



# CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

## JP Timor Leste LGSP

for the period 1 January to 31 December 2021

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

31 May 2022



United Nations  
MPTF Office

**JP Timor Leste LGSP**  
Financial Report  
prepared by the Administrative Agent

31 May 2022

## 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 contributor 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'. This does not include expense commitments by Participating Organization.

### **Indirect Support Costs**

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNSDG policy establishes a fixed indirect cost rate of 7% of programmable costs for inter-agency pass-through MPTFs.

### **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.

### **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**

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

### **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

## TABLE OF CONTENTS

Introduction	5
1. Sources and Uses of Funds	6
2. Partner Contributions	7
3. Expenditure and Financial Delivery Rates	8
4. Cost Recovery	10
5. Accountability and Transparency	10

## INTRODUCTION

This Consolidated Annual Financial Report of the **JP Timor Leste LGSP** 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 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, as well as regular financial statements, for transmission to stakeholders.

This consolidated financial report covers the period 1 January to 31 December 2021 and provides financial updates on projects of the **JP Timor Leste LGSP**, as posted on the MPTF Office GATEWAY (<https://beta.mptf.undp.org/fund/jtp00>).

## 2021 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **JP Timor Leste LGSP** using the pass-through funding modality as of 31 December 2021. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:

<https://beta.mptf.undp.org/fund/jtp00>.

This Multi-Partner Trust Fund operationally closed on **30 June 2016** and is in the process of being financially closed. Subsequent to Operational Closure, Participating Organization finalise all expenses, financially close their portion of each project/programme and report final expenses along with a final refund (if any) to the MPTFO. Once all Participating Organization have completed financial closure, any remaining balance will be finalized in line with the MOU and the MPTF will be financially closed.

### 1. SOURCES AND USES OF FUNDS

As of 31 December 2021, **2** contributors deposited US\$ **3,908,912** and US\$ **38,911** was earned in interest.

The cumulative source of funds was US\$ **3,947,823**.

Of this amount, US\$ **3,907,085** has been net funded to **2** Participating Organizations, of which US\$ **3,907,085** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **39,089**. Table 1 provides an overview of the overall sources, uses, and balance of the **JP Timor Leste LGSP** as of 31 December 2021.

**Table 1. Financial Overview, as of 31 December 2021 (in US Dollars)**

	Annual 2020	Annual 2021	Cumulative
<b>Sources of Funds</b>			
Contributions from donors	0	0	3,908,912
<b>Sub-total Contributions</b>	<b>0</b>	<b>0</b>	<b>3,908,912</b>
Fund Earned Interest and Investment Income	17	0	14,826
Interest Income received from Participating Organizations	0	0	24,085
<b>Total: Sources of Funds</b>	<b>17</b>	<b>0</b>	<b>3,947,823</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	0	0	3,907,085
<b>Net Funded Amount</b>	<b>0</b>	<b>0</b>	<b>3,907,085</b>
Administrative Agent Fees	0	0	39,089
Bank Charges	0	0	102
<b>Total: Uses of Funds</b>	<b>0</b>	<b>0</b>	<b>3,946,275</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>17</b>	<b>0</b>	<b>1,547</b>
Opening Fund balance (1 January)	1,530	1,547	
<b>Closing Fund balance (31 December)</b>	<b>1,547</b>	<b>1,547</b>	<b>1,547</b>
Net Funded Amount (Includes Direct Cost)	0	0	3,907,085
Participating Organizations Expenditure (Includes Direct Cost)	(8,064)	0	3,907,085
<b>Balance of Funds with Participating Organizations</b>	<b>8,064</b>	<b>0</b>	<b>0</b>

## 2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this fund as of 31 December **2021**.

The **JP Timor Leste LGSP** was financed by **2** 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 **2021** and deposits received by the same date. It does not include commitments that were made to the fund beyond **2021**.

**Table 2. Contributions, as of 31 December 2021 (in US Dollars)**

Contributors	Total Commitments	Prior Years as of 31-Dec-2020 Deposits	Current Year Jan-Dec-2021 Deposits	Total Deposits
Irish Aid	2,422,123	2,422,123	0	2,422,123
Government of Norway	1,486,789	1,486,789	0	1,486,789
<b>Grand Total</b>	<b>3,908,912</b>	<b>3,908,912</b>	<b>0</b>	<b>3,908,912</b>

### 3. 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 2021 expenditure data has been posted on the MPTF Office GATEWAY at <https://beta.mptf.undp.org/fund/jtp00>.

### 3.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In 2021, US\$ was net funded to Participating Organizations, and US\$ 0 was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **3,907,085** and cumulative expenditures reported by the Participating Organizations amount to US\$ **3,907,085**. This equates to an overall Fund expenditure delivery rate of **100** percent.

**Table 3.1. Net Funded Amount and Reported Expenditures by Participating Organization, as of 31 December 2021 (in US Dollars)**

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2020	Current Year Jan-Dec-2021	Cumulative	
UNCDF	3,163,200	2,202,919	2,202,919		2,202,919	100.00
UNDP	2,464,399	1,704,166	1,704,166	0	1,704,166	100.00
<b>Grand Total</b>	<b>5,627,600</b>	<b>3,907,085</b>	<b>3,907,085</b>	<b>0</b>	<b>3,907,085</b>	<b>100.00</b>



### 3.2. 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 (UNSDG) 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.

**Table 3.2. Expenditure by UNSDG Budget Category, as of 31 December 2021 (in US Dollars)**

Category	Expenditures			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2020	Current Year Jan-Dec-2021	Total	
Supplies, Commodities, Equipment and Transport (Old)	207,576	-	207,576	5.68
Personnel (Old)	1,074,079	-	1,074,079	29.41
Training of Counterparts (Old)	9,830	-	9,830	0.27
Other direct costs (Old)	(402,116)	-	(402,116)	-11.01
Staff & Personnel Cost	1,355,053	-	1,355,053	37.11
Supplies, commodities and materials	116,418	-	116,418	3.19
Equipment, vehicles, furniture and depreciation	18,551	-	18,551	0.51
Contractual Services Expenses	654,761	-	654,761	17.93
Travel	121,981	-	121,981	3.34
Transfers and Grants	150,296	-	150,296	4.12
General Operating	345,077	0	345,076	9.45
<b>Programme Costs Total</b>	<b>3,651,505</b>	<b>0</b>	<b>3,651,505</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	255,580	0	255,580	7.00
<b>Grand Total</b>	<b>3,907,085</b>	<b>0</b>	<b>3,907,085</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%.

#### 4. 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 2021, 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\$ 00 was deducted in AA-fees. Cumulatively, as of 31 December 2021, US\$ 39,089 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 00 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 255,580 as of 31 December 2021.

#### 5. 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 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.

## Contributors

---



## UN Participating Organizations

---

