

**Consolidated Annual Financial
Report of the Administrative Agent
for
the UN-REDD Programme Fund**

for the period 1 January to 31 December 2020

Multi-Partner Trust Fund Office
Bureau for Management Services
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)

May 2021

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization
(FAO)



*Empowered lives.
Resilient nations.*

United Nations Development
Programme (UNDP)



United Nations Environment
(UNEP)

CONTRIBUTORS



Government of Denmark



European Union



Government of Japan



Government of Luxembourg



Government of Norway



Government of Spain



Government of Switzerland

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 donor 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.

Indirect support costs

A general cost that cannot be directly related to any particular programme or activity of the participating organizations. UNDG policy establishes a fixed indirect cost rate of 7 percent of programmable costs.

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 an implementing 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 the participating organization(s) received funding have been completed.

Project start date

Date of transfer of first instalment from the MPTF Office to the participating organization.

Total approved budget

This represents the cumulative allocations approved by the Steering Committee.

US dollar amount

The financial data in the report is recorded in US dollars. Due to rounding, totals may not exactly match the sum of the recorded elements.

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 fulfilment of its obligations as Administrative Agent, as per the terms of reference (TOR), the MOU signed between the UNDP MPTF Office and the participating organizations, and the Standard Administrative Arrangement (SAA)/EU Contribution Agreement 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 contributors.

This consolidated financial report covers the period 1 January to 31 December **2020** 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 (<http://mptf.undp.org/factsheet/fund/CCF00>).

The financial data in the report is recorded in US dollars. Due to rounding, totals may not exactly match the sum of the recorded elements.

2020 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 **2020**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:

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

1. SOURCES AND USES OF FUNDS

As of 31 December **2020**, seven contributors had deposited US\$ **333,746,542** in contributions and US\$ **3,302,263** had been earned in interest.

The cumulative source of funds was US\$ **337,048,805**.

Of this amount, US\$ **322,309,481** has been net funded to **three** participating organizations, of which US\$ **309,541,628** has been reported as expenditure. The administrative agent fee has been charged at the approved rate of 1 percent on deposits and amounts to US\$ **3,071,549**. Table 1 provides an overview of the overall sources, uses, and balance of the **UN-REDD Programme Fund** as of 31 December 2020.

Table 1. Financial Overview, as of 31 December 2020 (in US dollars)

	Annual 2019	Annual 2020	Cumulative
Sources of Funds			
Contributions from donors	8,777,288	16,423,417	333,746,542
Fund earned interest and investment income	36,578	29,487	2,655,330
Interest income received from participating organizations	71,704	30,407	646,933
Refunds by administrative agent to contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other income	-	-	-
Total: Sources of Funds	8,885,570	16,483,310	337,048,805
Use of Funds			
Transfers to participating organizations	10,603,695	5,932,275	324,556,559
Refunds received from participating organizations	(156,626)	(962,239)	(2,247,078)
Net Funded Amount	10,447,069	4,970,036	322,309,481
Administrative agent fees	87,734	149,982	3,071,549
Direct costs (steering committee, secretariat, etc.)	-	-	-
Bank charges	71	96	12,491
Other expenditures	39	14,252	265,917
Total: Uses of Funds	10,534,912	5,134,365	325,659,437
Change in Fund cash balance with administrative agent	(1,649,342)	11,348,945	11,389,368
Opening Fund balance (1 January)	1,689,765	40,423	-
Closing Fund balance (31 December)	40,423	11,389,368	11,389,368
Net funded amount (includes direct cost)	10,447,069	4,970,036	322,309,481
Participating organizations' expenditure (includes direct cost)	17,683,226	14,651,772	309,541,628
Balance of Funds with participating organizations			12,767,853

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2020.

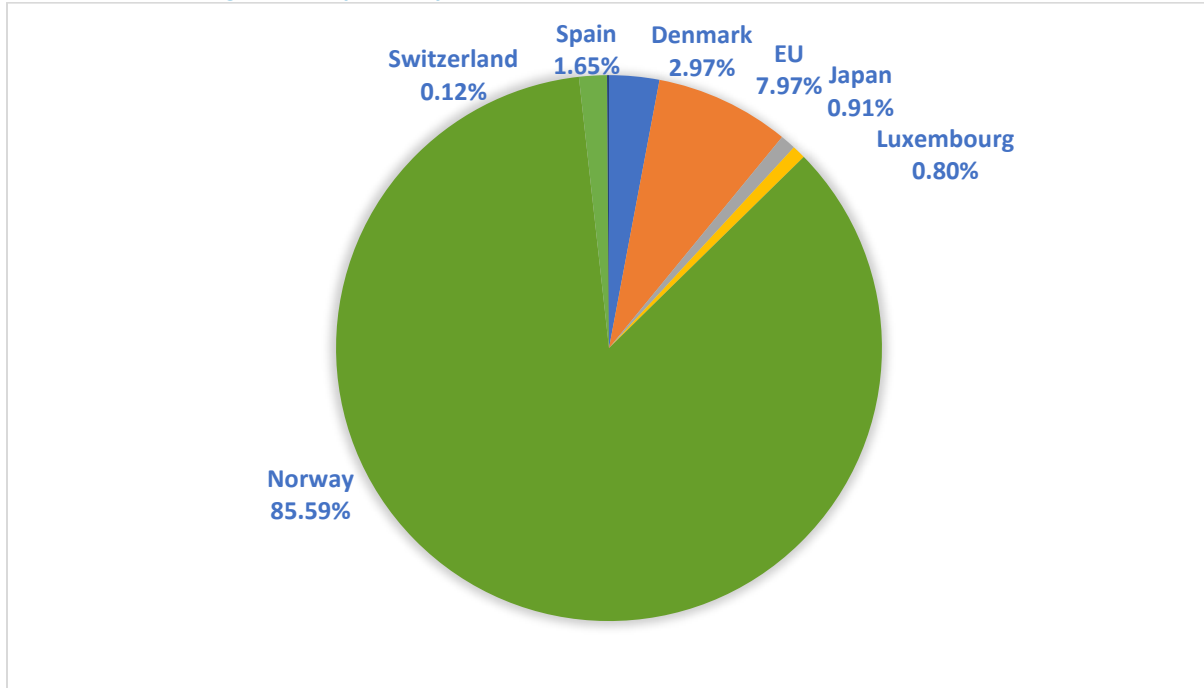
The **UN-REDD Programme Fund** is currently being financed by **seven** contributors, as listed in the table below.

The table below includes commitments made up to 31 December 2020 through signed Standard Administrative Agreements, and deposits made through 2020. It does not include commitments that were made to the fund beyond 2020.

Table 2. Contributors' commitments and deposits, as of 31 December 2020 (in US dollars)

Contributors	Total commitments	Prior years as of 31 Dec 2019 deposits	Current year Jan-Dec 2020 Deposits	Total deposits
Denmark, Government of	9,898,183	9,898,183	-	9,898,183
European Union	26,591,660	25,166,420	1,425,240	26,591,660
Japan, Government of	3,046,138	3,046,138	-	3,046,138
Luxembourg, Government of	2,674,100	2,674,100	-	2,674,100
Norway, Government of	285,658,564	270,759,686	14,898,877	285,658,564
Spain, Government of	5,492,939	5,492,939	-	5,492,939
Switzerland, Government of	384,959	285,660	99,299	384,959
Grand total	333,746,542	317,323,126	16,423,417	333,746,542

Figure 1: Deposits by contributor, cumulative as of 31 December 2020



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 administrative agency.

As of 31 December 2020, Fund-earned interest amounts to US\$ **2,655,330**.

Interest received from participating organizations amounts to US\$ **646,933**, bringing the cumulative interest received to US\$ **3,302,262**.

Details are provided in the table below.

Table 3. Sources of interest and investment income, as of 31 December 2020 (in US dollars)

Interest earned	Prior years as of 31 Dec 2019	Current year Jan-Dec 2020	Total
Administrative agent			
Fund-earned interest and investment income	2,625,843	29,487	2,655,330
Total: Fund-earned interest	2,625,843	29,487	2,655,330
Participating organization			
FAO	147,209	30,407	177,615
UNDP	421,882		421,882
UNEP	47,435		47,435
Total: Agency-earned interest	616,526	30,407	646,933
Grand total	3,242,369	59,893	3,302,262

4. TRANSFER OF FUNDS

Allocations to participating organizations are approved by the Steering Committee and disbursed by the administrative agent. As of 31 December 2020, the administrative agent has transferred US\$ **324,556,559** to **three** participating organizations (see list below).

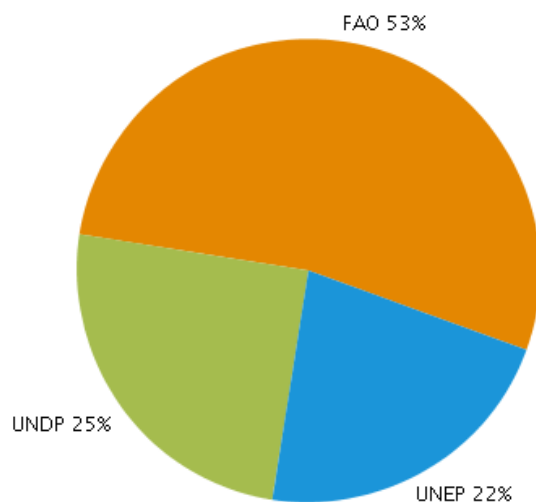
4.1 TRANSFER BY PARTICIPATING ORGANIZATION

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, as of 31 December 2020 (in US dollars)

Participating organization	Prior years as of 31 Dec 2019			Current year Jan-Dec 2020			Total		
	Transfers	Refunds	Net funded	Transfers	Refunds	Net funded	Transfers	Refunds	Net funded
FAO	116,287,053	(682,635)	115,604,418	3,143,752	(4,467)	3,139,285	119,430,805	(687,102)	118,743,703
UNDP	122,844,023	(173,496)	122,670,527	1,503,067	(957,772)	545,295	124,347,090	(1,131,268)	123,215,822
UNEP	79,493,208	(428,708)	79,064,500	1,285,456		1,285,456	80,778,664	(428,708)	80,349,956
Grand total	318,624,284	(1,284,839)	317,339,445	5,932,275	(962,239)	4,970,036	324,556,559	(2,247,078)	322,309,481

Figure 2: Transfer amount by participating organization for the period of 1 January to 31 December 2020



5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2020** were submitted 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 as per the agreed-upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure-reporting tool. The **2020** expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/CCF00>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2020**, US\$ **4,970,036** was net funded to participating organizations, and US\$ **14,651,772** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **322,309,481** and cumulative expenditures reported by the participating organizations amount to US\$ **309,541,628**. This equates to an overall Fund expenditure delivery rate of **96** percent.

The agencies with the three highest delivery rates are: FAO (97%), UNEP (97%) and UNDP (94%)

Table 5.1 Net funded amount, reported expenditure, and financial delivery by participating organization, as of 31 December 2020 (in US dollars)

Participating organization	Approved amount	Net funded amount	Expenditure			Delivery Rate %
			Prior years as of 31 Dec 2019	Current year Jan-Dec 2020	Cumulative	
FAO	119,430,805	118,743,703	109,881,721	5,758,220	115,639,941	97.39
UNDP	127,166,287	123,215,822	111,260,655	4,986,787	116,247,442	94.34
UNEP	80,778,664	80,349,956	73,747,481	3,906,765	77,654,245	96.65
Grand total	327,375,756	322,309,481	294,889,856	14,651,772	309,541,628	96.04

5.2 EXPENDITURE BY PROJECT

Table 5 displays the net funded amounts, expenditures reported and the financial delivery rates by participating organization.

Table 5.2 Expenditure by project within country, as of 31 December 2020 (in US dollars)

Country / project no. and project title		Participating organization	Approved amount	Net funded amount	Expenditure	Delivery rate %
Chile						
00102605	UN-REDD Chile - National Progr	FAO	856,000	856,000	687,893	80.36
00102605	UN-REDD Chile - National Progr	UNDP	3,424,000	2,792,954	2,567,265	91.92
Chile total			4,280,000	3,648,954	3,255,158	89.21

Peru						
00102612	UN-REDD Peru - National Progra	FAO	1,686,688	1,686,688	1,411,746	83.70
00102612	UN-REDD Peru - National Progra	UNDP	1,983,084	1,983,084	1,842,120	92.89
00102612	UN-REDD Peru - National Progra	UNEP	396,007	396,007	289,906	73.21
Peru total			4,065,779	4,065,779	3,543,772	87.16

Global support						
00103359	UN-REDD - Delivering National Programme	FAO	5,466,848	5,466,848	5,375,299	98.33
00103359	UN-REDD - Delivering National Programme	UNDP	5,425,556	5,425,556	3,182,445	58.66
00103359	UN-REDD - Delivering National Programme	UNEP	2,876,553	2,876,553	2,793,662	97.12
00103784	Direct Cost for Secretariat	FAO	500,000	500,000	393,614	78.72
00103784	Direct Cost for Secretariat	UNDP	1,289,528	1,289,528	884,420	68.58
00103784	Direct Cost for Secretariat	UNEP	3,400,422	3,400,422	3,217,860	94.63
00103788	KM & Global Coordination	FAO	2,891,727	2,891,727	2,704,250	93.52
00103788	KM & Global Coordination	UNDP	5,194,298	5,194,298	3,037,876	58.48
00103788	KM & Global Coordination	UNEP	7,013,901	7,013,901	6,893,453	98.28
Global total			34,058,833	34,058,833	28,482,879	83.63

Regional support						
00103785	AFRICA - Technical Assistance	FAO	3,301,404	3,301,404	3,151,983	95.47
00103785	AFRICA - Technical Assistance	UNDP	2,464,702	2,464,702	2,024,569	82.14
00103785	AFRICA - Technical Assistance	UNEP	1,458,510	1,458,510	1,432,900	98.24
00103786	ASIA - Technical Assistance	FAO	6,247,004	6,247,004	4,349,671	69.63
00103786	ASIA - Technical Assistance	UNDP	3,204,655	3,204,655	2,554,438	79.71
00103786	ASIA - Technical Assistance	UNEP	2,283,207	2,283,207	1,381,672	60.51
00103787	LAC - Technical Assistance	FAO	2,778,558	2,778,558	2,598,174	93.51

00103787	LAC - Technical Assistance	UNDP	4,958,936	4,958,935	4,534,938	91.45
00103787	LAC - Technical Assistance	UNEP	1,707,245	1,707,245	1,682,471	98.55
Regional total			28,404,221	28,404,220	23,710,816	83.48
Grand total			70,808,833	70,177,786	58,992,625	84.00

5.3 EXPENDITURE 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 Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditure incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditure are reported in the new eight categories. See table below.

2012 CEB expense categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

2006 UNDG expense categories

1. Supplies, commodities, equipment & transport
2. Personnel
3. Training counterparts
4. Contracts
5. Other direct costs
6. Indirect costs

Table 6. Expenditure by UNDG budget category, as of 31 December 2020 (in US dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2019	Current Year Jan-Dec-2020	Total	
Supplies, commodities, equipment and transport (old)	1,256,408	-	1,256,408	0.43
Personnel (old)	23,105,695	-	23,105,695	7.98
Training of counterparts (old)	3,596,995	-	3,596,995	1.24
Contracts (old)	6,914,797	-	6,914,797	2.39
Other direct costs (old)	2,110,598	-	2,110,598	0.73
Staff & personnel cost (new)	119,115,542	9,290,887	128,406,429	44.37
Supplies, commodities, materials (new)	2,354,967	82,661	2,437,628	0.84
Equipment, vehicles, furniture, depreciation (new)	3,483,147	61,777	3,544,924	1.22
Contractual services (new)	31,759,129	1,763,779	33,522,908	11.58
Travel (new)	26,327,336	184,264	26,511,600	9.16
Transfers and grants (new)	33,084,690	1,738,747	34,823,437	12.03
General operating (new)	22,630,762	522,497	23,153,259	8.00
Programme costs total	275,740,067	13,644,611	289,384,678	100.00
¹ Indirect support costs total	19,149,790	1,007,160	20,156,950	6.97
Total	294,889,856	14,651,772	309,541,628	

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 percent agreed upon for on-going projects. Once projects are financially closed, this number is not to exceed 7 percent.

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 2020, were as follows:

- **The administrative agent fee:** 1 percent 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\$ **149,982** was deducted in administrative agent fees. Cumulatively, as of 31 December 2020, US\$ **3,071,549** has been charged in administrative agent fees.
- **Indirect costs of participating organizations:** Participating Organizations may charge 7 percent indirect costs. In the current reporting period US\$ **1,007,160** was deducted in indirect costs by participating organizations. Cumulatively, indirect costs amount to US\$ **20,156,950** as of 31 December 2020.

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 (<http://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.