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Fourth Consolidated Annual Progress Report on Activities Implemented under the Kiribati One UN Fund

**Report of the Administrative Agent of the Kiribati One UN Fund
for the Period 1 January to 31 December 2013**

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

31 May 2014

Kiribati One UN Fund

Participating Organizations



International Labour Organization (ILO)



United Nations Children's Fund (UNICEF)



United Nations Development Programme (UNDP)



United Nations Educational, Scientific and Cultural Organization (UNESCO)



United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)



United Nations Population Fund (UNFPA)



World Health Organization (WHO)

Contributing Donors



Expanded Delivering as One Funding Window for the Achievement of MDGs
(The Netherlands, Norway, Spain and the United Kingdom)

Abbreviations and Acronyms

AA	Administrative Agent
CEDAW	Convention on the Discrimination against Women
GBV	Gender Based Violence
JSM	Joint Strategy Meeting (Government of Kiribati – United Nations)
ILO	International Labour Organization
KIP	Kiribati Implementation Plan
MPTF Office	Multi-Partner Trust Fund Office
MOU	Memorandum of Understanding
RC	Resident Coordinator
TOR	Terms of Reference
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children’s Fund
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
VAW	Violence against Women

Definitions

Allocation

Amount approved by the Kiribati One UN Fund the Government of Kiribati – UN Joint Strategy Meetings for projects/programmes.

Approved Project/Programme

A project/programme document, including budget, etc., that is approved by the Kiribati One UN Fund the Government of Kiribati – UN Joint Strategy Meetings 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 Kiribati One UN Fund.

Donor Deposit

Cash deposit received by the UNDP MPTF Office for the Kiribati One UN Fund.

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 per cent as per the UNDG agreed MPTF cost recovery.

Net funded/transferred amount

Amount transferred to a Participating Organization, fewer 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 Disbursement

The amount paid to a vendor or entity for goods received, work completed, and/or services rendered (does not include un-liquidated obligations).

Project Expenditure

Amount of project disbursement made plus un-liquidated obligations during the year.

Project Financial Closure

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

Project Start Date

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

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.

Total Approved Budget

Amount approved by the Kiribati One UN Fund the Government of Kiribati – UN Joint Strategy Meetings for projects/programmes.

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Executive Summary

The Kiribati One UN Fund, formally established in July 2009, provide a coherent and streamlined platform of resources for the un-funded UN activities under the current UNDAF-KIP 2013-2017, thus supporting UN organizations to upscale their efforts to achieve concrete development results as envisaged in the Kiribati Development Plan. The One Fund includes seven Participating Organizations (ILO, UNDP, UNESCO, UNFPA, UNICEF, UN Women and WHO).

The Kiribati One UN Fund is governed by the Government of Kiribati – UN Joint Strategy Meetings (JSM). Based on the decisions of the JSMs, the UN Country Team, chaired by the UN Resident Coordinator, agrees on the most efficient and effective means of ensuring that implementation takes place in a timely manner.

This Fourth Consolidated Annual Progress Report on Activities Implemented under the Kiribati One UN Fund reports on the implementation of programmes and projects approved for funding as of 31 December 2013.

It has received \$1,285,000 in contributions from the Expanded Delivering as One Funding Window for Achievement of the MDGs (EFW). The EFW is a global funding facility established to support UN Delivering as One in-country. Current donors to the EFW are the Netherlands, Norway, Spain and the United Kingdom/DFID. There was one allocation made in 2012 to two projects under Economic Growth and Environmental Management.

As of the end of the reporting period, of the net amount of \$1,285,000 transferred, a total of \$1,009,424 was reported as expenditure by Participating Organizations. This equals an overall financial implementation rate of 80 per cent as of 31 December 2013.

The major vehicle for public transparency of operations under the Kiribati One UN Fund during the reporting period was the Kiribati One UN Fund webpage on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/KI100>).

Introduction

The Fourth Consolidated Annual Progress Report on Activities Implemented under the Kiribati One UN Fund is submitted to the Government of Kiribati and contributing Donors, through the United Nations Resident Coordinator, in fulfilment of the reporting provisions of the Kiribati One UN Fund Terms of Reference, the Memorandum of Understanding between the United Nations Development Programme (UNDP) and Participating Organizations, and the Standard Administrative Arrangement (SAA) between UNDP and Donors. The UNDP Multi-Partner Trust Fund Office (MPTF Office) represents UNDP as the Administrative Agent (AA) of the Kiribati One UN Fund.

The Kiribati One UN Fund was established in 2009. This Annual Progress Report covers the period from 1 January to 31 December 2013, but also includes information on selected activities and projects approved in the earlier reporting periods. The 2013 Annual Report is available on the MPTF Office GATEWAY (direct link: <http://mptf.undp.org/document/download/9107>). The current report provides information on progress made in the implementation of projects funded by the Kiribati One UN Fund, as well as on common challenges and lessons learned.

The Report is consolidated based on information and data contained in the progress reports and financial statements submitted by Participating Organizations (particularly UNDP, UNFPA & UNESCO) to the MPTF Office. It is neither an evaluation of the Kiribati One UN Fund nor the MPTF Office's assessment of the performance of the Participating Organizations. However, the report does provide the Government of Kiribati – United Nations Joint Strategy Meeting (JSM) with a comprehensive overview of achievements and challenges associated with projects funded through the Kiribati One UN Fund, enabling it to make strategic decisions and take corrective measures, where applicable.

By the end of the reporting period (31 December 2013), marking the fourth year of operations, the Kiribati One UN Fund had funded two projects across the 5 key programmatic areas of the Kiribati Development Plan. The 2011 allocation from the EFW was used in 2013 given the late formulation of the project, to fund one new project on Strengthening Governance and Aid Effectiveness to Address Climate Change and Disaster Risk Management, as well as provide additional funding for the Support to the RBM for the KDP M&E project.

Report Structure

The Report consists of five chapters: Chapter One provides an overview of the strategic framework of the Kiribati One UN Fund. Chapter Two provides an overview of the Kiribati One UN Fund's governance and fund management arrangements. Chapter Three provides an update on project approvals and implementation status during the reporting period, as well as highlights of key project implementation progress, with details to demonstrate the achievements, challenges and lessons learned. Chapter Four provides an overview of the financial performance of the Kiribati One UN Fund. Chapter Five elaborates on efforts made to ensure Kiribati One UN Fund transparency and accountability.

Strategic Framework

1.1 Kiribati Development Challenges

2013 was a positive year for Kiribati with fiscal surplus projected to be around ¹² percent of GDP, from a budget estimate of a deficit of 17.2%. This reflects higher revenues from fishing licenses, which are expected to reach AUD\$89 million (above budget estimates of AUD\$37 million for the year). The high fishing license revenues in both 2012 and 2013 supported the fiscal position, thus contributing to lower drawdowns from the Revenue Equalization Reserve Fund (RERF).

The current 2014 budget has a total expenditure estimate AUD \$114 million, or 62% of GDP. The Government's expenditure included community services obligations of AUD\$5.0 million, and a copra subsidy of about AUD \$5.2 million. Prioritization is needed to ensure that health, education, and infrastructure spending remain adequate. The government has set targets for reducing reliance on imported fuels for electricity generation by focusing on renewable source energy. By 2025, South Tarawa and Kiritimati plan to use renewable energy to supply 45% and 60%, respectively, of their electricity needs.

Most economic activity is undertaken by the Government, with a small but growing private sector. There is limited opportunity for overseas investment due to the size of the economy, the remoteness and geographical spread of Kiribati thus limiting international and internal communications and transport links. Kiribati remains highly vulnerable to the impacts of the global recession as it depends on importing much of its food, fuel and manufactured goods. Growing macro-economic difficulties are contributing to an increased fiscal deficit with systemic structural weaknesses in financial management.

Environmental degradation and vulnerability to climate change represent major long-term concerns, exacerbated by a rapidly growing population.). Lack of opportunities in the outer islands has resulted in population drift to Tarawa, the capital and main seat of government. About 43.5 per cent of the population lives on South Tarawa resulting in extremely high population density.

The capacity of the Government to deliver services is constrained by these demographics as well as public service weaknesses such as a small pool of public servants with high-level skills, compulsory retirement age of 50 years, and poor incentives for public servants to achieve good performance within the challenges of a communal society.

With these profound challenges the Government is increasingly concerned about its long-term sustainability and is strengthening its engagement with development partners, including multilateral agencies, to progress economic and social development.

1.2 The UN's Response

The UN in Kiribati

The UN has been assisting Kiribati since its independence and has developed a sound understanding of the development challenges as well as strong relationships with the Government. Through its various agencies, funds, programmes and offices the UN has supported economic growth, governance, social security and environmental management with policy dialogue and technical assistance and training for capacity building.

With strong push from the small Pacific Island Development States based in New York for more UN presences amongst other Pacific Islands apart from Fiji and Samoa UNDP, UNFPA and UNICEF spearheaded the establishment of the UN Joint Presences Office in Kiribati in 2008. The in-country UN Office has contributed to effective and efficient coordination and implementation of UN funded programmes in recent years taking into consideration the challenges facing Kiribati. UN Women recently joint UNDP UNFPA and UNICEF in the operational coverage of nine UN Joint Presences Offices.

The Pacific Regional UN Development Assistance Framework

A major joint achievement of the UNCT in Fiji and Samoa in 2013 was the finalization of the UNDAF 2013-2017, including the Regional Results Matrix, the UNDAF Action Plan and the respective Country Result Matrices. In response to the comments in enhancing joint UN efforts on the ground in each country, the UNCT developed fourteen Country Results Matrices that will serve to focus UN efforts around joint priorities at country level. Through this approach, the new UNDAF 2013-2017 fosters a strengthened sense of ownership at the national level in the fourteen Pacific Island Countries and Territory given the direct alignment of the country results matrix to the national development plans of the PICTs.

By bringing the fourteen Country Results Matrices under a multi-country UNDAF Action Plan, the UNCT has further simplified its programming processes, combining the need for a joint set of priorities at country level for all agencies with the opportunity to use these same priorities in lieu of Country Programme Action Plans for the ExCom agencies. The document was completed and circulated to fourteen PICTs Governments to endorse as the guiding document for UN agencies to use in formulating UN programmes at national level.

The UNDAF 2013-2017 is an outcome-level document. Specific country programme outputs for each of the PICs have been featured in a separate set of Country Results Matrices that have been elaborated in consultation with the stakeholders. Combined with the multi-country UNDAF Action Plan, these identify the UN's collective contributions to national development aspirations, in the form of a UN joint country framework for each PIC. For full details of the UNDAF-KIP, including outcomes and outputs, budgets and key partners, see <http://www.pacific.one.un.org>

Building on existing UN programmes and introducing new collaborative approaches, the UNDAF Kiribati Result Matrix is an operational implementation framework that allows for adjustments to challenges as they emerge over its five-year cycle. It includes measurable outcomes and outputs; links to UN programme themes/areas; outputs indicators; associated budgets and budget gaps; and, most importantly, alignment to the Kiribati Development Plan (KDP) 2012 to 2015.

A second agency-specific layer of the UNDAF-KIP UNDAF Kiribati Result Matrix outlines the outputs of separate agencies with remaining agency-specific indicators. Agency-specific annual work-plans (AWPs), based on annual technical consultations between UN organisations, line Ministries donor partners, will be developed and consolidated under the five-year UNDAF Kiribati Result Matrix. These will include details for the following 12

months' operations on specific activities and budgets, informed by progress reports and performance information for JSM approval.

1.3 The UNDAF Kiribati Result Matrix Budgetary Framework

The budgetary framework of the UNDAF-KIP will support coordination of the diversity of UN funding sources and instruments, reduce overlap, and ensure that the Plan is adequately financed. Full details of agreed results of the Plan are included in the consolidated framework (<http://mptf.undp.org/document/download/3412>). This highlights each participating UN agency's planned input together with funding sources during the 2013-2017 cycle of the Plan (including core/assessed, earmarked non-core/extra-budgetary funds from all sources). It also highlights the un-funded areas of the Plan that require support from development partners which establishment of the Kiribati One UN Fund is intended to provide as a coordinated mechanism to support harmonisation, alignment and reduced transaction costs.

1.4 The Kiribati One UN Fund

The goal of the Kiribati One UN Fund is efficient and effective resource mobilisation, allocation and disbursement of funds to support the UNDAF-KIP. The Kiribati One UN Fund will take a phased approach and specifically aims to:

- provide a coherent and streamlined platform of resources for the un-funded UN activities under the current UNDAF-KIP 2013-2017; and
- provide resource flexibility in order to help the Government of Kiribati respond to emerging or unplanned needs in line with the KDP;
- reduced transaction costs for the Government of Kiribati and all partners, leading to cost savings that can be applied to programme priorities; and
- improved overview and management of UN development resources.

The Kiribati One UN Fund aims to provide coordinated resourcing to those un-funded components of the UNDAF-KIP only

Expected outcomes of the Kiribati One UN Fund are:

- the provision of adequate and predictable funding for the delivery of concrete outcomes of the UNDAF-KIP that impact positively on the lives of the people of Kiribati;
- the provision of resources to enable flexible response to emerging and unplanned needs in line with the KDP and the UNDAF-KIP;

In November 2013, the Kiribati One Fund was extended until December 2014 in order to allow existing projects under the current UNDAF-KIP to complete all activities.

Governance Arrangements of the One UN Fund

The Kiribati One UN Fund is governed by the Government of Kiribati – UN Joint Strategy Meeting (JSM), in accordance with its Terms of Reference.

2.1 The Government of Kiribati – UN Joint Strategy Meetings

JSMs between the UN and Government of Kiribati have provided opportunities for enhanced policy dialogue on development challenges and for the development of the UNDAF-KIP. Co-chaired by the Permanent Secretary of the Ministry of Finance and Economic Development and the UN Resident Coordinator, membership includes representatives from the standing Development Coordination Committee of Kiribati, key Ministries and line agencies, the UNCT and key donors. The JSMs usually meet annually in Kiribati and in alignment with the Government's annual budget session. It may be convened at other times if there is a perceived need, in consultation between the co-chairs, to discuss specific issues, particularly quick response to emergencies or other unplanned Government priorities, and to resolve constraints and bottlenecks. A JSM was convened on 28 May 2014, for project review.

In regard to the Kiribati One UN Fund the JSMs undertake the following tasks:

- Decide on the allocation of resources to the UNDAF-KIP funding gaps identified in the AWP, based on recommendations and inputs from regular technical consultations between the UN and line ministries, national partners and donors.
- Decide on the allocation of resources for emerging or unplanned needs of the Government of Kiribati in line with the KDP - to access the Kiribati One UN Fund quickly in response to sudden events, the JSMs can be convened out-of-session.
- Ensure that any earmarked contributions from donors, if applicable, are consistent with the priorities of the KDP and the UNDAF-KIP.

2.2 The Role of the Resident Coordinator

Based on the decisions of the JSMs, the United Nations Country Team (UNCT)¹ agrees on the most efficient and effective means of progressing implementation through their respective agencies. The UNCT is chaired by the UN Resident Coordinator (RC) who, with support of the RC's Office, is responsible for:

- effective and efficient UN participation in the JSM
- provision of JSM Secretariat services in coordination with the Ministry of Finance and Planning, ensuring that it has a clear agenda, appropriate and timely reports, and well-defined decision-making points that are concisely reported (supported by the in-country role of the Joint Presence Office)
- promoting a balanced approach to the transparent and accountable allocation of resources to the KDP through the UNDAF-KIP
- mobilizing resources for the Kiribati One UN Fund

¹ The UNCT provides internal UN oversight and meets quarterly – as part of these meetings the UNCT will review the operations of the UNDAF-KIP, the Kiribati One UN Fund and the role of UNICEF as the Joint Presence Office.

- ensuring that the AA (UNDP) transfers approved allocations to participating UN organizations in a timely and efficient manner
- ensuring effective and open communications between the Government, UN organizations and other development partners of the approved resource allocations
- providing feedback to UN organizations on their performance, consultative mechanisms, and joint programming to reduce transaction costs

2.3 The Role of the Joint Presence Office in Tarawa, Kiribati

UNICEF hosts the UN joint presence in Tarawa, Kiribati. In this administrative/technical role, UNICEF:

- provides support to UN organizations to ensure sound in-country coordination of missions, consultations, UNDAF-KIP annual work planning, mid-term review and other key events in the program cycle in Kiribati;
- ensures the efficient execution of preparations for technical consultations in coordination with the RC's Office;
- facilitates day-to-day Government contacts and coordination functions in close collaboration with the RC;
- maintains continuity of dialogue and follow-up with the Government and donors in support of the RC's role of liaising at the senior government level;
- leverage in-country presence and close liaison with Government ministries and departments to support reviews and risk analysis of the Kiribati One UN Fund to ensure constructive risk management throughout the cycle;
- identifies opportunities for increased cooperation and coordination with all partners, including resource mobilisation opportunities; and
- provides reports to the AA on its role and responsibilities as the Joint Presence Office

UN Joint Presence Offices are a UNDP/UNICEF/UNFPA initiative. In Kiribati, this UNICEF role reflects its on-the-ground operations and the characteristics of the Pacific region with the reality that most participating UN organizations are currently based in Suva, Fiji - with the exception of UNICEF, UNIFEM (now co-located in the Joint Presence Office), WHO (that, internationally, operates from Ministries of Health) and ILO (that now works directly in the Ministry of Labour). It is expected that as implementation of the UNDAF-KIP progresses opportunities will expand for other UN organizations to base staff in-country in the Joint Presence Office if/when there is an identified operational need. Arrangements will be made between UNICEF and UNDP to ensure that the Joint Presence Office provides sufficient on-the-ground support to enable the Administrative Agent to fulfil its reporting roles (see below).

2.4 The Administrative Agent

The United Nations Development Programme's Multi-Partner Trust Fund Office (MPTF Office) is the Administrative Agent (AA) for the Kiribati One UN Fund. Its responsibilities as AA include the receipt, administration and management of contributions from Donors; disbursement of funds to the Participating Organizations in accordance with instructions from the JSMs (through the RC), and consolidation of narrative and financial reports submitted by each of the Participating Organizations, and the provision of these reports to the JSM and Donors. The MPTF Office performs the full range of AA functions in accordance with the UNDG-

approved 'Protocol on the Administrative Agent for Multi-Donor Trust Funds and Joint Programmes, and One UN Funds'.

In line with the MOU concluded between Participating Organizations and the MPTF Office, a clear delineation, including distinct reporting lines and an accountability framework, has been established and is maintained within UNDP between its functions as an AA and its functions as a Participating Organization.

3 Project Approval and Implementation

3.1 Programme/Project Approval Status

In November 2012, the 2011 EFW contribution was allocated to fund a new Strengthening Governance and Aid Effectiveness to address Climate Change and DRM project and to provide additional funding for the Support to the RBM for the KDP M&E project.

Table 3–1: Approved Kiribati One UN Fund Expenditure as of 31 December 2013

Kiribati Development Plan Policy Area	Participating Organization	Total Allocation	2013 Total Expenditure	Balance
Health system response to Violence against Women Programme	UNFPA	50,000	28,476	21,524
RBM & Kiribati Development Plan M&E	UNFPA	288,036	248,581	39,455
Strengthening Governance and Aid Effectiveness to address Climate Change and DRM	UNDP	176,964	48,619	128,345
		515,000	325,676	189,324

3.2 Implementation Achievements and Challenges

The sections below provide an overview of the main implementation achievements and results (and challenges) during the reporting period, as reported by the respective Participating Organizations. The overview is structured by Kiribati Development Plan (KDP) Policy Areas.

3.2.1 KDP Policy Area: Health

Table 3.2.1 Net Transfers: Health

Net Transfers as of 31 December 2012 KDP Policy Area: Health				
Projects	Participating Organizations	Net Transfers Priors Years as of 31 Dec 2013	Total Expenditure as of 31 Dec 2013	Remaining Balance
Health system response to Violence against Women Programme	UNFPA	50,000	28,476	21,524
Total		50,000	28,476	21,524

As of 31 December 2013, a total of \$50,000 had been allocated to programmes implemented by UNFPA on gender based violence. There was no activities to the programmes included the “Emergency Obstetric and New-born Care Programme” (UNFPA, UNICEF, WHO: \$286,724) and the “Adolescent Health & Development Programme” (UNFPA: \$50,000). Both projects are deemed closed by the participating agencies.

i) The Health systems Response To Violence Against Women Programme (UNFPA)

Approved for funding in September 2010, the broad goal of the “Health Response to Violence against Women Programme” (UNFPA: \$50,000) is to support the Kiribati health system response to addressing violence against women (VAW) through a responsive health network and strategy, capacity development for a range of health workers, development of appropriate standard operating procedures and support to collect and monitor health data on VAW. *Outputs with key achievements for 2013 are as follow:*

- 1] Number of communities reached during GBV community outreach / awareness.
 - Carried out integrated GBV awareness and outreach for women with disabilities, and their relatives and caregivers in Onotoa, Beru, Nikunau Atoll communities
 - Carried out awareness with Dept. of Women amongst women leaders to lobby govt. to support the Family Peace Bill. Visited 11 island communities and met with council island leaders and other community leaders.
- 2] Number of health service providers that have been trained in the management of the GBV/Sexual Violence Victims.
 - Conducted 6-day training and awareness with University of Auckland to 50 health participants from all health sectors including doctors, nurses and paramedical staff.
 - Conducted awareness to 20 final year nursing students before their community internship
 - GBV coordinator and Emergency nurse attended training on development of Intimate Partner Violence protocol
- 3] Completion of GBV Standard Operations Procedures
 - With UNFPA funded technical assistance from Auckland University of Technology (AUT), GBV Standard Operations Procedures was completed and piloted in Tarawa Island, of the Kiribati Group of Islands.

3.2.2 KDP Policy Area: Economic Growth and Poverty Reduction

Table 3.2.3 Net Transfers: Economic Growth & Poverty Reduction

Net Transfers as of 31 December 2013 KDP Policy Area: Economic Growth & Poverty Reduction						
Projects	Participating Organizations	Net Transfers Priors Years as of 31 Dec 2013	Net transfers 2013	Total Expenditure 2009-2013	Remaining Balance (to be carried forward to 2014)	Cumulative Net Transfers 2009-2013
1. RBM & Kiribati Development Plan M&E	UNFPA	288,036	-	248,581	39,455	288,036
TOTAL		288,036	-	248,581	39,455	288,036

One allocation was made to the RBM and Kiribati Development Plan M&E project in November 2012. As of 31 December 2013, a total of \$288, 036 had been allocated to programmes implemented by UNFPA.

i) The Support to RBM and Kiribati Development Plan M&E Plan (UNFPA)

Approved for funding in September 2010, the programme ‘Support to Results Based Management & Kiribati Development Plan M&E Plan’ (UNFPA; \$180,000) aims to strengthen government’s cross-sector capacity for analysis and utilisation of statistics for the purposes of results-based management (RBM) and evidence-based policy and programming. It is implemented by UNFPA on behalf of the UNDAF Monitoring and Evaluation Technical Working Group and in collaboration with Kiribati Government.

Under the national M&E System of developing targets for efficient and effective functioning national M&E System developed in 2013 the following key achievements were recorded:

- Initial draft of M&E Policy and M&E plans developed and consultations to finalise these documents conducted.
- Final draft of KDP 2012-2015 M&E plans endorsed by government.
- Training Manual for NEPO on planning, M&E and RBM presented to cabinet
- KDP M&E Group formed and discussed their role in moving forward in providing oversight support to NEPO for all the above M&E activities in their respective ministries. The team reviewed their ToR and role in implementing the KDP as stated in Chapter 10 of the KDP 2012-2015 document. Draft ToR for KDP M&E Group developed

Regarding the number of sex disaggregated and evidence based databases established the following key achievements were recorded:

- Data sets for all 6 targeted sectors/ministries identified. National Statistical Database training for 7 sectors / ministries conducted. Statistical Datasets for 7 sectors developed and linked to the centralized national system at NEPO

- The KDP M&E Framework was reviewed and some changes made in some sectors specifically HRD, Health and Environment. However there are still needs existing especially in the governance sector. Overall the KDP has got 69 indicators with baseline data available while 40 indicators are still missing still missing baselines (or are still in the process of being established). The most affected areas are the environment and governance sectors each with 15 and 14 baselines missing respectively. Similarly there overall 60 targets have been set for each performance indicator while 59 performance indicators have no performance data yet.
- Overall the baselines available are 58% while those still missing or being established are 33%. The situation is almost evenly spread with regards to the target data at 50% for both missing and available targets.

Finally regarding percentage of aid that is directly linked to national priorities in the KDP and reported in national budgets the following achievements were recorded:

- A review of all consultancy works was done for NEPO staff and line ministry staff. This process focused on a review of the Kiribati Development Plan M&E matrix (done with Sector Committees) and also looked at Ministry Strategic Plans (done with Deputy Secretaries). This process led to the production of a revised KDP M&E matrix and also a compliance report on all ministry strategic plans. This process helped tag the current cycle to certain ministry outputs and justification for line ministry extra recurrent budget support 2013

3.2.3 KDP Policy Area: Environment

Table 3.2.5 Net Transfers: Environment

Expenditure as of 31 December 2013 KDP Policy Area: Human Resources Development				
Projects	Participating Organizations	Net Transfers Priors Years as of 31 Dec 2013	Total Expenditure as of 31 Dec 2013	Balance
Strengthening Governance and Aid Effectiveness to address Climate Change and DRM	UNDP	176,964	48,619	128,345
TOTAL				

In November 2012, an allocation of \$176,964 was made to UNDP for Environmental Management. The “Strengthening Governance and Aid Effectiveness to address climate change and disaster risk management” project was formulated in early 2013 and actual implementation started in mid-2013 jointly by the Government of Kiribati (GoK) through the Office of the President and the UNDP-MCO in Fiji. The project has three main critical elements which when combined will assist Government of Kiribati to strengthen governance, aid effectiveness in climate change and disaster risk management. Below are three key achievements recorded for the reported period of 1 January 2013 to 31 December 2013:

1. The milestone delivery of the project included the completion of the rapid assessment of past and current national and development budgetary allocation to climate change and disaster risk management activities. The report titled, “*Preliminary Climate Change and Disaster Risk Management Assessment of the Government of Kiribati 2011, 2012, 2013 Budgets*” was completed in September 2013. The assessment informed the government on its Government spending i.e. current status of financial commitments to addressing climate change and managing disaster risks. The assessment will also feed

into bigger Climate Public Expenditure and Institutional Review (CPEIR) work on monitoring budget spending on climate change related activities. A total of 26-28 women and men, from all social sectors and UN agencies, participated in the process from the initiation phase to the final validation of the report. At least 53% of the participants were women.

2. A knowledge platform on climate change and disaster risk management at the national and local levels is now initiated and work continues on this. When operationalized, it will link Government with the outer islands. An office space has also been allocated at the Office of the President (OP) which links to an internet café based at two islands selected to pilot this system. Tabiteuea Meang and Abaiang were identified as most vulnerable islands to adverse impacts of climate change. The system will enable Climate Change and Disaster Risk Management information and stories sharing between the two islands, and key stakeholders and Ministries and will enable more timely responses to issues from the outer islands.
3. Institutional strengthening of national institutions for stronger climate change and disaster risk management links was also initiated. A Coordination Officer was recruited and has been provided space within the Office of the President's office to coordinate Kiribati Joint Implementation Plan (KJIP) activities for climate change and disaster risk management. Seed funding was also provided as part of this activity to set up office which also strengthens the Secretariat role of KJIP and coordination of climate change and disaster risk management.

This Financial Performance section includes key financial data on the Kiribati One UN Fund. Financial information is also available on the MPTF Office GATEWAY (<http://mptf.undp.org>).

2013 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the Kiribati One UN Fund using the pass-through funding modality as of 31 December 2013. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/KI100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2013, one contributor have deposited US\$ 1,285,000 in contributions and US\$ 6,313 has been earned in interest,

bringing the cumulative source of funds to US\$ 1,291,313 (see respectively Tables 2 and 3).

Of this amount, US\$ 1,275,000 has been transferred to seven Participating Organizations, of which US\$ 1,009,424 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 12,850. Table 1 provides an overview of the overall sources, uses, and balance of the Kiribati One UN Fund as of 31 December 2013.

Table 1. Financial Overview, as of 31 December 2013 (in US Dollars)*

	Annual 2012	Annual 2013	Cumulative
Sources of Funds			
Gross Contributions	-	-	1,285,000
Fund Earned Interest and Investment Income	1,617	77	5,634
Interest Income received from Participating Organizations	-	6	679
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	1,617	83	1,291,313
Use of Funds			
Transfers to Participating Organizations	285,000	-	1,275,000
Refunds received from Participating Organizations	(14,364)	-	(17,338)
Net Funded Amount to Participating Organizations	270,636	-	1,257,662
Administrative Agent Fees	-	-	12,850
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	8	2	17
Other Expenditures	-	-	-
Total: Uses of Funds	270,644	2	1,270,530
Change in Fund cash balance with Administrative Agent	(269,027)	81	20,783
Opening Fund balance (1 January)	289,730	20,702	-
Closing Fund balance (31 December)	20,702	20,783	20,783
Net Funded Amount to Participating Organizations	270,636	-	1,257,662
Participating Organizations' Expenditure	146,054	133,878	1,009,424
Balance of Funds with Participating Organizations			248,238

* Due to rounding of numbers, totals may not add up. This applies to all numbers in this report.

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2013.

Table 2. Contributors' Deposits, as of 31 December 2013 (in US Dollars)*

Contributors	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
Expanded DaO Funding Window	1,285,000	-	1,285,000
Grand Total	1,285,000	-	1,285,000

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 2013, Fund earned interest amounts to US\$ 5,634 and interest received from Participating Organizations amounts to US\$ 679, bringing the cumulative interest received to US\$ 6,313. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2013 (in US Dollars)*

Interest Earned	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
Administrative Agent			
Fund Earned Interest and Investment Income	5,557	77	5,634
Total: Fund Earned Interest	5,557	77	5,634
Participating Organization			
UNDP	309		309
UNESCO		6	6
UNFPA	59		59
UNWOMEN	305		305
Total: Agency earned interest	673	6	679
Grand Total	6,231	83	6,313

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2013, the AA has transferred US\$ 1,275,000 to 7 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, as of 31 December 2013 (in US Dollars)*

Participating Organization	Prior Years as of 31-Dec-2012			Current Year Jan-Dec-2013			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
ILO	49,500	(14,364)	35,136				49,500	(14,364)	35,136
UNDP	226,464		226,464				226,464		226,464
UNESCO	90,741	(2,974)	87,768				90,741	(2,974)	87,768
UNFPA	447,436		447,436				447,436		447,436
UNICEF	295,129		295,129				295,129		295,129
UNWOMEN	113,260		113,260				113,260		113,260
WHO	52,470		52,470				52,470		52,470
Grand Total	1,275,000	(17,338)	1,257,662				1,275,000	(17,338)	1,257,662

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2013 were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in table 5 below, the cumulative net funded amount is US\$ 1,257,662 and cumulative expenditures reported by the Participating Organizations amount to US\$ 1,009,424. This equates to an overall Fund expenditure delivery rate of 80 percent. The agencies with the three highest delivery rates are: ILO and WHO, both with 100 percent and UNICEF with 96 percent.

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2013 (in US Dollars)*

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Cumulative	
ILO	49,500	35,136	35,136		35,136	100.00
UNDP	226,464	226,464	49,500	48,619	98,119	43.33
UNESCO	90,741	87,768	76,963	3,987	80,950	92.23
UNFPA	447,436	447,436	305,186	81,272	386,457	86.37
UNICEF	295,129	295,129	283,032		283,032	95.90
UNWOMEN	113,260	113,260	73,260		73,260	64.68
WHO	52,470	52,470	52,469		52,469	100.00
Grand Total	1,275,000	1,257,662	875,547	133,878	1,009,424	80.26

5.2 EXPENDITURE BY UNDAF OUTCOME

Table 5 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome.

Table 5. Expenditure by UNDAF Outcome, as of 31 December 2013 (in US Dollars)*

Country/Sector	Prior Years as of 31-Dec-2012		Current Year Jan-Dec-2013		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Kiribati							
Economic Growth & Poverty Redu	323,172	204,344		79,373	323,172	283,717	87.79
Environment	176,964			48,619	176,964	48,619	27.47
Governance	283,035	230,939			283,035	230,939	81.59
Health	386,724	363,301		1,899	386,724	365,200	94.43
Human Resources Development	87,768	76,963		3,987	87,768	80,950	92.23
Kiribati Total:	1,257,662	875,547		133,878	1,257,662	1,009,424	80.26
Grand Total:	1,257,662	875,547		133,878	1,257,662	1,009,424	80.26

5.4 EXPENDITURE 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 Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditure incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditure are reported in the new eight categories. The old and new categories are noted to the right.

Table 6 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

As of 2013, the highest percentage of expenditure was on Personnel with 24 percent. The second highest expenditure was Contracts with 20 percent, and the third highest expenditure was on Supplies, Commodities, Equipment and Transport with 13 percent.

2012 CEB

Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

2006 UNDG

Expense Categories

1. Supplies, commodities, equipment & transport
2. Personnel
3. Training counterparts
4. Contracts
5. Other direct costs
6. Indirect costs

Table 6. Expenditure by UNDG Budget Category, as of 31 December 2013 (in US Dollars)*

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total	
Supplies, Commodities, Equipment and Transport (Old)	123,176	-	123,176	13.04
Personnel (Old)	229,121	-	229,121	24.26
Training of Counterparts (Old)	48,742	-	48,742	5.16
Contracts (Old)	193,455	-	193,455	20.48
Other direct costs (Old)	88,265	-	88,265	9.35
Staff & Personnel Cost (New)	11,047	3,726	14,773	1.56
Suppl, Comm, Materials (New)	(101)	-	(101)	(0.01)
Equip, Veh, Furn, Depn (New)	752	11,003	11,755	1.24
Contractual Services (New)	72,800	29,284	102,084	10.81
Travel (New)	50,409	62,262	112,671	11.93
Transfers and Grants (New)	1,792	-	1,792	0.19
General Operating (New)	4	18,692	18,697	1.98
Programme Costs Total	819,461	124,967	944,428	100.00
Indirect Support Costs Total	56,086	8,911	64,997	6.88
Total	875,547	133,878	1,009,424	

Indirect Support Costs: The timing of when Indirect Support Costs are charged to a project depends on each Participating Organization's financial regulations, rules or policies. These Support Costs can be deducted upfront on receipt of a transfer based on the approved programmatic amount, or a later stage during implementation.

Therefore, the Indirect Support Costs percentage may appear to exceed the agreed upon rate of 7% for on-going projects, whereas when all 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 2013, 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 there were no AA-fees deducted. Cumulatively, as of 31 December 2013, US\$ 12,850 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 8,911 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 64,997 as of 31 December 2013.
- **Direct Costs:** The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Secretariat services and overall coordination, as well as Fund level reviews and evaluations. These allocations are referred to as 'direct costs'. As of 2013, there were no direct costs charged to the Fund.

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 (<http://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.