5	6.60
IOM	25,088	25,088	20,552	3,540	8,484	4	4,086	3,256	19,407	1,145	5.90
OCHA	20,558	20,558	20,553	310	3,816	1	42	15,879	20,046	507	2.53
UNAIDS	467	467	-	-	-	-	-	-	-	-	0.00
UNDP/NGO	25,155	225,255	199,020	330	3,483	-	250	186,462	190,525	8,495	4.46
UNDP	21,649	20,719	18,274	450	5,532	-	309	10,594	16,885	1,389	8.23
UNEP	369	369	369	7	111	-	206	2	326	42	13.00
UNESCO	300	300	-	-	-	-	-	-	-	-	0.00
UNFPA	12,803	12,771	10,987	1,352	2,182	697	660	5,715	10,606	382	3.60
UNHCR	52,741	52,741	51,470	6,955	10,078	364	4,332	28,134	49,864	1,606	3.22
UNICEF	151,606	151,312	143,446	33,669	15,286	1,497	18,023	69,682	138,158	5,288	3.83
UNMAS	12,595	12,508	13,024	313	2,428	-	1,972	7,997	12,709	315	2.48
UNOPS	3,123	3,123	1,078	37	577	-	234	164	1,013	64	6.36
UNWOMEN	720	720	438	-	-	-	438	0	438	-	0.00
WFP	101,676	99,774	97,194	21,016	6,478	3	5,947	60,402	93,876	3,317	3.53
WHO	32,459	32,437	23,653	1,715	6,454	674	949	12,907	22,699	954	4.20
T O T A L	735,463	731,193	664,440	98,020	80,385	4,758	46,142	406,603	635,907	28,533	4.49