



CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

UN REDD Programme Fund for the period 1 January to 31 December 2021

UN Multi-Partner Trust Fund Office
United Nations Development Programme

PARTNERS GATEWAY:
<https://beta.mptf.undp.org>

May 2022



United Nations
MPTF Office



UN REDD Programme Fund
Financial Report
prepared by the Administrative Agent

May 2022



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 Organisations.

Indirect Support Costs

A general cost that cannot be 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 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



INTRODUCTION

This Consolidated Annual Financial Report of the **UN REDD Programme 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 2021 and provides financial data on progress made in the implementation of projects of the **UN REDD Programme Fund**. It is posted on the MPTF Office GATEWAY <https://beta.mptf.undp.org/fund/CCF00>



2021 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **UN REDD Programme Fund** using the pass-through funding modality as of 31 December 2021. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:

<https://mptf.undp.org/factsheet/fund/CCF00>

1. SOURCES AND USES OF FUNDS

As of 31 December 2021, 7 contributors deposited US\$ 350,482,970 and US\$ 3,369,635 was earned in interest.

The cumulative source of funds was US\$ **353,852,605**.

Of this amount, US\$ **336,449,011** has been net funded to 3 Participating Organizations, of which US\$ 324,853,578 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **3,238,913**. Table 1 provides an overview of the overall sources, uses, and balance of the **UN REDD Programme Fund** as of 31 December 2021.

Table 1 Financial Overview, as of 31 December 2021 (in US Dollars)

	Annual 2020	Annual 2021	Cumulative
Sources of Funds			
Contributions from donors	16,423,417	16,736,428	350,482,970
Sub-total Contributions	16,423,417	16,736,428	350,482,970
Fund Earned Interest and Investment Income	29,487	11,296	2,666,626
Interest Income received from Participating Organizations	30,407	56,076	703,009
Total: Sources of Funds	16,483,310	16,803,800	353,852,605
Use of Funds			
Transfers to Participating Organizations	5,932,275	15,241,343	339,797,903
Refunds received from Participating Organizations	(962,239)	(1,101,814)	(3,348,892)
Net Funded Amount	4,970,036	14,139,530	336,449,011
Administrative Agent Fees	149,982	167,364	3,238,913
Bank Charges	96	77	12,568
Other Expenditures	14,252	0	265,917
Total: Uses of Funds	5,134,365	14,306,971	339,966,408
Change in Fund cash balance with Administrative Agent	11,348,945	2,496,829	13,886,197
Opening Fund balance (1 January)	40,423	11,389,368	
Closing Fund balance (31 December)	11,389,368	13,886,197	13,886,197
Net Funded Amount (Includes Direct Cost)	4,970,036	14,139,530	336,449,011
Participating Organizations Expenditure (Includes Direct Cost)	14,651,772	15,311,950	324,853,578
Balance of Funds with Participating Organizations	(9,681,736)	(1,172,420)	11,595,433



2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this fund as of 31 December 2021.

The **UN REDD Programme Fund** is currently being financed by **7** 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 2021 and deposits received by the same date. It does not include commitments that were made to the fund beyond 2021.

Table 2. Contributions, as of 31 December 2021 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec-2020 Deposits	Current Year Jan-Dec-2021 Deposits	Total Deposits
Government of Denmark	9,898,183	9,898,183	-	9,898,183
European Union	26,591,660	26,591,660	-	26,591,660
Government of Japan	3,046,138	3,046,138	-	3,046,138
Government of Luxembourg	2,674,100	2,674,100	-	2,674,100
Government of Norway	301,868,300	285,658,564	15,646,430	301,304,994
Government of Spain	5,492,939	5,492,939	-	5,492,939
Government of Switzerland	1,474,957	384,959	1,089,998	1,474,957
Grand Total	351,046,277	333,746,542	16,736,428	350,482,970



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 **2021**, Fund earned interest amounts to US\$ **2,666,626**.

Interest received from Participating Organizations amounts to US\$ **703,009**, bringing the cumulative interest received to US\$ **3,369,635**. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2021 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2020	Current Year Jan-Dec-2021	Total
Administrative Agent			
Fund Earned Interest and Investment Income	2,655,330	11,296	2,666,626
Total: Fund Earned Interest	2,655,330	11,296	2,666,626
Participating Organization			
FAO	177,615	56,076	233,692
UNDP	421,882	0	421,882
UNEP	47,435	0	47,435
Total: Agency earned interest	646,933	56,076	703,009
Grand Total	3,302,262	67,372	3,369,635



4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2021, the AA has transferred US\$ **339,797,903** to **3** 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 as of 31-Dec-2020			Current Year Jan-Dec-2021			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	119,430,805	(687,102)	118,743,703	6,140,422	(68,297)	6,072,125	125,571,227	(755,398)	124,815,828
UNDP	124,347,090	(1,131,268)	123,215,822	4,496,636	(873)	4,495,763	128,843,726	(1,132,142)	127,711,585
UNEP	80,778,664	(428,708)	80,349,956	4,604,286	(1,032,644)	3,571,642	85,382,950	(1,461,352)	83,921,598
Grand Total	324,556,559	(2,247,078)	322,309,481	15,241,343	(1,101,814)	14,139,530	339,797,903	(3,348,892)	336,449,011



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.

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 2021 expenditure data has been posted on the MPTF Office GATEWAY at <https://mptf.undp.org/factsheet/fund/CCF00>

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In 2021, US\$ 14,139,530 was net funded to Participating Organizations, and US\$ 15,311,950 was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ 336,449,011 and cumulative expenditures reported by the Participating Organizations amount to US\$ 324,853,578. This equates to an overall Fund expenditure delivery rate of 96.55 percent.

Table 5.1 Net Funded Amount and Reported Expenditures by Participating Organization, as of 31 December 2021 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2020	Current Year Jan-Dec-2021	Cumulative	
FAO	125,571,227	124,815,828	115,639,941	6,138,104	121,778,045	97.57
UNDP	131,031,877	127,711,585	116,247,442	5,663,757	121,911,198	95.46
UNEP	85,382,950	83,921,598	77,654,245	3,510,090	81,164,335	96.71
Grand Total	341,986,054	336,449,011	309,541,628	15,311,950	324,853,578	96.55



5.2. EXPENDITURE BY PROJECT

The net funded amounts, expenditures reported and the financial delivery rates by project and Participating Organization

Table 5.2 Expenditure by Project, grouped by Country

Country / Project No. and Project Title	Participating Organization	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %	
Congo (the Democratic Republic of the)						
00071391	Appui ONU-REDD au Plan de préparation sur la REDD (R-PP) de la RDC (ONU-REDD / DRC / Phase 2)	FAO	2,926,450	2,907,355	2,907,355	100.00
00071391	Appui ONU-REDD au Plan de préparation sur la REDD (R-PP) de la RDC (ONU-REDD / DRC / Phase 2)	UNDP	3,110,690	3,103,899	3,103,899	100.00
00071391	Appui ONU-REDD au Plan de préparation sur la REDD (R-PP) de la RDC (ONU-REDD / DRC / Phase 2)	UNEP	1,346,060	1,130,560	1,130,560	100.00
Global and Interregional						
00070986	UN-REDD Programme - International Support Functions	FAO	4,358,875	4,344,292	4,344,292	100.00
00070986	UN-REDD Programme - International Support Functions	UNDP	4,679,302	4,665,011	4,665,011	100.00
00070986	UN-REDD Programme - International Support Functions	UNEP	6,856,866	6,856,866	6,856,866	100.00
00103359	UN REDD - Delivering National Programmes Readiness (2017-2020)	FAO	5,466,848	5,466,848	5,468,902	100.04
00103359	UN REDD - Delivering National Programmes Readiness (2017-2020)	UNDP	5,425,556	5,425,556	3,814,234	70.30
00103359	UN REDD - Delivering National Programmes Readiness (2017-2020)	UNEP	2,876,553	2,876,553	2,876,553	100.00
00103784	Direct Cost for Secretariat Services - UN REDD Programme (2017-2020)	FAO	622,500	622,500	437,121	70.22
00103784	Direct Cost for Secretariat Services - UN REDD Programme	UNDP	1,602,841	1,602,841	1,011,031	63.08
00103784	Direct Cost for Secretariat Services - UN REDD Programme	UNEP	4,136,005	4,136,005	3,433,689	83.02



00103785	AFRICA - Technical Assistance (TA) to REDD+ Implementation	FAO	3,301,404	3,301,404	3,275,690	99.22
00103785	AFRICA - Technical Assistance (TA) to REDD+ Implementation	UNDP	2,464,702	2,464,702	2,263,864	91.85
00103785	AFRICA - Technical Assistance (TA) to REDD+ Implementation	UNEP	1,458,510	1,458,510	1,458,510	100.00
00103786	ASIA - Technical Assistance (TA) to REDD+ Implementation	FAO	9,259,756	9,259,756	7,332,741	79.19
00103786	ASIA - Technical Assistance (TA) to REDD+ Implementation	UNDP	3,204,655	3,204,655	2,855,041	89.09
00103786	ASIA - Technical Assistance (TA) to REDD+ Implementation	UNEP	3,501,129	3,501,129	2,291,435	65.45
00103787	LAC (Latin America and the Caribbean) - Technical Assistance (TA) to REDD+ Implementation	FAO	2,778,558	2,778,558	2,756,767	99.22
00103787	LAC (Latin America and the Caribbean) - Technical Assistance (TA) to REDD+ Implementation	UNDP	4,958,936	4,958,935	4,904,472	98.90
00103787	LAC (Latin America and the Caribbean) - Technical Assistance (TA) to REDD+ Implementation	UNEP	1,707,245	1,707,245	1,701,803	99.68
00103788	KM & Global Coordination - Technical Assistance (TA) to REDD+ Implementation	FAO	2,891,727	2,891,727	2,882,850	99.69
00103788	KM & Global Coordination - Technical Assistance (TA) to REDD+ Implementation	UNDP	5,194,298	5,194,298	4,999,947	96.26
00103788	KM & Global Coordination - Technical Assistance (TA) to REDD+ Implementation	UNEP	7,013,901	7,013,901	7,013,901	100.00
00125683	Outcome 1: Forest Solutions Realised	FAO	1,395,280	1,395,280	967,176	69.32
00125683	Outcome 1: Forest Solutions Realised	UNDP	1,298,140	1,298,140	341,141	26.28
00125683	Outcome 1: Forest Solutions Realised	UNEP	327,783	327,783	201,552	61.49
00125684	Outcome 2: Forest Solutions Rewarded	FAO	661,367	661,367	470,673	71.17
00125684	Outcome 2: Forest Solutions Rewarded	UNDP	833,449	833,449	307,548	36.90
00125684	Outcome 2: Forest Solutions Rewarded	UNEP	755,707	755,707	481,199	63.68



Solutions Rewarded						
00125685	Outcome 3: Forest Solutions Enhanced	FAO	623,168	623,168	376,017	60.34
00125685	Outcome 3: Forest Solutions Enhanced	UNDP	489,659	489,659	142,083	29.02
00125685	Outcome 3: Forest Solutions Enhanced	UNEP	183,738	183,738	128,404	69.88
00125686	Outcome 4: Global knowledge Management	FAO	325,355	325,355	283,917	87.26
00125686	Outcome 4: Global knowledge Management	UNDP	931,030	931,030	270,651	29.07
00125686	Outcome 4: Global knowledge Management	UNEP	1,383,553	1,383,553	1,332,565	96.31

Indonesia						
00073509	UN-REDD Indonesia	FAO	1,498,000	1,391,426	1,391,426	100.00
00073509	UN-REDD Indonesia	UNDP	2,996,000	2,938,677	2,938,677	100.00
00073509	UN-REDD Indonesia	UNEP	1,150,250	1,072,285	1,072,285	100.00

Viet Nam						
00072449	UN-REDD Vietnam	FAO	1,690,814	1,673,426	1,673,426	100.00
00072449	UN-REDD Vietnam	UNDP	2,501,128	2,489,254	2,489,254	100.00
00072449	UN-REDD Vietnam	UNEP	192,814	192,375	192,375	100.00

Category	Expenditures			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2020	Current Year Jan-Dec-2021	Total	
Supplies, Commodities, Equipment and Transport (Old)	1,256,408	-	1,256,408	0.41
Personnel (Old)	23,105,695	-	23,105,695	7.61
Training of Counterparts (Old)	3,596,995	-	3,596,995	1.18
Contracts (Old)	6,914,797	-	6,914,797	2.28
Other direct costs (Old)	2,110,598	-	2,110,598	0.69
Staff & Personnel Cost	128,406,429	9,742,485	138,148,914	45.49
Supplies, commodities and materials	2,437,628	80,115	2,517,743	0.83
Equipment, vehicles, furniture and depreciation	3,544,924	32,939	3,577,863	1.18
Contractual Services Expenses	33,522,908	1,298,169	34,821,077	11.47
Travel	26,511,600	43,159	26,554,759	8.74
Transfers and Grants	34,823,437	2,539,865	37,363,301	12.30
General Operating	23,153,259	575,198	23,728,457	7.81
Programme Costs Total	289,384,678	14,311,929	303,696,607	100.00
¹ Indirect Support Costs Total	20,156,950	1,000,021	21,156,971	6.97
Grand Total	309,541,628	15,311,950	324,853,578	

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 2021, 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\$ **167,364** was deducted in AA-fees. Cumulatively, as of 31 December **2021**, US\$ **3,238,913** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **1,000,021** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **21,156,971** as of 31 December **2021**.

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



Government of
Denmark



European Union



Government of
Japan



Government of
Luxembourg



Government of
Norway



Government of
Spain



Government of
Switzerland

UN Participating Organizations



Food and
Agriculture
Organization



United Nations
Development
Programme



United Nations
Environment
Programme