

**Consolidated Annual Financial
Report of the Administrative Agent
of
the Kiribati One UN Fund**

for the period 1 January to 31 December 2014

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
GATEWAY: <http://mptf.undp.org>

PARTICIPATING ORGANIZATIONS



International Labour
Organization



United Nations
Development Programme



United Nations
Educational, Scientific and
Cultural Organization



United Nations Population
Fund



United Nations Children's
Fund



United Nations Entity on
Gender Equality and
Women's Empowerment



World Health Organization

CONTRIBUTORS



Expanded DaO Funding Window

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% 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 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 amount of allocations approved by the Steering Committee.

US Dollar Amount

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

2014 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the Kiribati One UN Fund using the pass-through funding modality as of 31 December 2014. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/KI100>. The Fund operationally closed, and all programmatic activities completed by the end of the MoU in December 2014.

bringing the cumulative source of funds to US\$ **1,291,401**.

Of this amount, US\$ **1,275,000** has been transferred to 7 Participating Organizations, of which US\$ **1,172,230** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **12,850**. Table 1 provides an overview of the overall sources, uses, and balance of the Kiribati One UN Fund as of 31 December 2014.

1. SOURCES AND USES OF FUNDS

As of 31 December 2014, 1 contributor deposited US\$ **1,285,000** in contributions and US\$ **6,401** has been earned in interest,

Table 1. Financial Overview, as of 31 December 2014 (in US Dollars)

	Annual 2013	Annual 2014	Cumulative
Sources of Funds			
Gross Contributions	-	-	1,285,000
Fund Earned Interest and Investment Income	77	88	5,722
Interest Income received from Participating Organizations	6	-	679
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	83	88	1,291,401
Use of Funds			
Transfers to Participating Organizations	-	-	1,275,000
Refunds received from Participating Organizations	-	(18,914)	(36,252)
Net Funded Amount to Participating Organizations	-	(18,914)	1,238,748
Administrative Agent Fees	-	-	12,850
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	2	2	19
Other Expenditures	-	-	-
Total: Uses of Funds	2	(18,913)	1,251,617
Change in Fund cash balance with Administrative Agent	81	19,001	39,784
Opening Fund balance (1 January)	20,702	20,783	-
Closing Fund balance (31 December)	20,783	39,784	39,784
Net Funded Amount to Participating Organizations	-	(18,914)	1,238,748
Participating Organizations' Expenditure	133,878	162,805	1,172,230
Balance of Funds with Participating Organizations			66,518

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2014.

Table 2. Contributors' Deposits, as of 31 December 2014 (in US Dollars)

Contributors	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
Expanded DaO Funding Window	1,285,000	-	1,285,000
Grand Total	1,285,000	-	1,285,000

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 2014, Fund earned interest amounts to US\$ 5,722 and interest received from Participating Organizations amounts to US\$ 679, bringing the cumulative interest received to US\$ 6,401. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2014 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
Administrative Agent			
Fund Earned Interest and Investment Income	5,634	88	5,722
Total: Fund Earned Interest	5,634	88	5,722
Participating Organization			
UNDP	309		309
UNESCO	6		6
UNFPA	59		59
UNWOMEN	305		305
Total: Agency earned interest	679		679
Grand Total	6,313	88	6,401

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2014, the AA has transferred US\$ 1,275,000 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, as of 31 December 2014 (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2013			Current Year Jan-Dec-2014			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
ILO	49,500	(14,364)	35,136				49,500	(14,364)	35,136
UNDP	226,464		226,464				226,464		226,464
UNESCO	90,741	(2,974)	87,768		(6,818)	(6,818)	90,741	(9,792)	80,950
UNFPA	447,436		447,436				447,436		447,436
UNICEF	295,129		295,129		(12,096)	(12,096)	295,129	(12,096)	283,032
UNWOMEN	113,260		113,260				113,260		113,260
WHO	52,470		52,470				52,470		52,470
Grand Total	1,275,000	(17,338)	1,257,662		(18,914)	(18,914)	1,275,000	(36,252)	1,238,748

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2014** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in table below, the cumulative net funded amount is US\$ **1,238,748** and cumulative expenditures reported by the Participating Organizations amount to US\$ **1,172,230**. This equates to an overall Fund expenditure delivery rate of **95** percent. The agencies with the three highest delivery rates are:

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2014 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Cumulative	
ILO	49,500	35,136	35,136		35,136	100.00
UNDP	226,464	226,464	98,119	126,277	224,396	99.09
UNESCO	90,741	80,950	80,950		80,950	100.00
UNFPA	447,436	447,436	386,457	36,528	422,985	94.54
UNICEF	295,129	283,032	283,032		283,032	100.00
UNWOMEN	113,260	113,260	73,260		73,260	64.68
WHO	52,470	52,470	52,469	1	52,470	100.00
Grand Total	1,275,000	1,238,748	1,009,424	162,805	1,172,230	94.63

5.2 EXPENDITURE BY UNDAF OUTCOME AREA

Table 6 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome Area.

Table 6. Expenditure by UNDAF Outcome, as of 31 December 2014 (in US Dollars)

Country/Sector	Prior Years as of 31-Dec-2013		Current Year Jan-Dec-2014		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Kiribati							
Economic Growth & Poverty Redu	323,172	283,717		27,091	323,172	310,808	96.17
Environment	176,964	48,619		126,277	176,964	174,896	98.83
Governance	283,035	230,939	(12,096)		270,939	230,939	85.24
Health	386,724	365,200		9,438	386,724	374,638	96.87
Human Resources Development	87,768	80,950	(6,818)		80,950	80,950	100.00
Kiribati Total:	1,257,662	1,009,424	(18,914)	162,805	1,238,748	1,172,230	94.63
Grand Total:	1,257,662	1,009,424	(18,914)	162,805	1,238,748	1,172,230	94.63

5.4 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. The old and new categories are noted to the right.

Table 7 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

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 7. Expenditure by UNDG Budget Category, as of 31 December 2014 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total	
Supplies, Commodities, Equipment and Transport (Old)	123,176	-	123,176	11.24
Personnel (Old)	229,121	-	229,121	20.90
Training of Counterparts (Old)	48,742	-	48,742	4.45
Contracts (Old)	193,455	-	193,455	17.65
Other direct costs (Old)	88,265	-	88,265	8.05
Staff & Personnel Cost (New)	14,773	26,523	41,296	3.77
Supplies, Commodities, Materials (New)	(101)	1,424	1,322	0.12
Equipment, Vehicles, Furniture, Depreciation (New)	11,755	26,132	37,887	3.46
Contractual Services (New)	102,084	19,693	121,777	11.11
Travel (New)	112,671	39,777	152,448	13.91
Transfers and Grants (New)	1,792	-	1,792	0.16
General Operating (New)	18,697	38,301	56,998	5.20
Programme Costs Total	944,428	151,851	1,096,279	100.00
¹ Indirect Support Costs Total	64,997	10,955	75,951	6.93
Total	1,009,424	162,805	1,172,230	

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 2014, 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\$ 0 was deducted in AA-fees. Cumulatively, as of 31 December 2014, US\$ 12,850 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 10,955 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 75,951 as of 31 December 2014.

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.

8. DIRECT COSTS

The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Secretariat services and overall coordination, as well as Fund level reviews and evaluations. These allocations are referred to as 'direct costs'.