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Resilient nations.*

Consolidated Annual Financial Report on Activities Implemented under the Common Humanitarian Fund for the Central African Republic

**Report of the Administrative Agent of the CHF-CAR
for the period 1 January - 31 December 2011**

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
<http://mptf.undp.org>

15 May 2012

Central African Republic Common Humanitarian Fund (CHF-CAR)

PARTICIPATING UN ORGANIZATIONS



Food and Agriculture Organization (FAO)



United Nations Children's Fund (UNICEF)



United Nations Development Programme (UNDP)

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United Nations Educational, Scientific and Cultural Organization (UNESCO)



United Nations High Commissioner for Refugees (UNHCR)



UN Office for the Coordination of Humanitarian Affairs (OCHA)



United Nations Population Fund (UNFPA)



World Food Programme (WFP)



World Health Organization (WHO)

Common Humanitarian Fund for the Central African Republic (CHF- CAR)

| CONTRIBUTING DONORS | |
|--|--|
| Irish Aid |  |
| Government of Norway |  |
| Swedish International Development Cooperation (SIDA) |  |
| Government of the Netherlands |  |
| UK Department For International Development (DFID) |  |

Definitions

Allocation

Amount approved by the CHF-CAR Humanitarian Coordinator for a project/programme.

Approved Project/Programme

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

Donor Commitment

A commitment is a contribution expected to be received or already deposited by a donor, based on a signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent of the CHF-CAR.

Donor Deposit

Cash deposit received by the UNDP MPTF Office for the CHF-CAR.

Indirect support costs

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. Under UN MPTFs, these costs amount to 7 percent as per the UNDG agreed MPTF cost recovery.

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 CHF-CAR funding. In the case of the CHF-CAR 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 received from the Participating Organization.

Participating Organizations

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

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 disbursement made plus unliquidated obligations during the year.

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 Start Date

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

Total Approved Budget

Amount approved by the Humanitarian Coordinator.

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1. Introduction

This Consolidated Annual Financial Report of the Common Humanitarian Fund for the Central African Republic (CHF-CAR) is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent of the CHF-CAR, contained under the CHF-CAR Concept Note, the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangements (SAAs) signed with donors¹.

The MPTF Office, as Administrative Agent, 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). In addition it prepares and submits annual consolidated financial reports, as well as regular financial statements on the CHF-CAR account to the HC, for transmission to donors.

This consolidated financial report covers the period 1 January to 31 December 2011 and provides financial data on progress made in the implementation of projects² funded by the CHF-CAR. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/HCF10>).

2. Sources, Uses, and Balance of Funds

The CHF-CAR was established in July 2008 as an expansion of the Emergency Response Fund (ERF) in CAR. By the end of 2011, total contributions of US\$ 41.78 million have been received from five donors: Irish Aid, the Government of the Netherlands, the Government of Norway, the Swedish International Development Cooperation (SIDA) and the United Kingdom Department for International Development (DFID). Out of the total deposited, US\$ 8.23 million was received in 2011.

Table 1 provides an overview of the overall sources, uses, and balance of the CHF-CAR as of 31 December 2011. US\$ 41.78 million has been received from donors, and US\$ 38.17 million has been transferred to the Participating Organizations.

¹ This Report has been shared by the AA with the Humanitarian Coordinator for CAR, and OCHA for inclusion in the final CHF-CAR Annual Report. This year, the report is also finalized as a stand-alone AA Report. For increased public transparency, it is posted on the MPTF Office GATEWAY (mptf.undp.org).

² Project in this report covers both Projects and Programmes.

Table 1: Financial Overview for the period ending 31 December 2011 (in US Dollars)

| | Prior Years as of 31 Dec 2010 | Current Year Jan-Dec 2011 | TOTAL |
|--|----------------------------------|------------------------------|-------------------|
| Sources of Funds | | | |
| Gross Donor Contributions | 33,556,540 | 8,225,880 | 41,782,420 |
| Fund Earned Interest Income | 260,450 | 66,427 | 326,877 |
| Interest Income received from Part Organizations | 112,703 | 113,448 | 226,151 |
| Refunds by Admin Agent (Interest/Others) | - | - | - |
| Other Revenues | - | - | - |
| Total: Sources of Funds | 33,929,694 | 8,405,755 | 42,335,449 |
| Use of Funds | | | |
| Transfer to Participating Organizations | 24,802,728 | 13,366,517 | 38,169,245 |
| Refunds received from Participating Organizations | (14,157) | (47,017) | (61,174) |
| Net Funded Amount to Participating Organizations | 24,788,571 | 13,319,500 | 38,108,071 |
| Admin Agent Fees | 335,565 | 82,259 | 417,824 |
| Direct Costs: (Secretariat... etc.) | - | - | - |
| Bank Charges | 132 | 452 | 583 |
| Other Expenditures | 51,715 | - | 51,715 |
| Total: Uses of Funds | 25,175,983 | 13,402,210 | 38,578,194 |
| Balance of Funds Available with Admin Agent | 8,753,711 | (4,996,455) | 3,757,255 |
| Net Funded Amount to Participating Organizations | 24,788,571 | 13,319,500 | 38,108,071 |
| Participating Organizations' Expenditure | 21,128,940 | 10,159,480 | 31,288,420 |
| Balance of Funds with Participating Organizations | 3,659,631 | 3,160,020 | 6,819,651 |

Apart from donor contributions, the CHF-CAR also receives funds from interest income earned on the balance of funds. "Fund earned interest" comprises two sources of interest income: (1) interest earned on the balance of funds held by with the Administrative Agent; and (2) interest earned on the balance of funds held by Participating Organizations where the Financial Regulations and Rules of the Participating Organization permits remittance of interest. In 2011, the Fund earned interest amounted to US\$ 179, 875 comprising US\$66,427 interest income earned on funds held by the Administrative Agent plus US\$ 113,448 of interest income remitted by Participating Organizations. All interest credited to the Fund is used to finance additional projects approved by the Humanitarian Coordinator.

The Administrative Agent fee is charged at the standard rate of 1 percent of deposits, amounting US\$ 82,259 in 2011. It is worth noting that the cumulative amount of Fund interest earned of US\$ 553,028 more than covers the cumulative Administrative Agent's fee to administer the fund of US\$ 417,824.

3. Donor Contributions

Table 2 displays the breakdown of the received contributions. The CHF-CAR is financed by five donors that have signed an SAA, namely: Irish Aid, the Government of the Netherlands, the Government of Norway, the Swedish International Development Cooperation (SIDA) and the United Kingdom Department for International Development (DFID). In 2011 the CHF-CAR received US\$ 8.23 million in donor contributions, bringing the total fund contributions to \$ 41.78 million.

Table 2: Donor Deposits (amounts in US Dollars)

| Donor Name | Deposits | | |
|--|----------------------------------|--------------------------------|-------------------|
| | Prior Years as of 31 Dec 2010 | Current Year Jan – Dec 2011 | Grand Total |
| DFID/UK | 7,525,080 | - | 7,525,080 |
| Government of Netherlands | 6,390,078 | - | 6,390,078 |
| Government of Norway | 592,675 | - | 592,675 |
| Irish Aid | 8,702,870 | 3,351,780 | 12,054,650 |
| Swedish Int. Development Coop-n (SIDA) | 10,345,838 | 4,874,100 | 15,219,938 |
| Total: | 33,556,540 | 8,225,880 | 41,782,420 |

4. Transfer of Funds

Donor contributions are the main source of funding of the CHF-CAR, which is being implemented by nine Participating Organizations. With the overall aim of improving timeliness and coherence of the humanitarian response, improving needs assessment and enhancing the Consolidated Appeal Process (CAP) and in line with the strategic planning document, transfers are made to the ten priority clusters of the Fund, namely: Protection, Health, Food Security, Nutrition, Education, WASH, Multi-Sector Assistance to refugees, Early Recovery, Shelter and NFIs, and Coordination and Support Services.

In 2011, the MPTF Office as CHF-CAR Administrative Agent has transferred funds to eight Participating Organizations for approved projects for a total of US\$ 13.37 million, as shown in Table 1. The term “Net funded amount” refers to amounts transferred to a Participating Organization less refunds of unspent balances received from the Participating Organization.

4.1. Transfers to Participating Organizations

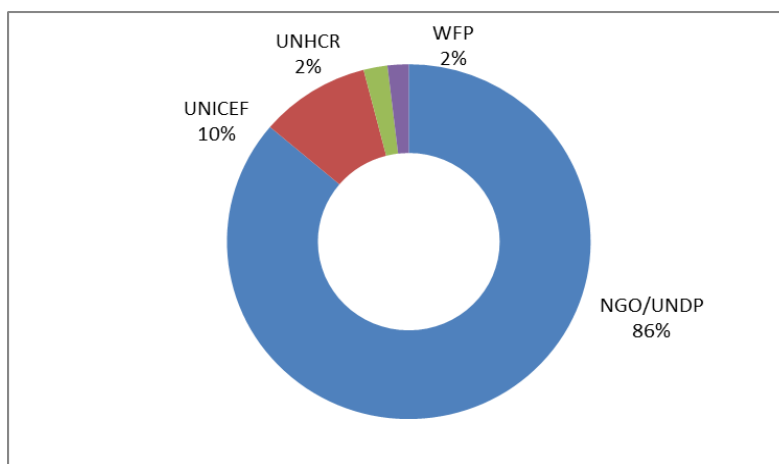
Eight Participating Organizations have signed the MOU for the CAR-CHF since its inception on July 2008. As of 31 December 2011, based on the approval of the HC, the MPTF Office has transferred a total of US\$ 38.17 million to the Participating Organizations. After deducting refunds from Participating Organizations, the net funded amount was US\$ 38.11 million. The distribution of approved funding, consolidated by Participating Organization is summarized in Table 3.

Table 3: Net funded amount by Participating Organization (amounts in US Dollars)

| Participating Organizations | Prior Years as of 31 Dec 2010 | Current Year Jan – Dec 2011 | TOTAL |
|-----------------------------|----------------------------------|--------------------------------|-------------------|
| UNDP/NGO | 18,813,766 | 11,478,682 | 30,292,448 |
| OCHA | 400,000 | - | 400,000 |
| UNDP | 180,000 | - | 180,000 |
| UNESCO | 169,800 | - | 169,800 |
| UNFPA | 262,454 | - | 262,454 |
| UNHCR | 250,000 | 283,000 | 533,000 |
| UNICEF | 2,236,538 | 1,307,821 | 3,544,359 |
| WFP | 1,710,765 | 249,997 | 1,960,762 |
| WHO | 765,248 | - | 765,248 |
| Total: | 24,788,571 | 13,319,500 | 38,108,071 |

As shown in Table 3 and Figure 1, in 2011 NGOs received the largest share of funds, administered through UNDP in its capacity as a Managing Agent (US\$ 11.48 million or 86 percent); followed by UNICEF (US\$ 1.31 million or 10 percent); UNHCR (US\$ 0.28 million or 2 percent); and WFP (US\$ 0.25 million or 1.8 percent).

Figure 1: Net funded amount by Participating Organizations for the period of 1 January to 31 December 2011 (in percentages)



4.2. Transfers by Clusters

Prior to 2011, all the budgets, transfers and expenditures for the CHF-CAR were recorded against a single *JP-CAR ERF* sub-fund code, represented by the first row of table 4. In 2011, the Cluster structure of financial recording and reporting was introduced allowing more detailed information of CHF financial transactions and aligning the reported financial information with the existing programmatic Clusters of the CHF-CAR.

In 2011, the CHF-CAR allocations have been recorded against seven out of ten programmatic Clusters, listed in Table 4. Emergency Reserve is not a cluster in itself, but contains the data of projects funded under this modality

Table 4: Net funded amount by Cluster (amounts in US Dollars)

| | Clusters | Amount |
|-----------------------------|-------------------------|-------------------|
| 2008-2010 | JP-CAR ERF (2008-2010)* | 24,741,554 |
| Clusters introduced in 2011 | Early Recovery | 1,541,023 |
| | Education | 1,040,032 |
| | Food Security | 2,205,988 |
| | Health | 2,059,273 |
| | Nutrition | 2,238,585 |
| | Protection | 1,631,423 |
| | Water and Sanitation | 1,046,306 |
| | Emergency Reserve | 1,603,887 |
| | Total | 38,108,071 |

Note: * Prior to 2011 all the transfers and expenditures for the CHF-CAR were recorded against *JP-CAR ERF* sub-fund code.

5. Expenditure Reported by Participating Organizations

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the six categories for inter-agency harmonized reporting of expenditure approved by the UN Development Group (UNDG) organizations.

The reported expenditures were submitted to the MPTF Office by the Participating Organizations via the UNEX – the MPTF Office’s expenditure reporting tool. The 2011 expenditure data has been posted on the [MPTF Office GATEWAY](#) and can be found in this report in Tables 5, 6 and 7.

5.1. Overall Expenditure and Financial Delivery Rates

Table 5 below shows the net funded amount transferred and expenditures incurred by cluster under the CHF-CAR and presents the financial delivery rates. In 2011, US\$ 13.37 million was transferred to Participating UN Organizations, and **the reported expenditure amounted to US\$ 10.16 million**. The cumulative delivery rate as of 31 December 2011 is **82 percent**.

Table 5: Financial Overview with breakdown by Cluster (amounts in US Dollars)

| Cluster | Prior Years as of 31 Dec 2010 | | Current Year Jan-Dec 2011 | | TOTAL | | Deliver (%) |
|----------------------|----------------------------------|-------------------|------------------------------|-------------------|-------------------------|-------------------|----------------|
| | Net Funded Amount | Expendi- ture | Net Funded Amount | Expendi- ture | Net Funded Amount | Expendi- ture | |
| Early Recovery | - | - | 1,541,023 | - | 1,541,023 | - | 0 |
| Education | - | - | 1,040,032 | 317,251 | 1,040,032 | 317,251 | 30 |
| Food Security | - | - | 2,205,988 | 237,880 | 2,205,988 | 237,880 | 11 |
| Health | - | - | 2,059,273 | - | 2,059,273 | - | 0 |
| Nutrition | - | - | 2,238,585 | - | 2,238,585 | - | 0 |
| Protection | - | - | 1,631,423 | 283,000 | 1,631,423 | 283,000 | 17 |
| Water and Sanitation | - | - | 1,046,306 | - | 1,046,306 | - | 0 |
| Emergency Reserve | - | - | 1,603,887 | 224,829 | 1,603,887 | 224,829 | 14 |
| JP-CAR ERF | 24,788,571 | 21,128,940 | (47,017) | 9,096,521 | 24,741,554 | 30,225,460 | 122 |
| Total | 24,788,571 | 21,128,940 | 13,319,500 | 10,159,480 | 38,108,071 | 31,288,420 | 82 |

The change in cluster structure during 2011 is designed to improve information available on allocations made to Clusters. As a result of this restructuring, all new projects created in 2011 need to be remapped to the new Cluster structure. This was a significant exercise to undertake and improvements are still being made in this area and will continue into 2012. However, as at year end for 2011, there are a number of projects where the remapping exercise to the new Cluster structure has not yet been completed. This has resulted in expenditure delivery rates being distorted in Table 5, therefore there are a number of clusters where the reported delivery rate is 0% combined with an over expenditure rate of 122% for the JP-CAR ERF. These anomalies are a result of the changes in the remapping exercise to the new programmatic structure and will be corrected in the 2012 reporting exercise.

5.2. Total Expenditure Reported by Category

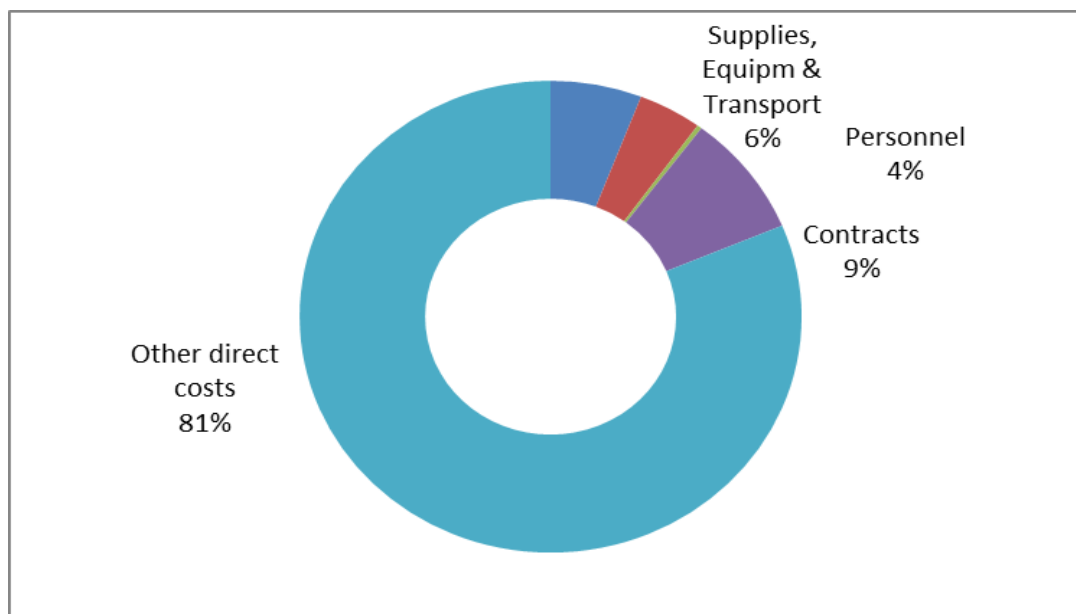
Table 6 hereunder shows CHF-CAR expenditure in six categories agreed to by the UNDG Organizations. The highest amounts of cumulative expenditure (combined prior years and 2011) were: Other Direct Costs (81.3 percent), followed by Contracts (8.4 percent), Supplies, Commodities, Equipment and Transport (5.8 percent), Personnel (4 percent) and Training of Counterparts (0.3 percent).

Table 6: Total Expenditure by Category (amounts in US Dollars)

| Category | Expenditure | | | % of Total Programme Costs |
|--|-------------------------------|-----------------------------|-------------------|----------------------------|
| | Prior Years as of 31 Dec 2010 | Current Year Jan – Dec 2011 | TOTAL | |
| Supplies, Commodities, Equipment and Transport | 1,249,727 | 477,826 | 1,727,554 | 5.87 |
| Personnel | 1,031,328 | 171,128 | 1,202,457 | 4.09 |
| Training of counterparts | 87,560 | 1,154 | 88,715 | 0.30 |
| Contracts | 2,039,597 | 439,392 | 2,478,989 | 8.43 |
| Other direct costs | 15,496,826 | 8,414,274 | 23,911,100 | 81.31 |
| Programme Costs Total | 19,905,039 | 9,503,775 | 29,408,814 | 100.00 |
| Indirect Support Costs | 1,223,900 | 655,705 | 1,879,605 | 6.39 |
| Total | 21,128,940 | 10,159,480 | 31,288,420 | |

Figure 2 reflects amounts expended in 2011 in each of the six categories. The highest amounts of 2011 expenditure were: Other Direct Costs (81 percent), followed by Contracts (9 percent), Supplies, Commodities, Equipment and Transport (6 percent), and Personnel (4 percent).

Figure 2: Expenditure by budget category: 1 January through 31 December 2011 (in percentage)



5.3. Cumulative Expenditure of Participating Organizations, with breakdown by Category

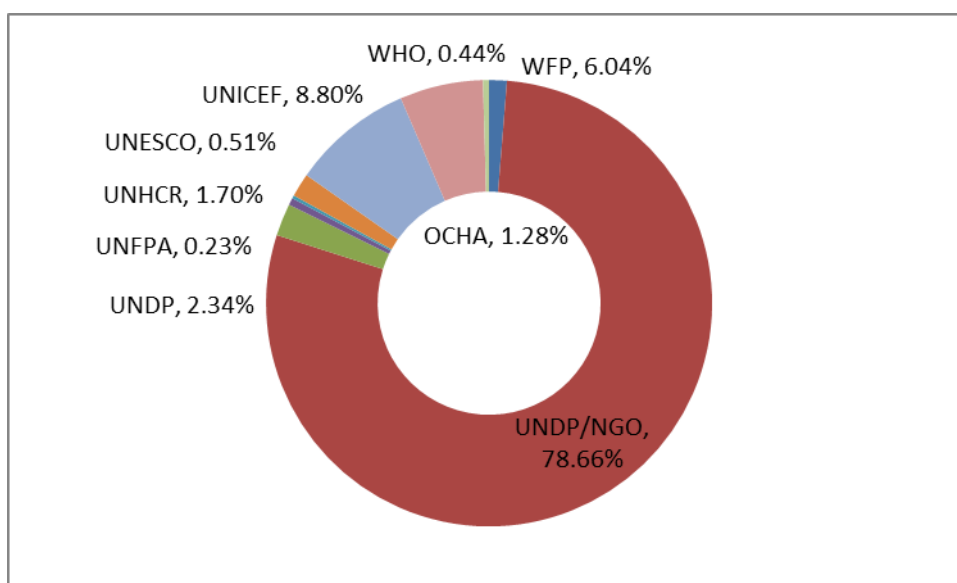
Cumulative expenditure reported by Participating Organizations are shown in the six categories in Table 7.

Table 7: Total Expenditure by Participating Organization, with breakdown by Category, as of 31 December 2011 (amounts in US Dollars)

| PUNO | Net funded amount | Total Exp'ture | Expenditure by Category | | | | | | | % Prog |
|--------------|-------------------|-------------------|----------------------------------|------------------|---------------|------------------|--------------------|-------------------|------------------------|----------|
| | | | Supplies, communications, equip. | Pers'nel | Trainin g | Contracts | Other direct costs | Total Progr Cost | Indirect support costs | |
| OCHA | 400,000 | 400,000 | 56,074 | 263,061 | 2,602 | 11,957 | 40,138 | 373,832 | 26,168 | 7 |
| UNDP/NGO | 30,292,448 | 24,610,686 | 16,877 | 296 | - | - | 22,872,485 | 22,889,659 | 1,721,027 | 8 |
| UNDP | 180,000 | 732,612 | 74,109 | 136,630 | 1,112 | 13,908 | 739,144 | 964,903 | (232,292) | 24* |
| UNESCO | 169,800 | 161,089 | 101,858 | 29,015 | - | - | 19,677 | 150,551 | 10,539 | 7 |
| UNFPA | 262,454 | 71,187 | 32,870 | 10,792 | - | 18,815 | 4,053 | 66,530 | 4,657 | 7 |
| UNHCR | 533,000 | 533,000 | 235,820 | 99,135 | 51,413 | 86,045 | 24,573 | 496,986 | 36,014 | 7 |
| UNICEF | 3,544,359 | 2,752,002 | 375,237 | 367,214 | 33,016 | 1,677,508 | 118,989 | 2,571,965 | 180,038 | 7 |
| WFP | 1,960,762 | 1,890,342 | 822,198 | 210,976 | 571 | 640,097 | 92,041 | 1,765,883 | 124,459 | 7 |
| WHO | 765,248 | 137,502 | 12,509 | 85,337 | - | 30,660 | - | 128,507 | 8,995 | 7 |
| Total | 38,108,071 | 31,288,420 | 1,727,554 | 1,202,457 | 88,715 | 2,478,989 | 23,911,100 | 29,408,814 | 1,879,605 | 6 |

*Note: UNDP as PUNO reported expenditure in 2011 that was meant to be expenditure for UNDP as Managing Agent for NGOs.

Figure 4: Cumulative Expenditure by Participating Organizations as of 31 December 2011 (in percentage)



As shown in figure 4, NGOs (through UNDP, as the Managing Agent), have reported the highest amount of cumulative expenditure in the CHF-CAR (24.6 million). This represents 78.6 percent of the cumulative reported expenditure of the CHF-CAR at the end of 2011, followed by UNICEF (8.8 percent), WFP (6.04 percent), UNDP (2.34 percent), UNHCR (1.70 percent) and UNFPA, UNESCO and WHO (less than 2 percent).

6. Accountability and transparency

The MPTF Office continued to provide information on its GATEWAY (<http://mptf.undp.org>)—a knowledge platform providing real-time data, with a maximum two-hour delay, on financial information from the MPTF Office accounting system on donor contributions, programme budgets and transfers to Participating UN Organizations. All narrative reports are published on the MPTF Office GATEWAY which provides easy access to nearly 7,000 relevant reports and documents, with tools and tables displaying financial and programme data. By providing easy access to the growing number of progress reports and related documents uploaded by users in the field, it facilitates knowledge sharing and management among UN Organizations. It is designed to provide transparent, accountable fund-management services to the UN system to enhance its coherence, effectiveness and efficiency. The MPTF Office GATEWAY has been recognized as a ‘standard setter’ by peers and partners.