

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Pakistan UNSDF Fund III**

for the period 1 January to 31 December 2020

Multi-Partner Trust Fund Office
Bureau for Management Services
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)

26 May 2021

PARTICIPATING ORGANIZATIONS



Food and Agriculture
Organization



United Nations
Development
Programme



United Nations
Children's Fund



UNWOMEN

CONTRIBUTORS



United Kingdom

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 donor 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'.

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.

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 an implementing 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

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

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 and due to rounding off of numbers, the totals may not add up.

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INTRODUCTION

This Consolidated Annual Financial Report of the **Pakistan UNSDF Fund III** 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 contributors.

This consolidated financial report covers the period 1 January to 31 December **2020** and provides financial data on progress made in the implementation of projects of the **Pakistan UNSDF Fund III**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/PK200>).

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

2020 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Pakistan UNSDF Fund III** using the pass-through funding modality as of 31 December **2020**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/PK200>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2020**, **1** contributor deposited US\$ **34,302,720** in contributions and US\$ **205,377** was earned in interest.

The cumulative source of funds was US\$ **34,508,097**.

Of this amount, US\$ **33,615,458** has been net funded to **4** Participating Organizations, of which US\$ **33,871,779** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **343,027**. Table 1 provides an overview of the overall sources, uses, and balance of the **Pakistan UNSDF Fund III** as of 31 December 2020.

Table 1. Financial Overview, as of 31 December 2020 (in US Dollars)

	Annual 2019	Annual 2020	Cumulative
Sources of Funds			
Contributions from donors	16,155,920	9,053,800	34,302,720
Fund Earned Interest and Investment Income	145,793	34,150	205,377
Total: Sources of Funds	16,301,713	9,087,950	34,508,097
Use of Funds			
Transfers to Participating Organizations	23,332,053	9,200,267	33,615,458
Net Funded Amount	23,332,053	9,200,267	33,615,458
Administrative Agent Fees	161,559	90,538	343,027
Bank Charges	186	89	277
Total: Uses of Funds	23,493,799	9,290,894	33,958,763
Change in Fund cash balance with Administrative Agent	(7,192,085)	(202,944)	549,334
Opening Fund balance (1 January)	7,944,363	752,278	-
Closing Fund balance (31 December)	752,278	549,334	549,334
Net Funded Amount (Includes Direct Cost)	23,332,053	9,200,267	33,615,458
Participating Organizations' Expenditure (Includes Direct Cost)	13,934,362	19,937,417	33,871,779
Balance of Funds with Participating Organizations			(256,320)

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December **2020**.

The **Pakistan UNSDF Fund III** is currently being financed by **1** contributor, as listed in the table below.

The table below includes commitments made up to 31 December **2020** through signed Standard Administrative Agreements, and deposits made through **2020**. It does not include commitments that were made to the fund beyond **2020**.

Table 2. Contributors' Commitments and Deposits, as of 31 December 2020 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec-2019 Deposits	Current Year Jan-Dec-2020 Deposits	Total Deposits
Foreign, Commonwealth and Development Office	44,874,461	25,248,920	9,053,800	34,302,720
Grand Total	44,874,461	25,248,920	9,053,800	34,302,720

Figure 1: Deposits by contributor, cumulative as of 31 December 2020



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 **2020**, Fund earned interest amounts to US\$ **205,377**.

Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2020 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2019	Current Year Jan-Dec-2020	Total
Administrative Agent			
Fund Earned Interest and Investment Income	171,227	34,150	205,377
Total: Fund Earned Interest	171,227	34,150	205,377
Grand Total	171,227	34,150	205,377

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2020, the AA has transferred US\$ 33,615,458 to 4 Participating Organizations (see list below).

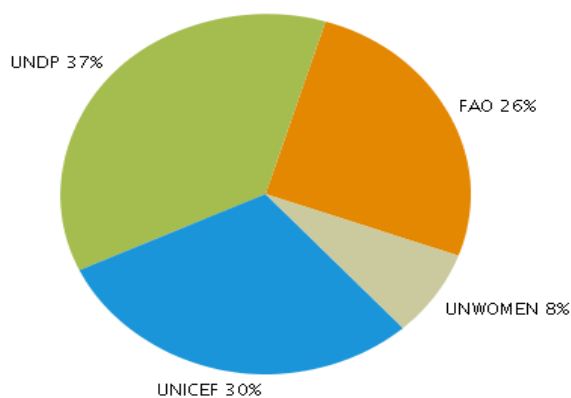
4.1 TRANSFER BY PARTICIPATING ORGANIZATION

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 4.1 Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2020 (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2019			Current Year Jan-Dec-2020			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	7,998,181		7,998,181	2,390,000		2,390,000	10,388,181		10,388,181
UNDP	4,065,921		4,065,921	3,388,775		3,388,775	7,454,696		7,454,696
UNICEF	11,924,648		11,924,648	2,728,354		2,728,354	14,653,002		14,653,002
UNWOMEN	426,442		426,442	693,138		693,138	1,119,580		1,119,580
Grand Total	24,415,191		24,415,191	9,200,267		9,200,267	33,615,458		33,615,458

Figure 2: Transfers amount by Participating Organization for the period of 1 January to 31 December 2020



5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2020 were submitted by the Headquarters of the

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

Participating Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Participating Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The 2020 expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/PK200>.

In 2020, US\$ 9,200,267 was net funded to Participating Organizations, and US\$ 19,937,417 was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ 33,615,458 and cumulative expenditures reported by the Participating Organizations amount to US\$ 33,871,779. This equates to an overall Fund expenditure delivery rate of 101 percent.

The agencies with the three highest delivery rates are: FAO (110%), UNICEF (100%) and UNDP (91%)

Table 5.1 Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2020 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2019	Current Year Jan-Dec-2020	Cumulative	
FAO	10,388,181	10,388,181	4,739,877	6,737,743	11,477,619	110.49
UNDP	7,454,696	7,454,696	2,872,809	3,914,153	6,786,962	91.04
UNICEF	14,653,002	14,653,002	6,045,885	8,602,756	14,648,641	99.97
UNWOMEN	1,119,580	1,119,580	275,791	682,766	958,556	85.62
Grand Total	33,615,458	33,615,458	13,934,362	19,937,417	33,871,779	100.76

5.3 EXPENDITURE BY PROJECT

Table 5 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

Table 5.3. Expenditure by Project within Sector, as of 31 December 2020 (in US Dollars)

Sector / Project No. and Project Title		Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
Humanitarian Development Nexus							
00113570	JP-KP merged Districts-Pakista	FAO	On Going	10,388,181	10,388,181	11,477,619	110.49
00113570	JP-KP merged Districts-Pakista	UNDP	On Going	7,454,696	7,454,696	6,786,962	91.04
00113570	JP-KP merged Districts-Pakista	UNICEF	On Going	14,653,002	14,653,002	14,648,641	99.97
00113570	JP-KP merged Districts-Pakista	UNWOMEN	On Going	1,119,580	1,119,580	958,556	85.62
Humanitarian Development Nexus: Total				33,615,458	33,615,458	33,871,779	100.76
Grand Total				33,615,458	33,615,458	33,871,779	100.76

5.3 EXPENDITURE BY PROJECT

Table 5 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

Table 5.3 Expenditure by Project within Country, as of 31 December 2020 (in US Dollars)

Country / Project No.and Project Title		Participating Organization	Approved Amount	Net Funded Amount	Expenditure	Delivery Rate %
Pakistan						
00113570	JP-KP merged Districts-Pakista	FAO	10,388,181	10,388,181	11,477,619	110.49
00113570	JP-KP merged Districts-Pakista	UNDP	7,454,696	7,454,696	6,786,962	91.04
00113570	JP-KP merged Districts-Pakista	UNICEF	14,653,002	14,653,002	14,648,641	99.97
00113570	JP-KP merged Districts-Pakista	UNWOMEN	1,119,580	1,119,580	958,556	85.62
Pakistan Total			33,615,458	33,615,458	33,871,779	100.76
Grand Total			33,615,458	33,615,458	33,871,779	100.76

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.

Table 5.4. Expenditure by UNDG Budget Category, as of 31 December 2020 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2019	Current Year Jan-Dec-2020	Total	
Staff & Personnel Cost	1,788,667	2,766,972	4,555,639	14.40
Supplies, commodities and materials	4,616,195	4,991,156	9,607,351	30.37
Equipment, vehicles, furniture and depreciation	294,620	110,511	405,131	1.28
Contractual Services	1,973,585	2,861,256	4,834,841	15.28
Travel	203,514	204,557	408,071	1.29
Transfers and Grants	2,485,238	4,505,293	6,990,531	22.09
General Operating	1,650,938	3,186,678	4,837,616	15.29
Programme Costs Total	13,012,756	18,626,423	31,639,179	100.00
¹ Indirect Support Costs Total	921,606	1,310,994	2,232,600	7.06
Total	13,934,362	19,937,417	33,871,779	

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 2020, 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\$ **90,538** was deducted in AA-fees. Cumulatively, as of 31 December 2020, US\$ **343,027** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **1,310,994** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **2,232,600** as of 31 December 2020.

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.