



CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

Systematic Observations Financing Facility

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 Non UN Organization that is a partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) or a Framework Agreement 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.



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
8. Direct Cost	11
9. Annexes	12



INTRODUCTION

This Consolidated Annual Financial Report of the **Systematic Observations Financing Facility** 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 **Systematic Observations Financing Facility**. It is posted on the MPTF Office GATEWAY (<https://mptf.undp.org/fund/sof00>).



2023 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Systematic Observations Financing Facility** 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/sof00>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2023**, **11** contributors deposited US\$ **54,514,290** and US\$ **938,758** was earned in interest.

The cumulative source of funds was US\$ **55,453,048**.

Of this amount, US\$ **13,896,823** has been net funded to **1** Participating Organization, of which US\$ **5,853,686** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **545,143**. Table 1 provides an overview of the overall sources, uses, and balance of the **Systematic Observations Financing Facility** 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	19,461,747	35,052,543	54,514,290
Sub-total Contributions	19,461,747	35,052,543	54,514,290
Fund Interest and Investment Income Earned	106,018	832,740	938,758
Total: Sources of Funds	19,567,765	35,885,283	55,453,048
Use of Funds			
Transfers to Participating Organizations	-	8,807,903	8,807,903
Transfers to Participating Organizations for Direct Cost - Fund Secretariat etc	3,000,000	2,088,920	5,088,920
Sub-Total Transfers	3,000,000	10,896,823	13,896,823
Administrative Agent Fees	194,617	350,525	545,143
Bank Charges	133	983	1,116
Total: Uses of Funds	3,194,750	11,248,332	14,443,082
Change in Fund cash balance with Administrative Agent	16,373,015	24,636,951	41,009,966
Opening Fund balance (1 January)	-	16,373,015	-
Closing Fund balance (31 December)	16,373,015	41,009,966	41,009,966
Net Funded Amount (Includes Direct Cost)	3,000,000	10,896,823	13,896,823
Participating Organizations Expenditure (Includes Direct Cost)	371,688	5,481,998	5,853,686
Balance of Funds with Participating Organizations	2,628,312	5,414,826	8,043,138

2. PARTNER CONTRIBUTIONS

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

The **Systematic Observations Financing Facility** is currently being financed by 11 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
Austrian Development Agency	3,087,800	3,087,800
Government of Belgium	5,512,439	5,512,439
Government of Denmark	3,501,896	3,501,896
Government of Finland	3,252,385	3,252,385
Government of Iceland	300,000	300,000
Government of Ireland	1,259,655	1,259,655
Government of Netherlands	3,925,739	3,925,739
Government of Norway	7,100,427	7,100,427
Government of Spain	3,194,700	3,194,700
Government of United States of America	13,337,000	13,337,000
Nordic Development Fund	10,042,250	10,042,250
Grand Total	54,514,290	54,514,290



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\$ **938,758**.

No interest was received from Participating Organizations, bringing the cumulative interest received to US\$ **938,758**. 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	106,018	832,740	938,758
Total: Fund Interest Earned	106,018	832,740	938,758
Participating Organization			
Total: Agency Interest Earned	-	-	-
Grand Total	106,018	832,740	938,758



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\$ **13,896,823** to 1 Participating Organization (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
WMO	3,000,000	-	3,000,000	10,896,823	-	10,896,823	13,896,823	-	13,896,823
Grand Total	3,000,000	-	3,000,000	10,896,823	-	10,896,823	13,896,823	-	13,896,823

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/sof00>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2023**, US\$ **10,896,823** was net funded to Participating Organizations, and US\$ **5,481,998** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **13,896,823** and cumulative expenditures reported by the Participating Organizations amount to **US\$ 5,853,686**. This equates to an overall Fund expenditure delivery rate of **42.12** 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	
WMO	13,896,823	13,896,823	371,688	5,481,998	5,853,686	42.12
Grand Total	13,896,823	13,896,823	371,688	5,481,998	5,853,686	42.12

*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	326,447	1,243,663	1,570,109	30.48
Supplies, commodities and materials	-	-	-	-
Equipment, vehicles, furniture and depreciation	226	4,444	4,670	0.09
Contractual Services Expenses	5,115	131,400	136,515	2.65
Travel	15,585	74,688	90,273	1.75
Transfers and Grants	-	3,349,791	3,349,791	65.03
General Operating	-	-	-	-
Programme Costs Total	347,372	4,803,986	5,151,358	100
¹ Indirect Support Costs Total	24,316	678,012	702,328	13.63
Grand Total	371,688	5,481,998	5,853,686	

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\$ **545,143** 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\$ **678,012** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **702,328** 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\$ 5,088,920 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	
WMO	5,088,920	5,088,920	371,688	1,555,988	1,927,676	37.88
Grand Total	5,088,920	5,088,920	371,688	1,555,988	1,927,676	37.88



Systematic Observations Financing Facility

Annexes to Financial Report



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 %	
Direct Cost Budget							
00133696	SOFF Secretariat	WMO	On Going	5,088,920	5,088,920	1,927,676	37.88
Direct Cost Budget: Total				5,088,920	5,088,920	1,927,676	37.88
Readiness Phase							
00140151	Peer Advisor Readiness Phase	WMO	On Going	3,615,569	3,615,569	1,986,039	54.93
00140238	Peer Advisor Readiness Phase	WMO	On Going	1,570,262	1,570,262	636,738	40.55
00140369	Third batch of SOFF Readiness	WMO	On Going	3,622,072	3,622,072	1,303,233	35.98
Readiness Phase: Total				8,807,903	8,807,903	3,926,009	44.57
Grand Total				13,896,823	13,896,823	5,853,686	42.12



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 %	
Global and Interregional						
00133696	SOFF Secretariat	WMO	5,088,920	5,088,920	1,927,676	37.88
00140151	Peer Advisor Readiness Phase	WMO	3,615,569	3,615,569	1,986,039	54.93
00140238	Peer Advisor Readiness Phase	WMO	1,570,262	1,570,262	636,738	40.55
00140369	Third batch of SOFF Readiness	WMO	3,622,072	3,622,072	1,303,233	35.98
Global and Interregional: Total			13,896,823	13,896,823	5,853,686	37.88
Grand Total			13,896,823	13,896,823	5,853,686	42.12



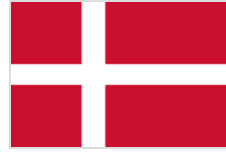
Contributors



Austrian
Development
Agency



Government of
Belgium



Government of
Denmark



Government of
Finland



Government of
Iceland



Government of
Ireland



Government of
Netherlands



Government of
Norway



Government of
Spain



Government of
United States of
America



Nordic
Development
Fund

UN Participating Organizations

