



# CONSOLIDATED ANNUAL FINANCIAL REPORT

## of the Administrative Agent

### Joint Programme Cuba

**Apoyo a la Eficiencia Energética y a la promoción de las Fuentes  
Renovables de Energía en función del Desarrollo Local**

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



United Nations  
MPTF Office



**JP Cuba EE FRE-DL**  
**Financial Report**  
**prepared by the Administrative Agent**

**May 2023**



## DEFINITIONS

### **Allocation**

Amount approved by the Steering Committee for the Joint Programme.

### **Approved Project/Programme**

A joint 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 Joint Programme 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 is not directly related to any particular programme or activity of the Participating Organizations. UNSDG policy establishes a fixed indirect cost rate of 7% of programmable costs for inter-agency pass-through Joint Programmes.

### **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 partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

### **Joint Programme 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.

### **Joint Programme Financial Closure**

A joint programme is considered financially closed when all financial obligations of an operationally completed joint programme have been settled, and no further financial charges may be incurred.

### **Joint Programme Operational Closure**

A joint programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

### **Joint Programme Start Date**

Joint programme start date as per the programmatic document.

### **Total Approved Budget**

Represents the amount of cumulative 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 Joint Programme Apoyo a la Eficiencia Energética y a la promoción de las Fuentes Renovables de Energía en función del Desarrollo Local (**JP Cuba EE FRE-DL**) 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 Joint Programme Document, 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 and financial statements, for transmission to stakeholders.

This consolidated financial report covers the period 1 January to 31 December 2022 and provides financial data in the implementation of the **JP Cuba EE FRE-DL**. It is posted on the MPTF Office GATEWAY (<https://mptf.undp.org/fund/jcu00>).



## 2022 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **JP Cuba EE FRE-DL** 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/jcu00>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December 2022, 1 contributor deposited US\$ 9,455,717 and US\$ 11,923 was earned in interest.

The cumulative source of funds was US\$ 9,467,641.

Of this amount, US\$ 9,361,160 has been net funded to 2 Participating Organizations, of which US\$ 2,718,032 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 0. Table 1 provides an overview of the overall sources, uses, and balance of the **JP Cuba EE FRE-DL** as of 31 December 2022.

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

	Annual 2021	Annual 2022	Cumulative
<b>Sources of Funds</b>			
Contributions from donors	7,182,990	-	9,455,717
<b>Sub-total Contributions</b>	<b>7,182,990</b>	<b>-</b>	<b>9,455,717</b>
Fund Earned Interest and Investment Income	2,256	154	11,923
<b>Total: Sources of Funds</b>	<b>7,185,247</b>	<b>154</b>	<b>9,467,641</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	7,111,161	-	9,361,160
<b>Net Funded Amount</b>	<b>7,111,161</b>	<b>-</b>	<b>9,361,160</b>
Bank Charges	1	-	3
Other Expenditures	71,830	-	94,557
<b>Total: Uses of Funds</b>	<b>7,182,991</b>	<b>-</b>	<b>9,455,721</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>2,255</b>	<b>154</b>	<b>11,920</b>
Opening Fund balance (1 January)	9,512	11,767	-
<b>Closing Fund balance (31 December)</b>	<b>11,767</b>	<b>11,920</b>	<b>11,920</b>
<b>Net Funded Amount (Includes Direct Cost)</b>	<b>7,111,161</b>	<b>-</b>	<b>9,361,160</b>
Participating Organizations Expenditure (Includes Direct Cost)	1,265,518	562,338	2,718,032
<b>Balance of Funds with Participating Organizations</b>	<b>5,845,642</b>	<b>(562,338)</b>	<b>6,643,128</b>



## 2. PARTNER CONTRIBUTIONS

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

The **JP Cuba EE FRE-DL** is currently being financed by **1** contributor, 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 Joint Programme 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
European Union	11,746,525	9,455,717	-	9,455,717
Grand Total	11,746,525	9,455,717	-	9,455,717



### 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\$ **11,923**.

Interest received from Participating Organizations amounts to US\$ **nil**, bringing the cumulative interest received to US\$ **11,923**. 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
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	11,770	154	11,923
<b>Total: Fund Earned Interest</b>	<b>11,770</b>	<b>154</b>	<b>11,923</b>
<b>Participating Organization</b>			
<b>Total: Agency Earned Interest</b>	-	-	-
<b>Grand Total</b>	<b>11,770</b>	<b>154</b>	<b>11,923</b>





#### 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\$ **9,361,160** to **2** 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)**

Participating Organization	Prior Years Cumulative as of 31-Dec-2021			Current Year Jan-Dec-2022			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
UNDP	6,480,884	-	6,480,884	-	-	-	6,480,884	-	6,480,884
UNIDO	2,880,276	-	2,880,276	-	-	-	2,880,276	-	2,880,276
<b>Grand Total</b>	<b>9,361,160</b>	<b>-</b>	<b>9,361,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,361,160</b>	<b>-</b>	<b>9,361,160</b>



## 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/jcu00>.

## 5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2022**, US\$ nil was net funded to Participating Organizations, and US\$ **562,338** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **9,361,160** and cumulative expenditures reported by the Participating Organizations amount to US\$ **2,718,032**. This equates to an overall Fund expenditure delivery rate of **29.04** 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	
UNDP	6,480,884	6,480,884	1,414,117	359,784	1,773,900	27.37
UNIDO	2,880,276	2,880,276	741,577	202,555	944,132	32.78
<b>Grand Total</b>	<b>9,361,160</b>	<b>9,361,160</b>	<b>2,155,694</b>	<b>562,338</b>	<b>2,718,032</b>	<b>29.04</b>



## 5.2. 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 5.2. Expenditure by UNDG Budget Category, as of 31 December 2022 (in US Dollars)**

Category	Expenditures			Percentage of Total Programme Cost
	Prior Years Cumulative as of 31-Dec-2021	Current Year Jan-Dec-2022	Total	
Staff & Personnel Cost	54,970	11,500	66,470	2.62
Supplies, commodities and materials	178,566	55,048	233,614	9.20
Equipment, vehicles, furniture and depreciation	1,486,678	140,865	1,627,543	64.07
Contractual Services Expenses	234,064	251,302	485,365	19.11
Travel	2,893	54,708	57,601	2.27
General Operating	57,501	12,127	69,628	2.74
<b>Programme Costs Total</b>	<b>2,014,671</b>	<b>525,551</b>	<b>2,540,222</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	141,023	36,788	177,811	7.00
<b>Grand Total</b>	<b>2,155,694</b>	<b>562,338</b>	<b>2,718,032</b>	<b>-</b>

**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\$ nil was deducted in AA-fees. Cumulatively, as of 31 December **2022**, US\$ nil has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **36,788** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **177,811** 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.

## Contributors

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## UN Participating Organizations

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