



CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

UN Sustainable Development Framework Fund for Pakistan

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



**United Nations
MPTF Office**

DEFINITIONS

Allocation/Total Approved Budget

Amount approved by the Steering Committee for a project/programme. The total approved budget represents the cumulative amount of allocations approved by the Steering Committee.

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 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 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. MPTF Office will report a project financially closed once the financial report(s) has been received and any balance of funds refunded.

Project Operational Closure

A project or programme is deemed operationally closed once all activities funded for Participating Organization(s) have been concluded, and the Steering Committee has approved the final narrative report.

Project Start Date

Project/ Joint programme start date as per the programmatic document.

US Dollar Amount

The financial data in the report is recorded in US Dollars.

Transferred Funds

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

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INTRODUCTION

This Consolidated Annual Financial Report of the **UN Sustainable Development Framework Fund for Pakistan** 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 donor agreement signed with contributors/donors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and donor agreements with contributors/donors. 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 2023 and provides financial data on progress made in the implementation of projects of the **UN Sustainable Development Framework Fund for Pakistan**. It is posted on the MPTF Office GATEWAY (<https://mptf.undp.org/fund/pk200>).

2023 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **UN Sustainable Development Framework Fund for Pakistan** using the pass-through funding modality as of 31 December 2023. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:
<https://mptf.undp.org/fund/pk200>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2023, 3 contributors deposited US\$ 34,367,438 and US\$ 294,254 was earned in interest.

The cumulative source of funds was US\$ **34,392,973**.

Of this amount, US\$ **33,945,909** has been net funded to 4 Participating Organizations, of which US\$ **33,945,909** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **343,674**. Table 1 provides an overview of the overall sources, uses, and balance of the **UN Sustainable Development Framework Fund for Pakistan** 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
Sources of Funds			
Contributions from donors	34,367,438	-	34,367,438
Sub-total Contributions	34,367,438	-	34,367,438
Fund Interest and Investment Income Earned	209,585	5,776	215,360
Interest Income received from Participating Organizations	78,526	368	78,894
Refunds by Administrative Agent to Contributors	-	(268,719)	(268,719)
Total: Sources of Funds	34,655,549	(262,576)	34,392,973
Use of Funds			
Transfers to Participating Organizations	34,903,708	-	34,903,708
Sub-Total Transfers	34,903,708	-	34,903,708
Refunds received from Participating Organizations	(943,616)	(14,183)	(957,799)
Sub-Total Refunds	(943,616)	(14,183)	(957,799)
Administrative Agent Fees	343,674	-	343,674
Bank Charges	291	6	297
Total: Uses of Funds	34,304,057	(14,176)	34,289,881
Change in Fund cash balance with Administrative Agent	351,492	(248,400)	103,092
Opening Fund balance (1 January)	84,557	351,492	-
Closing Fund balance (31 December)	351,492	103,092	103,092
Net Funded Amount (Includes Direct Cost)	33,960,092	(14,183)	33,945,909
Participating Organizations Expenditure (Includes Direct Cost)	33,944,758	1,152	33,945,909
Balance of Funds with Participating Organizations	15,334	(15,334)	-

2. PARTNER CONTRIBUTIONS

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

The **UN Sustainable Development Framework Fund for Pakistan** is currently being financed by **3** 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 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
Delivering Results Together	8,701	8,701
Expanded DaO Funding Window	56,017	56,017
Government of the United Kingdom (Former DFID)	34,302,720	34,302,720
Grand Total	34,367,438	34,367,438

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\$ **215,360**.

Interest received from Participating Organizations amounts to US\$ **78,894**, bringing the cumulative interest received to US\$ **294,254**. 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
Administrative Agent			
Fund Interest and Investment Income Earned	209,585	5,776	215,360
Total: Fund Interest Earned	209,585	5,776	215,360
Participating Organization			
FAO	78,526	368	78,894
Total: Agency Interest Earned	78,526	368	78,894
Grand Total	288,111	6,143	294,254

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\$ **34,903,708** to 4 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
FAO	11,676,431	(145,303)	11,531,128	-	(14,183)	(14,183)	11,676,431	(159,485)	11,516,946
UNDP	7,454,696	(637,290)	6,817,406	-	-	-	7,454,696	(637,290)	6,817,406
UNICEF	14,653,002	-	14,653,002	-	-	-	14,653,002	-	14,653,002
UNWOMEN	1,119,580	(161,024)	958,556	-	-	-	1,119,580	(161,024)	958,556
Grand Total	34,903,708	(943,616)	33,960,092	-	(14,183)	(14,183)	34,903,708	(957,799)	33,945,909

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 **2023** expenditure data has been posted on the MPTF Office GATEWAY at <https://mptf.undp.org/fund/pk200>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2023**, US\$ **14,183** was refunded to Participating Organizations, and US\$ **1,152** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **33,945,909** and cumulative expenditures reported by the Participating Organizations amount to **US\$ 33,945,909**. This equates to an overall Fund expenditure delivery rate of **100** 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	
FAO	11,676,431	11,516,946	11,515,794	1,152	11,516,946	100.00
UNDP	6,940,823	6,817,406	6,817,406	-	6,817,406	100.00
UNICEF	14,653,002	14,653,002	14,653,002	-	14,653,002	100.00
UNWOMEN	958,556	958,556	958,556	-	958,556	100.00
Grand Total	34,228,811	33,945,909	33,944,758	1,152	33,945,909	100.00

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

5.2 EXPENDITURE BY UNDAF OUTCOME OR THEMATIC AREA

Table 5.2 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome or Thematic Area.

Table 5.2. Expenditure with breakdown by Outcome or Thematic Area (in US Dollars)

Outcome Or Thematic Area	Current Year Jan-Dec-2023		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Pakistan					
Humanitarian Development Nexus	(14,183)	1,152	33,945,909	33,945,909	100.00
Total	(14,183)	1,152	33,945,909	33,945,909	100.00
Grand Total	(14,183)	1,152	33,945,909	33,945,909	100.00

5.3. 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 5.3. 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	4,674,747	1,745	4,676,492	14.74
Supplies, commodities and materials	9,425,097	-	9,425,097	29.71
Equipment, vehicles, furniture and depreciation	404,225	-	404,225	1.27
Contractual Services Expenses	4,865,508	-	4,865,508	15.34
Travel	404,003	-	404,003	1.27
Transfers and Grants	6,990,123	-	6,990,123	22.03
General Operating	4,960,076	(668)	4,959,408	15.63
Programme Costs Total	31,723,779	1,076	31,724,856	100.00
¹ Indirect Support Costs Total	2,220,978	75	2,221,054	7.00
Grand Total	33,944,758	1,152	33,945,909	-

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 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, US\$ **343,674** has been charged in AA-fees.
- **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\$ **75** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **2,221,054** as of 31 December **2023**.

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'. Cumulatively, as of 31 December 2023, US\$0 has been charged as Direct Costs.

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Cumulative	
Grand Total	-	-	-	-	-	-

UN Sustainable Development Framework Fund for Pakistan

Annex to Financial Report

Annex EXPENDITURE BY PROJECT GROUPED BY THEME/OUTCOME

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

Annex 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 %	
Humanitarian Development Nexus							
00113570	JP-KP merged Districts-Pakista	FAO	Financially Closed	11,592,608	11,447,305	11,447,305	100.00
00113570	JP-KP merged Districts-Pakista	UNDP	Financially Closed	6,940,823	6,817,406	6,817,406	100.00
00113570	JP-KP merged Districts-Pakista	UNICEF	Financially Closed	14,653,002	14,653,002	14,653,002	100.00
00113570	JP-KP merged Districts-Pakista	UNWOMEN	Financially Closed	958,556	958,556	958,556	100.00
00130595	Living River Initiative	FAO	On Going	83,823	69,640	69,640	100.00
Humanitarian Development Nexus: Total				34,228,811	33,945,909	33,945,909	100.00
Grand Total				34,228,811	33,945,909	33,945,909	100.00

Contributors



Government of the
United Kingdom
(Former DFID)

UN Participating Organizations



Contributing Trust Fund

Delivering
Results
Together

Expanded
DaO Fund