



CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

UN Sustainable Development Framework Fund for Pakistan

for the period 1 January to 31 December 2022

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

May 2023



**UN Sustainable Development
Framework Fund for Pakistan**
Financial Report
prepared by the Administrative Agent

May 2023

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 Organisations.

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

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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 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 2022 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>).

2022 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 2022. 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 2022, 3 contributors deposited US\$ 34,367,438 and US\$ 288,111 was earned in interest.

The cumulative source of funds was US\$ **34,655,549**.

Of this amount, US\$ **33,960,092** has been net funded to 4 Participating Organizations, of which US\$ **33,944,758** 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 2022.

Table 1 Financial Overview, as of 31 December 2022 (in US Dollars)

	Annual 2021	Annual 2022	Cumulative
Sources of Funds			
Contributions from donors	64,718	-	34,367,438
Sub-total Contributions	64,718	-	34,367,438
Fund Earned Interest and Investment Income	693	3,515	209,585
Interest Income received from Participating Organizations	-	78,526	78,526
Total: Sources of Funds	65,411	82,042	34,655,549
Use of Funds			
Transfers to Participating Organizations	1,204,427	83,823	34,903,708
Refunds received from Participating Organizations	(674,897)	(268,719)	(943,616)
Net Funded Amount	529,530	(184,897)	33,960,092
Administrative Agent Fees	647	-	343,674
Bank Charges	10	3	291
Total: Uses of Funds	530,188	(184,893)	34,304,057
Change in Fund cash balance with Administrative Agent	(464,777)	266,935	351,492
Opening Fund balance (1 January)	549,334	84,557	-
Closing Fund balance (31 December)	84,557	351,492	351,492
Net Funded Amount (Includes Direct Cost)	529,530	(184,897)	33,960,092
Participating Organizations Expenditure (Includes Direct Cost)	10,754	62,225	33,944,758
Balance of Funds with Participating Organizations	518,776	(247,121)	15,334

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this fund as of 31 December 2022.

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 2022 and deposits received by the same date. It does not include commitments that were made to the fund beyond 2022.

Table 2. Contributions, as of 31 December 2022 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec-2021 Deposits	Current Year Jan-Dec-2022 Deposits	Total Deposits
Delivering Results Together	8,701	8,701	-	8,701
Governement of United Kingdom (Former DFID)	34,302,720	34,302,720	-	34,302,720
Expanded DaO Funding Window	56,017	56,017	-	56,017
Grand Total	34,367,438	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 **2022**, Fund earned interest amounts to US\$ **209,585**.

Interest received from Participating Organizations amounts to US\$ **78,526**, bringing the cumulative interest received to US\$ **288,111**. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2022 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2021	Current Year Jan-Dec-2022	Total
Administrative Agent			
Fund Earned Interest and Investment Income	206,069	3,515	209,585
Total: Fund Earned Interest	206,069	3,515	209,585
Participating Organization			
FAO	-	78,526	78,526
Total: Agency Earned Interest	-	78,526	78,526
Grand Total	206,069	82,042	288,111

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2022, 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 Cumulative as of 31-Dec-2021			Current Year Jan-Dec-2022			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	11,592,608	-	11,592,608	83,823	(145,303)	(61,480)	11,676,431	(145,303)	11,531,128
UNWOMEN	1,119,580	(161,024)	958,556	-	-	-	1,119,580	(161,024)	958,556
UNDP	7,454,696	(513,873)	6,940,823	-	(123,417)	(123,417)	7,454,696	(637,290)	6,817,406
UNICEF	14,653,002	-	14,653,002	-	-	-	14,653,002	-	14,653,002
Grand Total	34,819,885	(674,897)	34,144,989	83,823	(268,719)	(184,897)	34,903,708	(943,616)	33,960,092

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 **2022** 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 **2022**, US\$ **-184,897** was net funded to Participating Organizations, and US\$ **62,225** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **33,960,092** and cumulative expenditures reported by the Participating Organizations amount to US\$ **33,944,758**. This equates to an overall Fund expenditure delivery rate of **99.95** percent.

Table 5.1 Net Funded Amount and Reported Expenditures by Participating Organization, as of 31 December 2022 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2021	Current Year Jan-Dec-2022	Cumulative	
FAO	11,676,431	11,531,128	11,454,813	60,981	11,515,794	99.87
UNDP	6,940,823	6,817,406	6,816,075	1,330	6,817,406	100.00
UNICEF	14,653,002	14,653,002	14,653,088	(87)	14,653,002	100.00
UNWOMEN	958,556	958,556	958,556	-	958,556	100.00
Grand Total	34,228,811	33,960,092	33,882,533	62,225	33,944,758	99.95

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-2022		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Pakistan					
Humanitarian Development Nexus	(184,897)	62,225	33,960,092	33,944,758	99.95
Total	(184,897)	62,225	33,960,092	33,944,758	99.95
Grand Total	(184,897)	62,225	33,960,092	33,944,758	99.95

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 2022 (in US Dollars)

Category	Expenditures			Percentage of Total Programme Cost
	Prior Years Cumulative as of 31-Dec-2021	Current Year Jan-Dec-2022	Total	
Staff & Personnel Cost	4,622,766	51,981	4,674,747	14.74
Supplies, commodities and materials	9,431,399	(6,302)	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	403,998	05	404,003	1.27
Transfers and Grants	6,990,123	-	6,990,123	22.03
General Operating	4,929,820	30,257	4,960,076	15.64
Programme Costs Total	31,647,840	75,940	31,723,779	100.00
¹ Indirect Support Costs Total	2,234,693	(13,715)	2,220,978	7.00
Grand Total	33,882,533	62,225	33,944,758	-

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 2022, 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, no AA-fees were deducted. Cumulatively, as of 31 December **2022**, US\$ **343,674** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **-13,715** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **2,220,978** as of 31 December **2022**.

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 (<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.

UN Sustainable Development Framework Fund for Pakistan

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 %	
Humanitarian Development Nexus							
00113570	Khyber Pakhtunkwaha Tribal Districts	FAO	Financially Closed	11,592,608	11,447,305	11,447,305	100.00
00113570	Khyber Pakhtunkwaha Tribal Districts	UNDP	Financially Closed	6,940,823	6,817,406	6,817,406	100.00
00113570	Khyber Pakhtunkwaha Tribal Districts	UNICEF	Financially Closed	14,653,002	14,653,002	14,653,002	100.00
00113570	Khyber Pakhtunkwaha Tribal Districts	UNWOMEN	Financially Closed	958,556	958,556	958,556	100.00
00130595	Living River Initiative	FAO	On Going	83,823	83,823	68,488	81.71
Humanitarian Development Nexus: Total				34,228,811	33,960,092	33,944,758	99.95
Grand Total				34,228,811	33,960,092	33,944,758	99.95

Contributors



UN Participating Organizations



Contributing Trust Funds

