



# **CONSOLIDATED ANNUAL FINANCIAL REPORT**

## **of the Administrative Agent**

### **Joint Programme Local Development Support for Energy Efficient and Renewable Energy Sources in Cuba (JP Cuba EE FRE-DL)**

for the period 1 January to 31 December 2023

**UN Multi-Partner Trust Fund Office**  
United Nations Development Programme  
**GATEWAY:** <https://mptf.undp.org>

**May 2024**





## DEFINITIONS

### **Allocation/Total Approved Budget**

Amount approved by the Steering Committee for the Joint Programme. The total approved budget represents the cumulative amount of allocations approved by the Steering Committee.

### **Approved Joint Programme**

A Joint Programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

### **Contributor Commitment**

Amount(s) committed by a contributor to a Joint Programme in a signed donor agreement 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 donor agreement.

### **Delivery Rate**

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

### **Donor Agreement**

Standard Administrative Arrangement and/or European Commission contribution agreement between contributor/donor and MPTF Office.

### **Net Funded Amount**

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

### **Participating Organization**

A UN Organization or other inter-governmental Organization that is partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

### **Joint Programme Expenditure**

The sum of expenses and/or expenditure reported by all Participating Organizations for a Joint Programme irrespective of which basis of accounting each Participating Organization follows for donor reporting.

### **Joint Programme Financial Closure**

A Joint Programme is considered financially closed when all financial obligations of an operationally completed Joint Programme have been settled, and no further financial charges may be incurred. MPTF Office will report a Joint Programme financially closed once the financial report(s) has been received and any balance of funds refunded.

### **Joint Programme Operational Closure**

A Joint Programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed, and the Steering Committee has approved the final narrative report

### **Joint Programme Start Date**

Joint Programme start date as per the programmatic document.

### **Transferred Funds**

Funds transferred to Participating Organizations by the Administrative Agent in accordance with the Steering Committee's request.

### **US Dollar Amount**

The financial data in the report is recorded in US Dollars



## TABLE OF CONTENTS

Introduction .....	4
1. Sources and Uses of Funds .....	5
2. Partner Contributions .....	6
3. Interest Earned .....	7
4. Transfer of Funds .....	8
5. Expenditure and Financial Delivery Rates .....	9
6. Cost Recovery .....	11
7. Accountability and Transparency .....	11



## INTRODUCTION

This Consolidated Annual Financial Report of the **Joint Programme Local Development Support for Energy Efficient and Renewable Energy Sources in Cuba (JP Cuba EE FRE-DL)** is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent, as per the Joint Programme Document, the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) signed with contributors.

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

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

This consolidated financial report covers the period 1 January to 31 December 2023 and provides financial data on progress made in the implementation of projects of the **JP Cuba EE FRE-DL**. It is posted on the MPTF Office GATEWAY (<https://mptf.undp.org/fund/jcu00>).



## 2023 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **JP Cuba EE FRE-DL** using the pass-through funding modality as of 31 December 2023. Financial information for this Joint Programme is also available on the MPTF Office GATEWAY, at the following address: <https://mptf.undp.org/fund/jcu00>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December 2023, 1 contributor deposited US\$ 9,455,717 and US\$ 12,277 was earned in interest.

The cumulative source of funds was US\$ 9,467,994.

Of this amount, US\$ 9,361,160 has been net funded to 2 Participating Organizations, of which US\$ 4,144,304 has been reported as expenditure. No Administrative Agent fee has been charged at the approved rate of 1% on deposits. Table 1 provides an overview of the overall sources, uses, and balance of the **JP Cuba EE FRE-DL** as of 31 December 2023.

Table 1. Financial Overview, as of 31 December 2023 (in US Dollars)

	Prior Years up to 31 Dec 2022	Financial Year Jan-Dec 2023	Total
<b>Sources of Funds</b>			
Contributions from donors	9,455,717	-	9,455,717
<b>Sub-total Contributions</b>	<b>9,455,717</b>	<b>-</b>	<b>9,455,717</b>
Fund Interest and Investment Income Earned	11,923	353	12,277
<b>Total: Sources of Funds</b>	<b>9,467,641</b>	<b>353</b>	<b>9,467,994</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	9,361,160	-	9,361,160
<b>Sub-Total Transfers</b>	<b>9,361,160</b>	<b>-</b>	<b>9,361,160</b>
Bank Charges	3	-	4
Other Expenditures	94,557	-	94,557
<b>Total: Uses of Funds</b>	<b>9,455,721</b>	<b>-</b>	<b>9,455,721</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>11,920</b>	<b>353</b>	<b>12,273</b>
Opening Fund balance (1 January)	11,767	11,920	-
<b>Closing Fund balance (31 December)</b>	<b>11,920</b>	<b>12,273</b>	<b>12,273</b>
Net Funded Amount	9,361,160	-	9,361,160
Participating Organizations Expenditure	2,718,032	1,426,272	4,144,304
<b>Balance of Funds with Participating Organizations</b>	<b>6,643,128</b>	<b>(1,426,272)</b>	<b>5,216,856</b>



## 2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Joint Programme as of 31 December **2023**.

The **JP Cuba EE FRE-DL** is currently being financed by **1** contributor, as listed in the table below.

The table includes financial commitments made by the contributors through signed Standard Administrative Agreements with an anticipated deposit date as per the schedule of payments by 31 December **2023** and deposits received by the same date. It does not include commitments that were made to the fund beyond **2023**.

Table 2. Contributions, as of 31 December 2023 (in US Dollars)

Contributors	Total Commitments	Total Deposits
European Union	9,455,717	9,455,717
Grand Total	9,455,717	9,455,717



### 3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent (Fund earned interest), and 2) on the balance of funds held by the Participating Organizations (Agency earned interest) where their Financial Regulations and Rules allow return of interest to the AA.

As of 31 December **2023**, Fund earned interest amounts to US\$ **12,277**.

No interest was received from Participating Organizations, bringing the cumulative interest received to US\$ **12,277**. Details are provided in the table below.

**Table 3. Sources of Interest and Investment Income, as of 31 December 2023 (in US Dollars)**

Interest Earned	Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Total
<b>Administrative Agent</b>			
Fund Interest and Investment Income Earned	11,923	353	12,277
<b>Total: Fund Interest Earned</b>	11,923	353	12,277
<b>Participating Organization</b>			
<b>Total: Agency Interest Earned</b>	-	-	-
<b>Grand Total</b>	11,923	353	12,277





#### 4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December **2023**, the AA has transferred US\$ **9,361,160** to **2** Participating Organizations (see list below).

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

**Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization (in US Dollars)**

Participating Organization	Prior Years up to 31-Dec-2022			Financial Year Jan-Dec-2023			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
UNDP	6,480,884	-	6,480,884	-	-	-	6,480,884	-	6,480,884
UNIDO	2,880,276	-	2,880,276	-	-	-	2,880,276	-	2,880,276
<b>Grand Total</b>	<b>9,361,160</b>	<b>-</b>	<b>9,361,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,361,160</b>	<b>-</b>	<b>9,361,160</b>



## 5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported are submitted as certified financial information by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Joint programme 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 **2023** expenditure data has been posted on the MPTF Office GATEWAY at <https://mptf.undp.org/fund/jcu00>.

## 5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2023**, US\$ was net funded to Participating Organizations, and US\$ **1,426,272** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **9,361,160** and cumulative expenditures reported by the Participating Organizations amount to **US\$ 4,144,304**. This equates to an overall Joint Programme expenditure delivery rate of **44.27** percent.

**Table 5.1 Net Funded Amount and Reported Expenditures by Participating Organization, as of 31 December 2023 (in US Dollars)**

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Cumulative	
UNDP	8,263,930	6,480,884	1,773,900	585,063	2,358,963	36.40
UNIDO	3,326,495	2,880,276	944,132	841,209	1,785,341	61.99
<b>Grand Total</b>	<b>11,590,425</b>	<b>9,361,160</b>	<b>2,718,032</b>	<b>1,426,272</b>	<b>4,144,304</b>	<b>44.27</b>

\*The expenditures reported represent payments made against obligations made by PUNOs prior to the operational closure of projects



## 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 2023 (in US Dollars)**

Category	Expenditures			Percentage of Total Programme Cost
	Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Total	
Staff & Personnel Cost	66,470	1,621	68,091	1.76
Supplies, commodities and materials	233,614	124,279	357,894	9.24
Equipment, vehicles, furniture and depreciation	1,627,543	688,963	2,316,505	59.81
Contractual Services Expenses	485,365	453,497	938,862	24.24
Travel	57,601	51,931	109,532	2.83
Transfers and Grants	-	-	-	-
General Operating	69,628	12,794	82,422	2.13
<b>Programme Costs Total</b>	<b>2,540,222</b>	<b>1,333,084</b>	<b>3,873,306</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	177,811	93,187	270,998	7.00
<b>Grand Total</b>	<b>2,718,032</b>	<b>1,426,272</b>	<b>4,144,304</b>	<b>-</b>

**1 Indirect Support Costs** charged by Participating Organization, based on their financial regulations, can be deducted upfront or at a later stage during implementation. The percentage may therefore appear to exceed the 7% agreed-upon for on-going projects. Once projects are financially closed, this number is not to exceed 7%.



## 6. COST RECOVERY

Cost recovery policies for the Joint Programme are guided by the applicable provisions of the Joint Programme Document, 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 2023, 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. Cumulatively, as of 31 December 2023, no AA-fees have been charged.
- **Indirect Costs of Participating Organizations:** A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. Participating Organizations may charge 7% indirect costs based on UNSDG policy, establishing an indirect cost rate as a percentage of the programmable costs for interagency pass-through pool funds. In the current reporting period US\$ 93,187 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 270,998 as of 31 December 2023.

## 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 daily 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 and Joint Programmes, 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

---



European Union

## UN Participating Organizations

---

