



CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan

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



Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan

Financial Report

prepared by the Administrative Agent

May 2023



DEFINITIONS

Allocation

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

Approved Project/Programme

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

Contributor Commitment

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

Contributor Deposit

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

Delivery Rate

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



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INTRODUCTION

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

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

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

This consolidated financial report covers the period 1 January to 31 December 2022 and provides financial data on progress made in the implementation of projects of the **Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan**. It is posted on the MPTF Office GATEWAY (<https://mptf.undp.org/fund/ar100>).



2022 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan** 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://mpf.undp.org/fund/ar100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2022, 7 contributors deposited US\$ 16,248,943 and US\$ 173,785 was earned in interest.

The cumulative source of funds was US\$ 16,422,727.

Of this amount, US\$ 14,133,616 has been net funded to 7 Participating Organizations, of which US\$ 8,613,344 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 106,834. Table 1 provides an overview of the overall sources, uses, and balance of the **Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan** as of 31 December 2022.

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

	Annual 2021	Annual 2022	Cumulative
Sources of Funds			
Contributions from donors	1,793,498	2,242,300	16,248,943
Sub-total Contributions	1,793,498	2,242,300	16,248,943
Fund Interest and Investment Income Earned	16,759	60,631	173,785
Total: Sources of Funds	1,810,257	2,302,931	16,422,727
Use of Funds			
Transfers to Participating Organizations	425,379	4,400,001	13,507,730
Refunds received from Participating Organizations	-	(3,702)	(3,702)
Net Funded Amount	425,379	4,396,299	13,504,028
Administrative Agent Fees	17,935	22,423	106,834
Direct Costs	221,357	219,483	629,588
Bank Charges	116	129	407
Other Expenditures	-	-	55,655
Total: Uses of Funds	664,787	4,638,334	14,296,513
Change in Fund cash balance with Administrative Agent	1,145,470	(2,335,403)	2,126,215
Opening Fund balance (1 January)	3,316,148	4,461,617	-
Closing Fund balance (31 December)	4,461,617	2,126,215	2,126,215
Net Funded Amount (Includes Direct Cost)	646,736	4,615,782	14,133,616
Participating Organizations Expenditure (Includes Direct Cost)	2,939,423	3,898,044	8,613,344
Balance of Funds with Participating Organizations	(2,292,687)	717,738	5,520,272



2. PARTNER CONTRIBUTIONS

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

The **Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan** 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 2022 and deposits received by the same date. It does not include commitments that were made to the fund beyond 2022.

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

Contributors	Total Commitments	Prior Years as of 31-Dec-2021 Deposits	Current Year Jan-Dec-2022 Deposits	Total Deposits
Al Waleed Philanthropies	200,000	200,000	-	200,000
European Union	5,565,510	5,565,510	-	5,565,510
Government of Finland	1,123,367	1,123,367	-	1,123,367
Government of Germany	742,300	-	742,300	742,300
Government of Norway	1,117,765	1,117,765	-	1,117,765
Government of Republic of Korea	1,000,000	1,000,000	-	1,000,000
Government of Uzbekistan	6,500,000	5,000,000	1,500,000	6,500,000
Grand Total	16,248,943	14,006,642	2,242,300	16,248,943



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\$ **173,785**.

Interest received from Participating Organizations amounts to US\$ **nil**, bringing the cumulative interest received to US\$ **173,785**. Details are provided in the table below.

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

Interest Earned	Prior Years as of 31-Dec-2021	Current Year Jan-Dec-2022	Total
Administrative Agent			
Fund Interest and Investment Income Earned	113,154	60,631	173,785
Total: Fund Interest Earned	113,154	60,631	173,785
Participating Organization			
Total: Agency Interest Earned	-	-	-
Grand Total	113,154	60,631	173,785



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\$ **13,507,730** 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 (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
FAO	180,000	-	180,000	230,772	-	230,772	410,772	-	410,772
UNDP	3,052,414	-	3,052,414	1,193,828	-	1,193,828	4,246,242	-	4,246,242
UNESCO	151,487	-	151,487	-	(3,702)	(3,702)	151,487	(3,702)	147,785
UNFPA	1,019,572	-	1,019,572	420,060	-	420,060	1,439,632	-	1,439,632
UNICEF	4,078,371	-	4,078,371	1,996,910	-	1,996,910	6,075,281	-	6,075,281
UNODC	200,507	-	200,507	-	-	-	200,507	-	200,507
WHO	425,379	-	425,379	558,431	-	558,431	983,810	-	983,810
Grand Total	9,107,729	-	9,107,729	4,400,001	(3,702)	4,396,299	13,507,730	(3,702)	13,504,028



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/ar100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In 2022, US\$ **4,396,299** was net funded to Participating Organizations, and US\$ **3,766,845** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **13,504,028** and cumulative expenditures reported by the Participating Organizations amount to US\$ **8,298,618**. This equates to an overall Fund expenditure delivery rate of **61.45** percent.

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

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2021	Current Year Jan-Dec-2022	Cumulative	
FAO	410,772	410,772	52,825	105,458	158,283	38.53
UNDP	4,246,242	4,246,242	1,743,138	1,030,170	2,773,307	65.31
UNESCO	151,487	147,785	147,785	-	147,785	100.00
UNFPA	1,439,632	1,439,632	768,124	233,238	1,001,362	69.56
UNICEF	6,075,281	6,075,281	1,664,575	2,174,607	3,839,181	63.19
UNODC	200,507	200,507	65,834	104,872	170,705	85.14
WHO	983,810	983,810	89,494	118,501	207,995	21.14
Grand Total	13,507,730	13,504,028	4,531,773	3,766,845	8,298,618	61.45



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 UNSDG 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	362,835	225,734	588,569	7.59
Supplies, commodities and materials	1,678,735	195,275	1,874,010	24.16
Equipment, vehicles, furniture and depreciation	583,721	291,261	874,982	11.28
Contractual Services Expenses	839,058	2,116,169	2,955,227	38.11
Travel	107,141	89,974	197,115	2.54
Transfers and Grants	314,738	250,376	565,114	7.29
General Operating	349,479	350,936	700,416	9.03
Programme Costs Total	4,235,707	3,519,726	7,755,433	100.00
¹ Indirect Support Costs Total	296,066	247,119	543,186	7.00
Grand Total	4,531,773	3,766,845	8,298,618	-

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\$ **22,423** was deducted in AA-fees. Cumulatively, as of 31 December **2022**, US\$ **106,834** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **247,119** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **543,186** as of 31 December **2022**.

8. DIRECT COSTS

The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Fund coordination covering overall coordination, and fund level reviews and evaluations. These allocations are referred to as 'direct costs'. In the reporting period, direct costs charged to the fund amounted to US\$ 219,483. Cumulatively, as of 31 December 2022, US\$ 629,588 has been charged as Direct Costs.

Participating Organization	Current Year Net Funded Amount	Current Year Expenditure	Total Net Funded Amount	Total Expenditure
UNDP	219,483	131,199	629,588	314,726
Total	219,483	131,199	629,588	314,726

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.



Annex 1. EXPENDITURE BY PROJECT GROUPED BY THEME/OUTCOME

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

Annex 1 Expenditure by Project within Theme/Outcome

Theme/Outcome / Project No. and Project Title	Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
2 Employment & Income Gen						
00125229	JP- Youth n Vulnerable Citizens	FAO	On Going	180,000	180,000	158,283 87.93
00125229	JP- Youth n Vulnerable Citizens	UNDP	On Going	1,740,000	1,740,000	1,462,300 84.04
00125229	JP- Youth n Vulnerable Citizens	UNFPA	On Going	180,000	180,000	162,662 90.37
00134415	Youth-Green-Developmnt-Aral Sea	FAO	On Going	230,772	230,772	- -
00134415	Youth-Green-Developmnt-Aral Sea	UNDP	On Going	1,193,828	1,193,828	- -
00134415	Youth-Green-Developmnt-Aral Sea	UNICEF	On Going	195,401	195,401	- -
2 Employment & Income Gen: Total				3,720,001	3,720,001	1,783,245 47.94
3 Food & Water						
00117259	Aral Sea MPTF-Human Insecu	UNDP	Operationally Closed	1,312,414	1,312,414	1,311,007 99.89
00117259	Aral Sea MPTF-Human Insecu	UNESCO	Operationally Closed	151,487	147,785	147,785 100.00
3 Food & Water: Total				1,463,900	1,460,198	1,458,792 99.90
4 Health						
00117258	Aral Sea MPTF- Perinatal care	UNFPA	Operationally Closed	639,322	639,322	639,290 99.99
00117258	Aral Sea MPTF- Perinatal care	UNICEF	Operationally Closed	980,344	980,344	980,344 100.00
00125228	JP-Investing Karakalpakstan	UNFPA	On Going	200,250	200,250	199,410 99.58
00125228	JP-Investing Karakalpakstan	UNICEF	On Going	3,098,027	3,098,027	2,858,837 92.28
00125228	JP-Investing Karakalpakstan	UNODC	On Going	200,507	200,507	170,705 85.14
00125932	Uni Health Covrg & Sec_Karakal	WHO	On Going	425,379	425,379	207,995 48.90
00134414	Health Care-WASH in Kraklpkstn	UNFPA	On Going	420,060	420,060	- -
00134414	Health Care-WASH in Kraklpkstn	UNICEF	On Going	1,801,509	1,801,509	- -
00134414	Health Care-WASH in Kraklpkstn	WHO	On Going	558,431	558,431	- -
4 Health: Total				8,323,829	8,323,829	5,056,582 60.75
Grand Total				13,507,730	13,504,028	8,298,618 61.45



Annex 2. EXPENDITURE BY PROJECT GROUPED BY COUNTRY

Annex 2 displays the net funded amounts, expenditures reported and the financial delivery rates by Country by project/ joint programme and Participating Organization

Table Annex 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 %	
Uzbekistan						
00117258	Aral Sea MPTF- Perinatal care	UNFPA	639,322	639,322	639,290	99.99
00117258	Aral Sea MPTF- Perinatal care	UNICEF	980,344	980,344	980,344	100.00
00117259	Aral Sea MPTF-Human Insecu	UNDP	1,312,414	1,312,414	1,311,007	99.89
00117259	Aral Sea MPTF-Human Insecu	UNESCO	151,487	147,785	147,785	100.00
00125228	JP-Investing Karakalpakstan	UNFPA	200,250	200,250	199,410	99.58
00125228	JP-Investing Karakalpakstan	UNICEF	3,098,027	3,098,027	2,858,837	92.28
00125228	JP-Investing Karakalpakstan	UNODC	200,507	200,507	170,705	85.14
00125229	JP- Youth n Vulnerable Citizens	FAO	180,000	180,000	158,283	87.93
00125229	JP- Youth n Vulnerable Citizens	UNDP	1,740,000	1,740,000	1,462,300	84.04
00125229	JP- Youth n Vulnerable Citizens	UNFPA	180,000	180,000	162,662	90.37
00125932	Uni Health Covrg & Sec_Karakal	WHO	425,379	425,379	207,995	48.90
00134414	Health Care-WASH in Kraklpkstn	UNFPA	420,060	420,060	-	-
00134414	Health Care-WASH in Kraklpkstn	UNICEF	1,801,509	1,801,509	-	-
00134414	Health Care-WASH in Kraklpkstn	WHO	558,431	558,431	-	-
00134415	Youth-Green-Devlopmnt-Aral Sea	FAO	230,772	230,772	-	-
00134415	Youth-Green-Devlopmnt-Aral Sea	UNDP	1,193,828	1,193,828	-	-
00134415	Youth-Green-Devlopmnt-Aral Sea	UNICEF	195,401	195,401	-	-
Uzbekistan: Total			13,507,730	13,504,028	8,298,618	61.45
Grand Total			13,507,730	13,504,028	8,298,618	61.45



Contributors



UN Participating Organizations

