

CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

Malawi SDG Acceleration Fund

for the period 1 January to 31 December 2022

UN Multi-Partner Trust Fund Office
United Nations Development Programme
GATEWAY: https://mptf.undp.org

May 2023





Malawi SDG Acceleration Fund Financial Report prepared by the Administrative Agent

May 2023



DEFINITIONS

Allocation

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

Approved Project/Programme

A project/programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

Contributor Commitment

Amount(s) committed by a contributor to a Fund in a signed Standard Administrative Arrangement with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

Delivery Rate

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'. This does not include expense commitments by Participating Organizations.

Indirect Support Costs

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7% of programmable costs for inter-agency pass-through MPTFs.

Net Funded Amount

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

Participating Organization

A UN Organization or other inter-governmental Organization that is a partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

Project Expenditure

The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

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 programmatic activities for which Participating Organization(s) received funding have been completed.

Project Start Date

Project/ Joint programme start date as per the programmatic document.

Total Approved Budget

This represents the cumulative amount of allocations approved by the Steering Committee.

US Dollar Amount

The financial data in the report is recorded in US Dollars



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INTRODUCTION

This Consolidated Annual Financial Report of the **Malawi SDG Acceleration Fund** is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent, as per the terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) signed with contributors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and SAAs with contributors. It receives, administers and

manages contributions, and disburses these funds to the Participating Organizations. The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements, for transmission to stakeholders.

This consolidated financial report covers the period 1 January to 31 December 2022 and provides financial data on progress made in the implementation of projects of the **Malawi SDG Acceleration Fund**. It is posted on the MPTF Office GATEWAY (https://mptf.undp.org/fund/mw200).



2022 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Malawi SDG Acceleration Fund** using the pass-through funding modality as of 31 December **2022**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:

https://mptf.undp.org/fund/mw200.

1. SOURCES AND USES OF FUNDS

As of 31 December 2022, 11 contributors deposited US\$ 94,632,329 and US\$ 356,484 was earned in interest.

The cumulative source of funds was US\$ 94,988,813.

Of this amount, US\$ 91,911,237 has been net funded to 12 Participating Organizations, of which US\$ 65,260,784 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 946,323. Table 1 provides an overview of the overall sources, uses, and balance of the Malawi SDG Acceleration Fund as of 31 December 2022.

Table 1 Financial Overview, as of 31 December 2022 (in US Dollars)

Table 1 Financial Overview, as of 31 December 2022 (In US Dollars)									
	Annual 2021	Annual 2022	Cumulative						
Sources of Funds									
Contributions from donors	21,775,809	18,772,146	94,632,329						
Sub-total Contributions	21,775,809	18,772,146	94,632,329						
Fund Interest and Investment Income Earned	33,670	39,749	355,249						
Interest Income received from Participating Organizations	82	1,153	1,235						
Total: Sources of Funds	21,809,561	18,813,048	94,988,813						
Use of Funds									
Transfers to Participating Organizations	42,391,910	19,816,454	91,390,125						
Refunds received from Participating Organizations	(8,073)	1,153	(6,920)						
Net Funded Amount	42,383,837	19,817,607	91,383,205						
Administrative Agent Fees	217,758	187,721	946,323						
Direct Costs	85,000	-	528,032						
Bank Charges	202	61	813						
Total: Uses of Funds	42,686,797	20,005,389	92,858,374						
Change in Fund cash balance with Administrative Agent	(20,877,236)	(1,192,341)	2,130,439						
Opening Fund balance (1 January)	24,200,016	3,322,780	-						
Closing Fund balance (31 December)	3,322,780	2,130,439	2,130,439						
Net Funded Amount (Includes Direct Cost)	42,468,837	19,817,607	91,911,237						
Participating Organizations Expenditure (Includes Direct Cost)	21,195,170	23,090,517	65,260,784						
Balance of Funds with Participating Organizations	21,273,667	(3,272,910)	26,650,453						



2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this fund as of 31 December **2022**.

The **Malawi SDG Acceleration Fund** is currently being financed by **11** contributors, as listed in the table below.

The table includes financial commitments made by the contributors through signed Standard Administrative Agreements with an anticipated deposit date as per the schedule of payments by 31 December **2022** and deposits received by the same date. It does not include commitments that were made to the fund beyond **2022**.

Table 2. Contributions, as of 31 December 2022 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec- 2021 Deposits	Current Year Jan-Dec-2022 Deposits	Total Deposits
Delivering Results Together	41,469	41,469	-	41,469
Former – DFID	34,159,655	34,159,655	-	34,159,655
Government of Canada (Former DFAIT)	4,002,712	4,002,712	-	4,002,712
Expanded DaO Funding Window	636,454	636,454	-	636,454
Flemish Government	2,579,090	1,207,499	1,371,591	2,579,090
Foreign, Commonwealth & Development Office	23,187,189	15,741,284	7,445,905	23,187,189
Government of Iceland	550,000	-	550,000	550,000
Government of Ireland	365,995	70,225	295,770	365,995
Government of Norway	29,072,515	19,963,635	9,108,880	29,072,515
Government of Romania	24,462	24,462	-	24,462
UNICEF (United Nations Children's Fund)	12,786	12,786	-	12,786
Grand Total	94,632,329	75,860,183	18,772,146	94,632,329



3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent (Fund earned interest), and 2) on the balance of funds held by the Participating Organizations (Agency earned interest) where their Financial Regulations and Rules allow return of interest to the AA.

As of 31 December **2022**, Fund earned interest amounts to US\$ **355,249**.

Interest received from Participating Organizations amounts to US\$ 1,235, bringing the cumulative interest received to US\$ 356,484. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2022 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2021	Current Year Jan-Dec-2022	Total
Administrative Agent			
Fund Interest and Investment Income Earned	315,500	39,749	355,249
Total: Fund Interest Earned	315,500	39,749	355,249
Participating Organization			
FAO	-	1,153	1,153
UNODC	82	-	82
Total: Agency Interest Earned	82	1,153	1,235
Grand Total	315,582	40,902	356,484



4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2022, the AA has transferred US\$ 91,390,125 to 12 Participating Organizations (see list below).

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization (in US Dollars)

	Prior Years Cumulative as of 31-Dec-2021		Current Year Jan-Dec-2022			Total			
Participating Organization	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	7,659,431	(8,005)	7,651,426	-	1,153	1,153	7,659,431	(6,852)	7,652,579
IOM	170,000	-	170,000	92,918	-	92,918	262,918	-	262,918
UNAIDS	150,000	-	150,000	-	-	=	150,000	-	150,000
UNDP	4,875,391	-	4,875,391	547,230	-	547,230	5,422,621	-	5,422,621
UNESCO	350,000	-	350,000	-	-	=	350,000	-	350,000
UNFPA	5,836,602	-	5,836,602	2,788,352	-	2,788,352	8,624,954	-	8,624,954
UNHCR	90,000	-	90,000	-	-	=	90,000	-	90,000
UNICEF	15,507,422	-	15,507,422	4,959,515	-	4,959,515	20,466,938	-	20,466,938
UNODC	40,000	(67)	39,933	-	-	-	40,000	(67)	39,933
UNWOMEN	100,000	-	100,000	116,012	-	116,012	216,012	-	216,012
WFP	35,240,814	-	35,240,814	10,737,100	-	10,737,100	45,977,914	-	45,977,914
WHO	1,554,010	-	1,554,010	575,328	-	575,328	2,129,338	-	2,129,338
Grand Total	71,573,671	(8,073)	71,565,598	19,816,454	1,153	19,817,607	91,390,125	(6,920)	91,383,205



5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported are submitted as certified financial information by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Joint programme/ project expenditures are incurred and monitored by each Participating Organization, and are reported to the Administrative Agent as per the agreed upon categories for inter-agency harmonized reporting. The expenditures are reported via the MPTF Office's online expenditure reporting tool. The 2022 expenditure data has been posted on the MPTF Office GATEWAY at https://mptf.undp.org/fund/mw200.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2022**, US\$ **19,817,607** was net funded to Participating Organizations, and US\$ **22,830,470** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ 91,383,205 and cumulative expenditures reported by the Participating Organizations amount to US\$ 64,679,654. This equates to an overall Fund expenditure delivery rate of 70.78 percent.

Table 5.1 Net Funded Amount and Reported Expenditures by Participating Organization, as of 31 December 2022 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2021	Current Year Jan-Dec-2022	Cumulative	
FAO	7,659,431	7,652,579	4,329,995	1,068,702	5,398,697	70.55
IOM	170,000	262,918	170,000	5,674	175,674	66.82
UNAIDS	150,000	150,000	51,916	73,967	125,883	83.92
UNDP	5,040,326	5,422,621	4,085,228	660,260	4,745,488	87.51
UNESCO	350,000	350,000	-	200,177	200,177	57.19
UNFPA	8,378,868	8,624,954	2,021,611	3,387,729	5,409,340	62.72
UNHCR	90,000	90,000	90,000	-	90,000	100.00
UNICEF	20,466,938	20,466,938	6,028,152	5,613,567	11,641,719	56.88
UNODC	40,067	39,933	40,000	(67)	39,933	100.00
UNWOMEN	100,000	216,012	53,041	131,711	184,753	85.53
WFP	45,977,915	45,977,914	24,231,139	10,918,936	35,150,075	76.45
WHO	2,129,338	2,129,338	748,101	769,814	1,517,915	71.29
Grand Total	90,552,883	91,383,205	41,849,184	22,830,470	64,679,654	70.78



5.2 EXPENDITURE BY OUTCOME

Table 5.2 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome.

Table 5.2. Expenditure with breakdown by Outcome (in US Dollars)

	Current Year Ja	n-Dec-2022	То		
Outcome	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Delivery Rate %
Malawi					
Humanitarian Window	180,000	2,637,440	4,718,771	4,208,928	89.20
Inclusive & Resilience Growth	6,518,084	6,963,618	46,234,279	37,131,951	80.31
Peace_Inclusion_Effective Institutions	837,312	120,418	837,312	120,418	14.38
Population Management_Inclusive HumDev	12,281,058	13,108,994	39,270,555	22,813,964	58.09
Right to Food Window	1,153	00	322,289	404,394	125.48
Total	19,817,607	22,830,470	91,383,205	64,679,654	70.78
Grand Total	19,817,607	22,830,470	91,383,205	64,679,654	70.78

5.3. Expenditures Reported by Category

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executives Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories.

Table 5.3. Expenditure by UNDG Budget Category, as of 31 December 2022 (in US Dollars)

Category		Percentage of Total Programme Cost		
	Prior Years Cumulative as of 31-Dec-2021	Current Year Jan-Dec-2022	Total	
Staff & Personnel Cost	5,052,740	2,939,179	7,991,919	13.19
Supplies, commodities and materials	2,176,704	1,148,225	3,324,929	5.49
Equipment, vehicles, furniture and depreciation	1,554,481	962,060	2,516,540	4.15
Contractual Services Expenses	6,387,847	2,978,887	9,366,733	15.46
Travel	815,265	538,549	1,353,814	2.23
Transfers and Grants	19,813,255	10,037,576	29,850,831	49.27
General Operating	3,412,477	2,771,000	6,183,477	10.21
Programme Costs Total	39,212,768	21,375,475	60,588,243	100.00
¹ Indirect Support Costs Total	2,636,416	1,454,995	4,091,411	6.75
Grand Total	41,849,184	22,830,470	64,679,654	-

¹ Indirect Support Costs charged by Participating Organization, based on their financial regulations, can be deducted upfront or at a later stage during implementation. The percentage may therefore appear to exceed the 7% agreed-upon for on-going projects. Once projects are financially closed, this number is not to exceed 7%.



6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December 2022, were as follows:

- The Administrative Agent (AA) fee: 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ 187,721 was deducted in AA-fees. Cumulatively, as of 31 December 2022, US\$ 946,323 has been charged in AA-fees.
- Indirect Costs of Participating
 Organizations: Participating
 Organizations may charge 7% indirect
 costs. In the current reporting period
 US\$ 1,454,995 was deducted in indirect
 costs by Participating Organizations.
 Cumulatively, indirect costs amount to
 US\$ 4,091,411 as of 31 December 2022.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (https://mptf.undp.org). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports. as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.

8. DIRECT COSTS

The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Fund coordination covering overall coordination, and fund level reviews and evaluations. These allocations are referred to as 'direct costs'. Cumulatively, as of 31 December 2022, US\$ 528,032 has been charged as Direct Costs.

Participating Organization	Current Year Net Funded Amount	Current Year Expenditure	Total Net Funded Amount	Total Expenditure
UNDP	-	260,047	528,032	581,130
Total	-	260,047	528,032	581,130



Malawi SDG Acceleration Fund Annexes to Financial Report



Annex 1. EXPENDITURE BY PROJECT GROUPED BY OUTCOME

Annex 1 displays the net funded amounts, expenditures reported and the financial delivery rates by Outcome by project/joint programme and Participating Organization



Annex 1 Expenditure by Project within Theme/Outcome

Outcome / F	Project No. and Project Title	Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
Humanitaria	n Window						
00118028	Information Management Support	UNDP	Operationally Closed	59,385	59,385	27,840	46.88
00122510	Logistics Support to Covid19 Response	WFP	Financially Closed	119,439	119,439	119,439	100.00
00122511	Covid19 Resp to vulnerable populations	IOM	On Going	170,000	170,000	170,000	100.00
00122511	Covid19 Resp to vulnerable populations	UNAIDS	On Going	50,000	50,000	38,624	77.25
00122511	Covid19 Resp to vulnerable pop	UNHCR	On Going	90,000	90,000	90,000	100.00
00122511	Covid19 Resp to vulnerable populations	UNODC	On Going	40,067	39,933	39,933	100.00
00122512	Coordination Sup to Covid19 response	UNDP	Operationally Closed	85,065	85,065	83,273	97.89
00122513	Covid19 Social Protection_Urban Cash	UNICEF	Financially Closed	50,000	50,000	50,000	100.00
00126790	Malawi National Covid-19 Vaccine	UNDP	On Going	493,950	493,950	269,190	54.50
00126790	Malawi National Covid-19 Vaccine	UNICEF	On Going	555,000	555,000	555,000	100.00
00126790	Malawi National Covid-19 Vaccine	WFP	On Going	499,999	499,999	499,999	100.00
00126790	Malawi National Covid-19 Vaccine	WHO	On Going	551,000	551,000	526,366	95.53
00126791	Joint Action addressing gender	UNAIDS	On Going	100,000	100,000	87,259	87.26
00126791	Joint Action addressing gender	UNFPA	On Going	875,000	875,000	821,784	93.92
00126791	Joint Action addressing gender	UNWOMEN	On Going	100,000	100,000	100,000	100.00
00126792	Learning Never Stops	UNESCO	Operationally Closed	350,000	350,000	200,177	57.19
00126792	Learning Never Stops	UNICEF	Operationally Closed	350,000	350,000	350,044	100.01
00130410	Support to refugees	WFP	On Going	180,000	180,000	180,000	100.00
Humanitaria	n Window: Total			4,718,905	4,718,771	4,208,928	89.20
Inclusive & F	Resilience Growth						
00115097	Malawi SDG F- JP on Resilience	FAO	On Going	7,517,290	7,517,290	5,263,409	70.02
00115097	Malawi SDG F- JP on Resilience	UNDP	On Going	4,214,926	4,214,926	4,096,081	97.18
00115097	Malawi SDG F- JP on Resilience	UNICEF	On Going	1,531,896	1,531,896	1,056,830	68.99
00115097	Malawi SDG F- JP on Resilience	WFP	On Going	32,970,167	32,970,166	26,715,631	81.03
Inclusive & F	Resilience Growth: Total			46,234,280	46,234,279	37,131,951	80.31

Peace_Inclusion_Effective Institutions



00133547	Border Security and Conflict Prevention	IOM	On Going	-	92,918	5,674	6.11
00133547	Border Security and Conflict Prevention	UNDP	On Going	-	382,295 ¹	-	-
00133547	Border Security and Conflict Prevention	UNFPA	On Going	-	246,088	29,991	12.19
00133547	Border Security and Conflict Prevention	UNWOMEN	On Going	-	116,012	84,753	73.06
Peace_Inclu	Peace_Inclusion_Effective Inst: Total					120,418	14.38

Population Management_Inclusive Hum Development									
00125724	Health System Strengthening	UNFPA	On Going	2,727,884	2,727,884	1,747,016	64.04		
00125724	Health System Strengthening	UNICEF	On Going	6,182,606	6,182,606	4,395,673	71.10		
00125724	Health System Strengthening	WHO	On Going	1,578,338	1,578,338	991,549	62.82		
00126003	JP on Girl's Education III	UNFPA	On Going	4,775,984	4,775,982	2,810,549	58.85		
00126003	JP on Girl's Education III	UNICEF	On Going	11,797,435	11,797,435	5,234,171	44.37		
00126003	JP on Girl's Education III	WFP	On Going	12,208,310	12,208,310	7,635,006	62.54		
Pop Mgmt_l	nclusive HumDev: Total		39,270,557	39,270,555	22,813,964	58.09			

Right to Food Window							
00115858	Right to Food Window	UNDP	On Going	187,000	187,000	269,105	143.91
00116516	R2F- Land Rights for Women	FAO	Financially Closed	142,141	135,289	135,289	100.00
Right to Food Window: Total				329,141	322,289	404,394	125.48

¹ The UNDP local office reported expenditures of US\$ 205,761 resulting in a delivery rate of 53.82 percent. The figures will be updated in subsequent reporting periods.





Contributors

















UN Participating Organizations

























Contributing Trust Fund

Delivering Results Together

Expanded DaO Fund