



**UNITED NATIONS  
DEVELOPMENT GROUP**



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Resilient nations.*

# **Consolidated Annual Financial Report on Activities Implemented under the Darfur Community Peace and Stability Fund**

**Report of the Administrative Agent of  
the Darfur Community Peace and Stability Fund  
for the period 1 January - 31 December 2011**

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

24 May 2012

## Darfur Community Peace and Stability Fund

### PARTICIPATING UN ORGANIZATIONS



Food and Agriculture Organization (FAO)



United Nations Environment Programme (UNEP)



United Nations Educational Scientific And Cultural Organization (UNESCO)



United Nations Children's Fund (UNICEF)



United Nations Development Programme (UNDP)



United Nations Human Settlements Programme



United Nations High Commissioner for Refugees (UNHCR)



United Nations Industrial Development Organisation (UNIDO)



United Nations Office for Project Services (UNOPS)



United Nations Population Fund (UNFPA)



United Nations Development Fund for Women (UNWOMEN)



World Food Programme (WFP)



World Health Organization (WHO)

### PARTICIPATING NON-UN ORGANIZATIONS



International Organization for Migration (IOM)

## Darfur Community Peace and Stability Fund

### CONTRIBUTING DONORS

Denmark



UK Department For International Development (DFID)



Germany



Italy



Netherlands



Norway



Swedish International Development Cooperation (Sida)



Switzerland



United States Agency for International Development (USAID)



## **Definitions**

### **Allocation**

Amount approved by the DCPSF Steering Committee for a project/programme.

### **Approved Project/Programme**

A project/programme document, including budget, etc., that is approved by the DCPSF Steering Committee 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 DCPSF.

### **Donor Deposit**

Cash deposit received by the UNDP MPTF Office for the DCPSF.

### **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 DCPSF funding. In the case of the DCPSF, 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 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.

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## 1. Introduction

This Consolidated Annual Financial Report of the Darfur Community Peace and Stability Fund (DCPSF) 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 DCPSF, contained under the DCPSF Terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangements (SAAs) signed with donors.

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 Steering Committee (SC). In addition it prepares and submits annual consolidated financial reports, as well as regular financial statements on the DCPSF account to the SC, for transmission to donors. Some Administrative Agent (AA) functions of the DCPSF were exercised by the UNDP Sudan Country Office under a delegation of authority issued by the MPTF Office Executive Coordinator to the UNDP Sudan Country Director.

This consolidated financial report covers the period 1 January to 31 December 2011 and provides financial data on progress made in the implementation of projects<sup>1</sup> funded by the DCPSF. It is posted on the MPTF Office GATEWAY at (<http://mptf.undp.org/factsheet/fund/DPS00>).

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

The DCPSF was established in 2007 to promote peacebuilding and reconciliation in Darfur through the implementation of community-based recovery and development activities.

By the end of 2011, **total contributions of US\$ 41.47 million** have been received from eight donors: the United Kingdom Department For International Development (DFID), the Governments of Denmark, Germany, Italy, Netherlands, Norway and Switzerland, and the Swedish International Development Cooperation (SIDA). Additionally, US\$ 0.47 million has been earned in interest, bringing the cumulative amount of programmable resources to US\$ 41.94 million.

Table 1 provides an overview of the overall sources, uses, and balance of the DCPSF as of 31 December 2011. Out of US\$ 41.94 million available for programming, US\$ 27.83 million has been transferred to the Participating Organizations.

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<sup>1</sup> 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
<b>Sources of Funds</b>			
Gross Donor Contributions	33,523,350	7,948,379	41,471,729
Fund Earned Interest Income	352,006	60,238	412,244
Interest Income received from Part Organizations	16,760	40,597	57,356
Refunds by Admin Agent (Interest/Others)	-	-	-
Other Revenues	-	-	-
<b>Total: Sources of Funds</b>	<b>33,892,115</b>	<b>8,049,213</b>	<b>41,941,329</b>
<b>Use of Funds</b>			
Transfer to Participating Organizations	22,013,617	5,823,418	27,837,035
Refunds received from Participating Organizations	-	(1,554)	(1,554)
<b>Net Funded Amount to Participating Organizations</b>	<b>22,013,617</b>	<b>5,821,864</b>	<b>27,835,481</b>
Admin Agent Fees	335,233	79,484	414,717
Direct Costs: (Secretariat... etc)	2,474,088	600,000	3,074,088
Bank Charges	-	410	410
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>24,822,938</b>	<b>6,501,758</b>	<b>31,324,696</b>
<b>Balance of Funds Available with Admin Agent</b>	<b>9,069,177</b>	<b>1,547,456</b>	<b>10,616,633</b>
Net Funded Amount to Participating Organizations	22,013,617	5,821,864	27,835,481
Participating Organizations' Expenditure	8,516,461	8,273,962	16,790,423
<b>Balance of Funds with Participating Organizations</b>	<b>13,497,156</b>	<b>(2,452,098)</b>	<b>11,045,058</b>

Apart from donor contributions, the DCPSF 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\$ 0.41 million and interest income from Participating Organizations was US\$ 0.06 million for a cumulative total interest of \$ 0.47 million.

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 DCPSF total US\$ 0.41 million. It is interesting to note that the Administrative Agent fee is fully covered by the amount of cumulative interest earned.



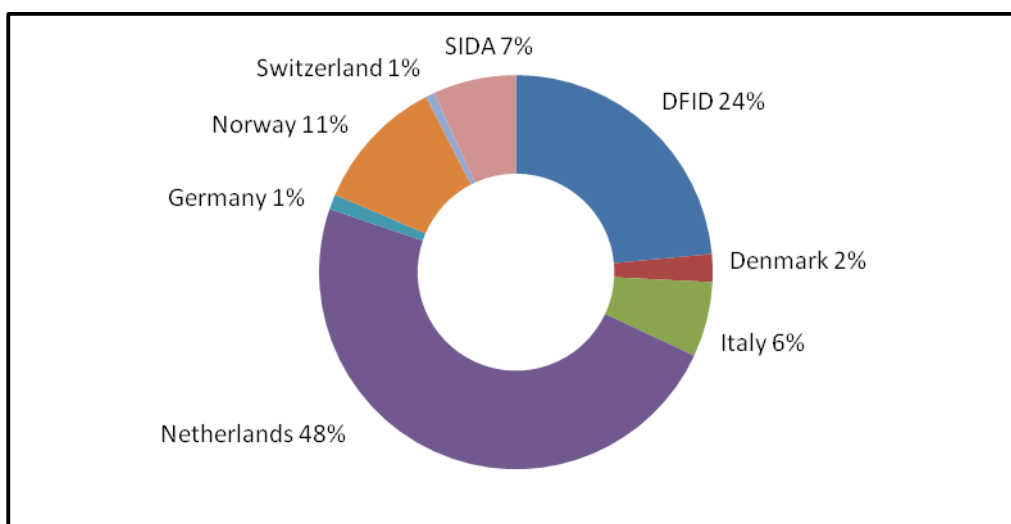
### 3. Donor Contributions

Table 2 displays the breakdown of the received contributions. The DCPSF is currently being financed by eight donors that signed the SAAs, namely DFID, the Governments of Denmark, Germany, Italy, Netherlands, Norway and Switzerland, and SIDA. **In 2011 DCPSF has received US\$ 7.95 million in donor contributions**, bringing the total fund contributions to US\$ 41.47 million. In addition, in 2011 the United States Agency for International Development (USAID) committed US\$ 3 million, with the funding being deposited in 2012.

**Table 2: Donor Deposits (in US Dollars)**

Donor Name	Deposits		
	Prior Years as of 31 Dec 2010	Current Year Jan – Dec 2011	Grand Total
DFID/UK	8,332,451	1,426,986	9,759,437
Denmark	942,076	-	942,076
Germany	512,750	-	512,750
Italy	2,556,800	-	2,556,800
Netherlands	15,500,000	4,500,000	20,000,000
Norway	2,547,673	2,021,393	4,569,066
Switzerland	300,000	-	300,000
Swedish Int. Development Coop-n (SIDA)	2,831,600	-	2,831,600
<b>Total:</b>	<b>33,523,350</b>	<b>7,948,379</b>	<b>41,471,729</b>

**Figure 1: Deposits by Donor, cumulative as of 31 December 2011 (in percentages<sup>2</sup>)**



<sup>2</sup> Due to rounding error the percentages might not add up to 100 percent. This applies to all Figures in this report.

As shown in Figure 1, the three biggest contributors to the DCPSF have been Netherlands (48 percent), DFID (24 percent), and Norway (11 percent).

#### 4. Transfer of Funds

Donor contributions are the main source of funding of the DCPSF. In 2011, the DCPSF has transferred funds to Participating Organizations for approved projects for a total of US\$ 5.82 million, as shown in Table 1.

The distribution of approved funding, consolidated by Participating Organization is summarized in Table 3. The term “Net funded amount” refers to amounts transferred to a Participating Organization minus refunds of unspent balances from the Participating Organization.

##### 4.1. Transfers to Participating Organizations

Since 2007 three Participating Organizations received funding. **In 2011 the Net Funded Amount was US\$ 5.82 million**, bringing the cumulative net funded amount to US\$ 27.84 million. The distribution of net funding consolidated by Participating Organization is summarized in Table 3.

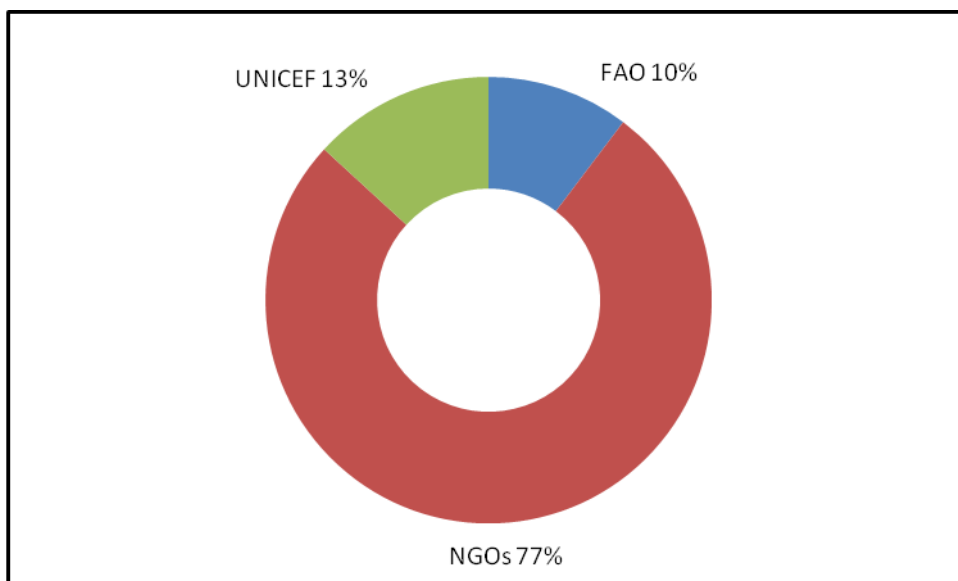
**Table 3: Net funded amount by Participating Organization (in US Dollars)**

Participating Organizations	Prior Years as of 31 Dec 2010	Current Year Jan – Dec 2011	TOTAL
FAO	400,000	600,000	1,000,000
UNDP/NGOs	19,576,000	4,454,050	24,030,050
UNDP	775,097	-	775,097
UNICEF	1,262,519	767,814	2,030,333
<b>Total:</b>	<b>22,013,617</b>	<b>5,821,864</b>	<b>27,835,481</b>

On a cumulative basis for 2007-2011, NGOs received US\$ 24 million (86 percent of the total funding), UNICEF US\$ 2 million (7 percent), FAO US\$ 1 million (3 percent) and UNDP US\$ 0.78 million (2 percent).

As shown in Table 3 and Figure 2, in 2011 NGOs, through UNDP that is serving as a Managing Agent (MA) for funds approved by the SC for implementation by NGOs, received the largest share of funding (US\$ 4.5 million or 77 percent), followed by UNICEF (US\$ 0.7 million or 13 percent), and FAO (US\$ 0.6 million or 10 percent).

**Figure 2: Net funded amount by Participating Organization: 1 January to 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 4, 5 and 6.

### **5.1. Overall Expenditure and Financial Delivery Rates**

Table 4 below shows the net funded amount transferred and expenditures incurred under the DCPSF and presents the financial delivery rates. In 2011, the net funded amount to Participating Organizations was US\$ 5.82 million and **the reported expenditure amounted to US\$ 8.27 million**. The cumulative **delivery rate** as of 31 December 2011 is **60 percent**.

**Table 4: Financial Overview (in US Dollars)**

	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	
<b>DCPSF</b>	22,013,617	8,516,461	5,821,864	8,273,962	27,835,481	16,790,423	60
<b>Total</b>	<b>22,013,617</b>	<b>8,516,461</b>	<b>5,821,864</b>	<b>8,273,962</b>	<b>27,835,481</b>	<b>16,790,423</b>	<b>60</b>

## 5.2. Total Expenditure Reported by Category

Table 5 shows DCPSF expenditure in six categories agreed to by the UNDG organizations. The highest amounts of cumulative (combined prior years and 2011) expenditure were: Other Direct Costs (82 percent), followed by Contracts (8 percent), Personnel (8 percent), Supplies, Commodities, Equipment and Transport (2 percent) and Training (0.31 percent). The high percentage reported against 'Other Direct Costs' category is due to the fact that NGO projects (for which UNDP serves as a Managing Agent) recorded all of their expenditure against the above-mentioned category.

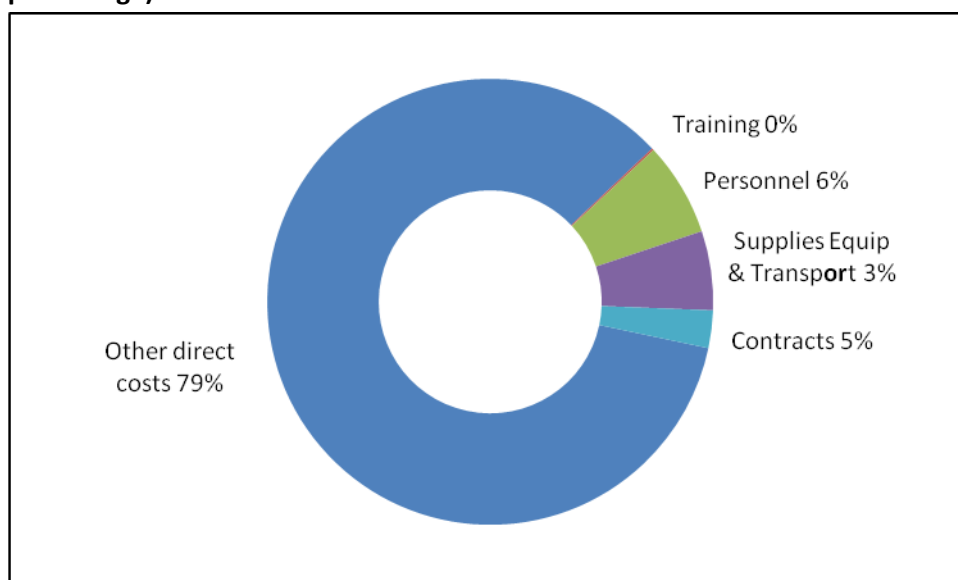
**Table 5: Total Expenditure by Category (in US Dollars)**

Category	Expenditure			% of Total Programme Costs
	Prior Years as of 31 Dec 2010	Current Year Jan – Dec 2011	TOTAL	
Supplies, Commodities, Equipment and Transport	81,071	210,799	291,870	2
Personnel	706,029	525,693	1,231,722	8
Training of counterparts	39,147	10,658	49,805	.*
Contracts	868,708	443,242	1,311,950	8
Other direct costs	6,499,923	6,540,041	13,039,964	82
<b>Programme Costs Total</b>	<b>8,194,878</b>	<b>7,730,433</b>	<b>15,925,311</b>	<b>100</b>
Indirect Support Costs	321,583	543,529	865,112	6
<b>Total</b>	<b>8,516,461</b>	<b>8,273,962</b>	<b>16,790,423</b>	

\*Actual result was 0.31%, which when rounded to the nearest percentile is -%.

Figure 3 reflects amounts expended in 2011 in each of the six categories. The highest amounts of 2011 expenditure were: Other Direct Costs (79 percent), followed by Personnel (6 percent) and Contracts (5 percent).

**Figure 3: Expenditure by UNDG 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 six categories in Table 6.

**Table 6: Total Expenditure by Participating Organization, with breakdown by Category, as of 31 December 2011 (in US Dollars)**

Partic UN Organization	Funds Transferred	Total Expend	Expenditure by Category					Total Progr Cost	Indirect support costs	% of Progra. Costs
			Suppl, com, equip	Personnel	Training	Contracts	Other direct costs			
FAO	1,000,000	901,541	188,763	486,925	22,482	94,912	49,479	842,561	58,979	7
UNDP/NGOs	24,030,050	6,295,655*	-	-	-	-	6,040,651	6,040,651	255,004	4
UNDP	775,097	7,754,007*	6,056	392,552	-	35,124	6,889,470	7,323,201	430,806	6
UNICEF	2,030,333	1,839,221	97,051	352,245	27,323	1,181,914	60,366	1,718,898	120,323	7
<b>Total</b>	<b>27,835,481</b>	<b>16,790,423</b>	<b>291,870</b>	<b>1,231,722</b>	<b>49,805</b>	<b>1,311,950</b>	<b>13,039,964</b>	<b>15,925,311</b>	<b>865,112</b>	<b>5</b>

**Note:** This cumulative UNDP/ NGOs expenditure is understated by US\$6,924,768 and UNDP expenditure is overstated by the same amount due to incorrect mapping of the projects. The correct total expenditures of UNDP/NGOs and UNDP are US\$13,220,423 and US\$ 829,239 respectively.

As described in Table 6, NGOs, through UNDP that is serving as a Managing Agent (MA), reported the highest amount of expenditure in the DCPSF, amounting to 79 percent of the total reported expenditure, followed by UNICEF (11 percent), FAO (5 percent) and UNDP (5 percent).

## **6. Accountability and transparency**

The MPTF Office continued to provide information on the operations of the DCPSF on its GATEWAY <http://mptf.undp.org/factsheet/fund/DPS00>—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 over 8,000 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.