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Resilient nations.*

Consolidated Annual Financial Report on Activities Implemented under the Somalia Common Humanitarian Fund

**Report of the Administrative Agent of the Somalia CHF
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

Common Humanitarian Fund for Somalia (CHF-Somalia)

PARTICIPATING UN ORGANIZATIONS



Food and Agriculture Organization (FAO)



United Nations Children's Fund (UNICEF)



United Nations Development Programme (UNDP)



United Nations High Commissioner for Refugees (UNHCR)



UN Office for the Coordination of Humanitarian Affairs (OCHA)



United Nations Office for Project Services (UNOPS)



United Nations Population Fund (UNFPA)



World Food Programme (WFP)



World Health Organization (WHO)

PARTICIPATING NON-UN ORGANIZATIONS



International Organization for Migration (IOM)

Somalia Common Humanitarian Fund (Somalia CHF)

CONTRIBUTING DONORS

Australian Agency for International
Development (AusAID)



Azerbaijan



Denmark



UK Department For International Development
(DFID)



Finland



Guyana



Irish AID



Italy



Netherlands



Norway



Poland



Swedish International Development
Cooperation (Sida)



Swiss Agency for Development and
Cooperation (SDC)



Private contributions

Definitions

Allocation

Amount approved by the Somalia CHF 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 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 Somalia CHF.

Donor Deposit

Cash deposit received by the UNDP MPTF Office for the Somalia CHF.

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 Somalia CHF funding. In the case of the Somalia CHF OCHA 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 less 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 project 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 Somalia Common Humanitarian Fund (Somalia CHF) 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 Somalia CHF, contained under the Somalia CHF Guidelines, 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 for the Somalia CHF, is responsible for concluding an MOU with Participating Organizations and SAAs with donors. 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). The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements on the Somalia CHF 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 Somalia CHF. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/HSO10>).

2. Sources, Uses, and Balance of Funds

The Somalia CHF Fund was established in June 2010, as an upgrade of the Humanitarian Response Fund (HRF) in Somalia to a larger and more strategic Common Humanitarian Fund. The CHF Somalia operations increased significantly between 2010 and 2011: (a) contributions tripled from US\$ 31.2 million to US\$ 99.7 million, (b) allocated and transferred amounts quadrupled from US\$20.7 million to US\$ 87.3 million, and (c) annual expenditure increased seven-fold from US\$ 12.1 million to US\$ 88.4 million.

By the end of 2011, total contributions of US\$ 130.85 million have been received from fourteen donors: the Governments of Azerbaijan, Denmark, Finland, Guyana, Italy, Netherlands, Norway, Poland, the Australian Agency for International Development (AusAID), United Kingdom Department For International Development (DFID), Irish Aid,

¹ This Report has been shared by the Administrative Agent with the Humanitarian Coordinator for Somalia, and OCHA for inclusion in the final Somalia CHF Annual 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.

the Swedish International Development Cooperation (SIDA), the Swiss Agency for Development and Cooperation (SDC), and the private individual.

Table 1 provides an overview of the overall sources, uses, and balance of the Somalia CHF as of 31 December 2011. Out of US\$ 130.85 million received from donors, US\$ 108 million has been transferred to the Participating Organizations.

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	31,181,673	99,666,477	130,848,151
Fund Earned Interest Income	105,730	176,644	282,374
Interest Income received from Part Organizations	-	-	-
Refunds by Admin Agent (Interest/Others)	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	31,287,403	99,843,122	131,130,525
Use of Funds			
Transfer to Participating Organizations	20,711,269	87,285,047	107,996,316
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	20,711,269	87,285,047	107,996,316
Admin Agent Fees	311,817	996,665	1,308,482
Direct Costs: (Secretariat...etc.)	-	-	-
Bank Charges	-	1,201	1,201
Other Expenditures	-	-	-
Total: Uses of Funds	21,023,086	88,282,913	109,305,999
Balance of Funds Available with Admin Agent	10,264,317	11,560,209	21,824,526
Net Funded Amount to Participating Organizations	20,711,269	87,285,047	107,996,316
Participating Organizations' Expenditure	12,135,109	88,427,978	100,563,087
Balance of Funds with Participating Organizations	8,576,160	(1,142,931)	7,433,229

Apart from donor contributions, the Somalia CHF 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 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 permit remittance of interest. By the end of 2011, the Fund earned interest amounted to US\$282,374. All interest credited to the Fund is used for additional projects as determined by the Humanitarian Coordinator.

The Administrative Agent fee is charged at the standard rate of 1 percent of donor contributions received. As of 31 December 2011, the cumulative AA fees charged to the Somalia CHF total US\$ 1.3 million.

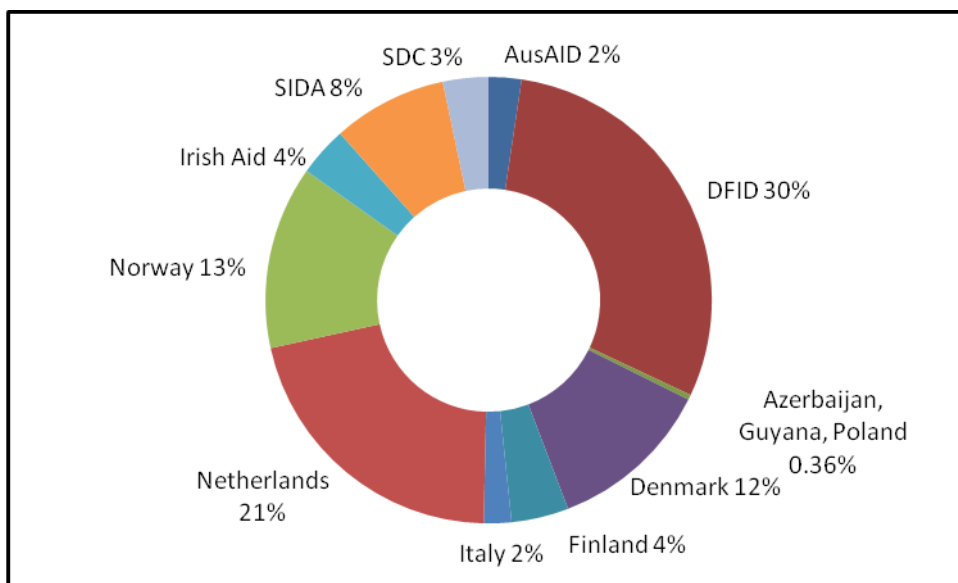
3. Donor Contributions

Table 2 displays the breakdown of the received contributions. The Somalia CHF is currently being financed by fourteen donors that have signed SAAs, namely the Governments of Azerbaijan, Denmark, Finland, Guyana, Italy, Netherlands, Norway, and Poland, AusAID, DFID, Irish Aid, SIDA, SDC, and a private individual. **In 2011 Somalia CHF received US\$ 99.67 million in donor contributions**, bringing the total fund contributions to \$ 130.8 million. The contributions received in 2011 represent a 320 percent increase from the amount received in 2010 as contributions.

Table 2: Donor Deposits (in US Dollars)

Donor Name	Deposits		
	Prior Years as of 31 Dec 2010	Current Year Jan – Dec 2011	Grand Total
AusAID	-	3,098,400	3,098,400
Azerbaijan	-	100,000	100,000
Denmark	4,317,416	11,201,377	15,518,793
DFID/UK	6,100,000	32,648,523	38,748,523
Finland	2,617,200	2,811,000	5,428,200
Guyana	-	75,000	75,000
Irish Aid	1,291,700	3,403,930	4,695,630
Italy	2,618,000	-	2,618,000
Netherlands	9,042,657	18,700,000	27,742,657
Norway	1,700,000	15,659,803	17,359,803
Poland	-	297,921	297,921
Swedish Int. Development Coop-n (SIDA)	2,558,500	8,286,150	10,844,650
Swiss Agency for Develop & Cooperation (SDC)	936,200	3,374,374	4,310,574
Private contributions	-	10,000	10,000
Total:	31,181,673	99,666,477	130,848,151

Figure 1: Deposits by Donor, cumulative as of 31 December 2011 (in percentages³)



As shown in Figure 1, the four biggest contributors to the Somalia CHF have been DFID (30 percent), Netherlands (21 percent), Norway (13 percent) and Denmark (12 percent).

4. Transfer of Funds

Donor contributions are the main source of funding of the Somalia CHF. 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 ten Clusters of the Fund namely: Health, Water and Sanitation (WASH), Agriculture and Livelihoods, Food Assistance, Nutrition, Education, Logistics, Protection, Shelter and Non-Food Items (NFIs), and Enabling Programming.

4.1. Transfers to Participating Organizations

Ten Participating Organizations have signed the MOU for the Somalia CHF since its inception in June 2010. **In 2011 the Administrative Agent, based on the approval of the HC, transferred US\$ 87.29 million to nine Participating Organizations**, bringing the total cumulative amount transferred to US\$ 108 million. The distribution of transferred funding, consolidated by Participating Organization is summarized in Table 3.

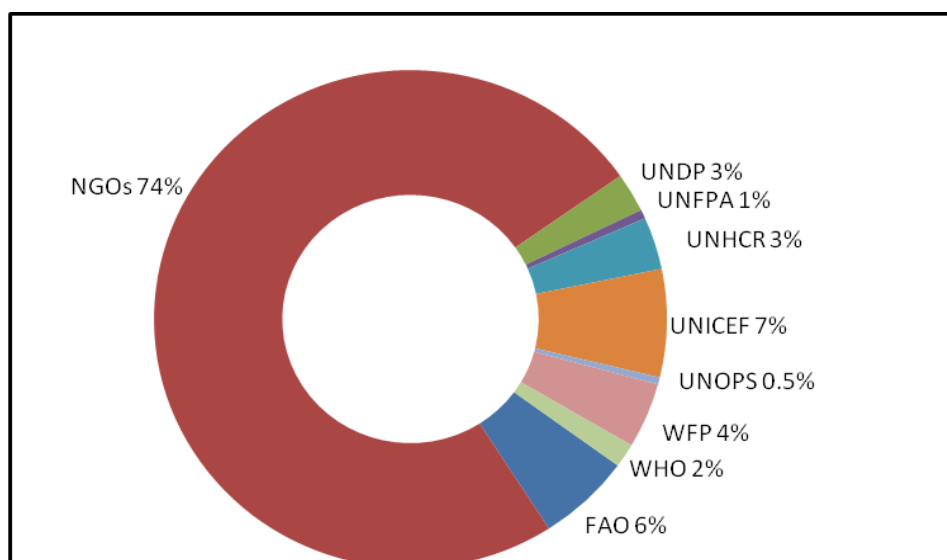
³ Due to rounding error the percentages might not add up to 100 percent. This applies to all Figures in this report.

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

Participating Organizations	Prior Years as of 31 Dec 2010	Current Year Jan – Dec 2011	TOTAL
FAO	335,000	5,151,244	5,486,244
NGO/OCHA	10,412,799	64,910,550	75,323,349
UNDP	-	2,216,024	2,216,024
UNFPA	-	500,000	500,000
UNHCR	-	2,960,020	2,960,020
UNICEF	7,028,877	6,101,453	13,130,330
UNOPS	-	398,793	398,793
WFP	995,100	3,700,000	4,695,100
WHO	1,939,493	1,346,963	3,286,456
Total:	20,711,269	87,285,047	107,996,316

In 2011 NGOs, through OCHA that is serving as a Managing Agent (MA) for funds approved by the HC for implementation by NGOs, received the largest share of funding (US\$ 64.91 million or 74 percent), followed by UNICEF (US\$ 6.10 million or 7 percent), FAO (US\$ 5.15 million or 6 percent), WFP (US\$ 3.70 million or 4 percent), UNHCR (US\$ 2.96 million or 3 percent), UNDP (US\$ 2.22 million or 3 percent), WHO (US\$ 1.35 million or 2 percent), UNFPA (US\$ 0.50 million or 1 percent) and UNOPS (US\$ 0.40 million or 0.5 percent) as shown in Figure 2.

Figure 2: Net funded amount by Participating Organization for the period of 1 January to 31 December 2011 (in percentages)



4.2. Transfers by Cluster

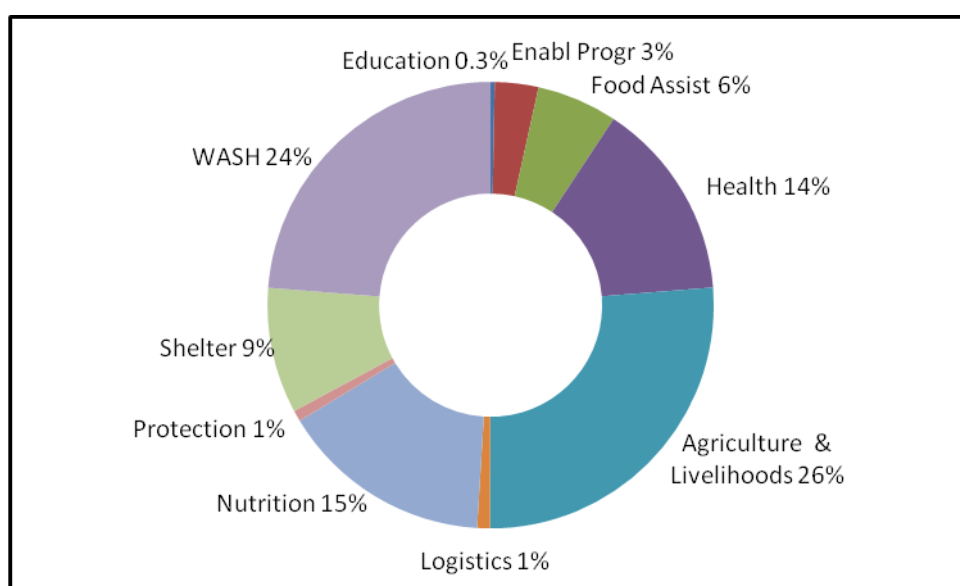
The Somalia CHF has the following ten clusters: Education, Enabling Programming, Food Assistance, Health, Agriculture and Livelihoods, Logistics, Nutrition, Protection, Shelter and NFIs, and WASH. Table 4 below shows the approved funding by Cluster.

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

Clusters	Amount
Education	317,641
Enabling Programming	3,413,880
Food Assistance	6,304,613
Health	15,592,460
Agriculture and Livelihoods	28,419,353
Logistics	995,100
Nutrition	16,603,314
Protection	865,471
Shelter – NFIs	9,831,913
WASH	25,652,573
Total	107,996,316

As shown in Figure 3, funding was provided to ten clusters. The clusters receiving the largest share of funding were: Agriculture and Livelihoods (26 percent), WASH (24 percent), Nutrition (15 percent), and Health (14 percent).

Figure 3: Cumulative Net funded amount by Cluster as of 31 December 2011 (in percentages)



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 shows the net funded amount transferred and expenditures incurred by cluster under the Somalia CHF and presents the financial delivery rates. In 2011, US\$ 87.29 million was transferred to Participating UN Organizations, and **the reported expenditure amounted to US\$ 88.43 million.**

The cumulative **delivery rate** as at 31 December 2011 is **93 percent. This delivery rate is a solid indicator of the Somalia CHF's exemplary performance since its establishment.**

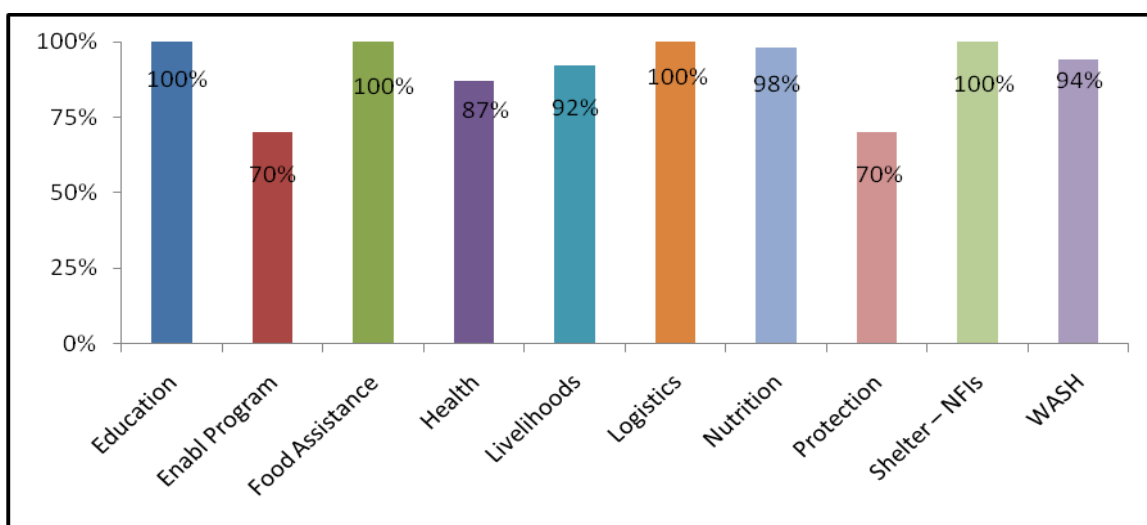
Table 5: Financial Overview with breakdown by Cluster (in US Dollars)

Cluster	Prior Years as of 31 Dec 2010		Current Year Jan-Dec 2011		TOTAL		Delivery(%)
	Net Funded Amount	Expendi- ture	Net Funded Amount	Expendi- ture	Net Funded Amount	Expendi- ture	
Education	-	-	317,641	317,640	317,641	317,640	100
Enabling Program	316,324	316,324	3,097,556	2,071,771	3,413,880	2,388,095	70
Food Assistance	-	-	6,304,613	6,304,612	6,304,613	6,304,612	100
Health	4,997,966	2,940,592	10,594,494	10,673,245	15,592,460	13,613,837	87
Livelihoods	2,731,011	2,529,589	25,688,342	23,569,982	28,419,353	26,099,571	92
Logistics	995,100	995,100	-	-	995,100	995,100	100
Nutrition	4,999,957	1,303,134	11,603,357	14,915,478	16,603,314	16,218,612	98
Protection	-	-	865,471	602,920	865,471	602,920	70
Shelter – NFIs	-	-	9,831,913	9,831,911	9,831,913	9,831,911	100
WASH	6,670,911	4,050,371	18,981,662	20,140,418	25,652,573	24,190,789	94
Total	20,711,269	12,135,109	87,285,047	88,427,978	107,996,316	100,563,087	93

The Clusters that have reported the highest expenditure cumulatively were Livelihoods with US\$ 26.10 million in expenditure (92 percent delivery rate); WASH with US\$ 24.19 million in expenditure (94 percent delivery rate); Nutrition with US\$ 16.22 million (98 percent delivery rate) and Health with US\$ 13.61 million (87 percent delivery rate).

Figure 4 depicts the cumulative delivery rate by Cluster. Education, Food Assistance, Logistics and Shelter Clusters reported 100 percent delivery rate at the end of 2011.

Figure 4: Cumulative Delivery Rate by Cluster as of 31 December 2011 (in percentages)



5.2. Total Expenditure Reported by Category

Table 6 shows CHF's expenditure in six categories agreed to by the UNDG organizations. The highest amounts of cumulative (combined 2010 and 2011) expenditure were: Other Direct Costs (77 percent), followed by Supplies, Commodities, Equipment and Transport (14 percent) and Personnel (4 percent). The high percentage reported against 'Other Direct Costs' category is due to the fact that NGO projects (for which OCHA serves as a Managing Agent) recorded all their expenditure against the above-mentioned category.

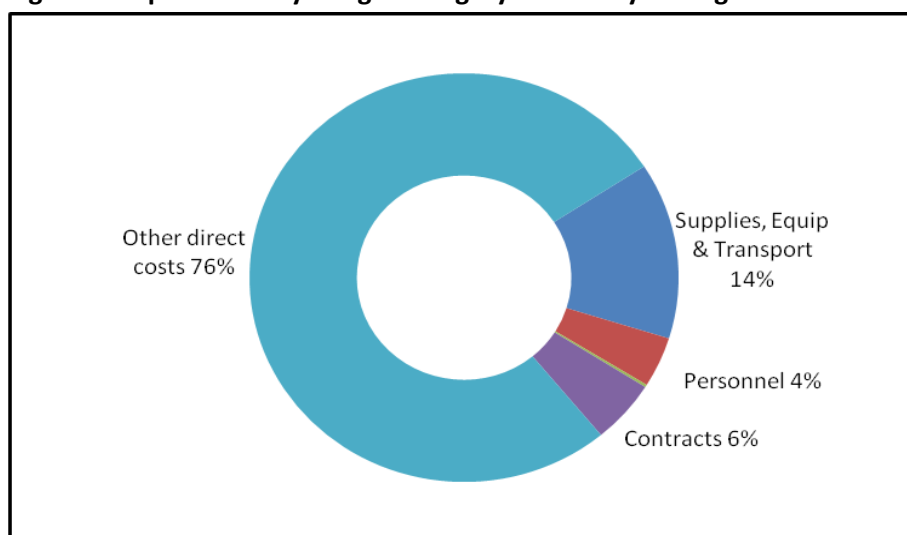
Table 6: Total Expenditure by Category (in US Dollars)

Category	Expenditure			% of Total Programme Costs
	Prior Years as of 31 Dec 2010	Current Year Jan – Dec 2011	TOTAL	
Supplies, Commodities, Equipment and Transport	1,237,499	11,816,975	13,054,474	14
Personnel	387,331	3,791,366	4,178,697	4
Training of counterparts	930	151,191	152,121	0.2
Contracts	242,487	4,747,041	4,989,527	5
Other direct costs	9,721,981	64,571,098	74,293,079	77
Programme Costs Total	11,590,228	85,077,671	96,667,898	100
Indirect Support Costs	544,881	3,350,307	3,895,188	4.03*
Total	12,135,109	88,427,978	100,563,087	

*The Indirect Support Costs for the NGO project managed by OCHA have not been fully requested/charged by OCHA in 2011.

Figure 5 reflects amounts expended in each of the six categories.

Figure 5: Expenditure by budget category: 1 January through 31 December 2011 (in percentage)



Note: 'Other direct cost' account for the highest category disbursed (76 percent), due to the recording the NGO expenditure in this category by OCHA, as explained above.

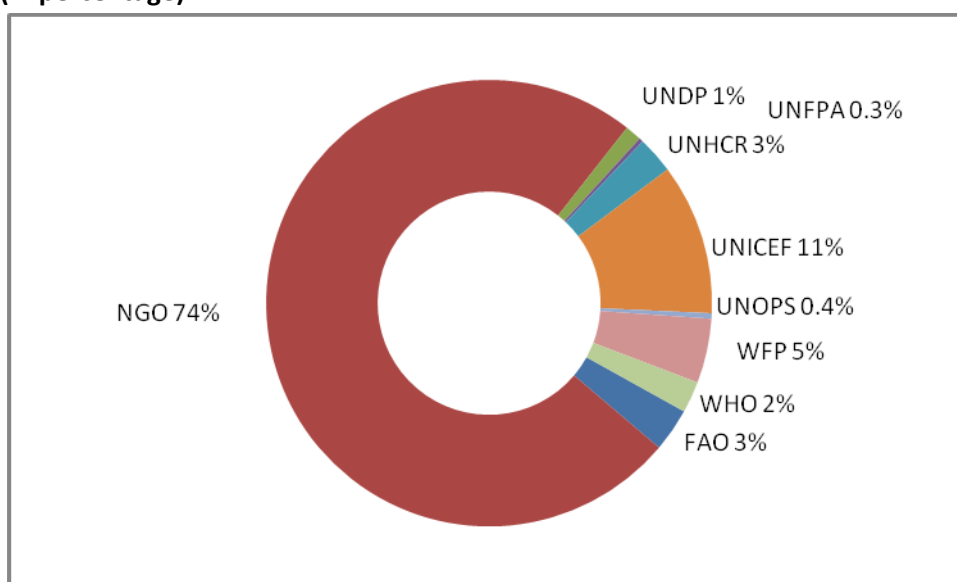
5.3. Cumulative Expenditure of Participating Organizations, with breakdown by Category

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

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

PUNO	Funds Transferred	Total Exp'ture	Expenditure by Category					Total Prog Cost	Indirect support costs	% Prog.
			Supplies, communications, equip.	Pers'nel	Training	Contracts	Other direct costs			
FAO	5,486,244	3,166,463	1,984,374	554,687	20,374	361,285	38,591	2,959,311	207,152	7
NGO/OCHA	75,323,349	74,830,978	-	-	-	-	72,586,050	72,586,050	2,244,928	3
UNDP	2,216,024	1,190,240	216,190	575,980	-	272,692	80,659	1,145,521	44,720	4
UNFPA	500,000	293,033	95,127	54,154	58,034	6,278	60,272	273,864	19,168	7
UNHCR	2,960,020	2,697,469	1,519,374	579,422	54,740	160,602	206,861	2,520,999	176,470	7
UNICEF	13,130,330	11,006,886	4,471,139	1,360,607	-	3,995,856	459,207	10,286,809	720,077	7
UNOPS	398,793	396,022	305	20,000	-	-	349,809	370,114	25,908	7
WFP	4,695,100	4,695,100	3,680,996	463,541	2,796	61,487	179,125	4,387,944	307,156	7
WHO	3,286,456	2,286,896	1,086,969	570,307	16,177	131,328	332,506	2,137,286	149,610	7
Total	107,996,316	100,563,087	13,054,474	4,178,697	152,121	4,989,527	74,293,079	96,667,898	3,895,188	4

Figure 6: Cumulative Expenditure by Participating Organization as of 31 December 2011 (in percentage)



As shown in Figure 6, NGOs through OCHA, as the Managing Agent, reported the highest amount of expenditure in the Somalia CHF, amounting to 74 percent of the total reported expenditure of the Somalia CHF.

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 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.