



# CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

## Montenegro UN Country Fund

for the period 1 January to 31 December 2022

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

May 2023



United Nations  
MPTF Office

**Montenegro UN Country Fund**  
**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 Organizations.

### **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 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 **Montenegro UN Country Fund** 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 updates on projects of the **Montenegro UN Country Fund**, as posted on the MPTF Office GATEWAY (<https://mptf.undp.org/fund/me100>).

## 2022 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Montenegro UN Country Fund** 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://mpf.undp.org/fund/me100>.

This Multi-Partner Trust Fund operationally closed on **30 September 2017** and is in the process of being financially closed. Subsequent to Operational Closure, Participating Organisations finalise all expenses, financially close their portion of each project/programme and report final expenses along with a final refund (if any) to MPTFO. Once all Participating Organization have completed financial closure, any remaining balance will be finalized in line with the MOU and the MDTF will be financially closed.

## 1. SOURCES AND USES OF FUNDS

As of 31 December 2022, **3** contributors deposited US\$ **3,118,852** and US\$ **18,547** was earned in interest.

The cumulative source of funds was US\$ **3,137,399**.

Of this amount, US\$ **3,068,818** has been net funded to **9** Participating Organizations, of which US\$ **3,066,537** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **31,189**. Table 1 provides an overview of the overall sources, uses, and balance of the **Montenegro UN Country Fund** as of 31 December 2022.

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

	Annual 2021	Annual 2022	Cumulative
<b>Sources of Funds</b>			
Contributions from donors	-	-	3,118,852
<b>Sub-total Contributions</b>	-	-	<b>3,118,852</b>
Fund Interest and Investment Income Earned	142	437	8,414
Interest Income received from Participating Organizations	-	-	10,132
<b>Total: Sources of Funds</b>	<b>142</b>	<b>437</b>	<b>3,137,399</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	-	-	2,984,167
Refunds received from Participating Organizations	-	-	(53,799)
<b>Net Funded Amount</b>	-	-	<b>2,930,367</b>
Administrative Agent Fees	-	-	31,189
Direct Costs	-	-	138,451
Bank Charges	1	1	29
<b>Total: Uses of Funds</b>	<b>1</b>	<b>1</b>	<b>3,100,035</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>141</b>	<b>436</b>	<b>37,363</b>
Opening Fund balance (1 January)	36,786	36,927	-
<b>Closing Fund balance (31 December)</b>	<b>36,927</b>	<b>37,363</b>	<b>37,363</b>
Net Funded Amount (Includes Direct Cost)	-	-	3,068,818
Participating Organizations Expenditure (Includes Direct Cost)	16	13,475	3,066,537
<b>Balance of Funds with Participating Organizations</b>	<b>(16)</b>	<b>(13,475)</b>	<b>2,281</b>

## 2. PARTNER CONTRIBUTIONS

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

The **Montenegro UN Country Fund** was 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	1,155,000	1,155,000	-	1,155,000
Expanded DaO Funding Window	1,748,000	1,748,000	-	1,748,000
Government of Montenegro	215,852	215,852	-	215,852
<b>Grand Total</b>	<b>3,118,852</b>	<b>3,118,852</b>	<b>-</b>	<b>3,118,852</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 **2022** expenditure data has been posted on the MPTF Office GATEWAY at <https://mptf.undp.org/fund/me100>.

### 3.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in table below, the cumulative net funded amount is US\$ **2,930,367** and cumulative expenditures reported by the Participating Organizations amount to US\$ **2,927,249**. This equates to an overall Fund expenditure delivery rate of **99.89** percent.

**Table 3.1 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	53,500	51,719	51,719	-	51,719	100.00
ILO	222,208	212,962	212,962	-	212,962	100.00
UNCTAD	123,625	106,687	104,533	-	104,533	97.98
UNDP	1,613,370	1,613,370	1,598,929	13,475	1,612,404	99.94
UNEP	98,500	98,500	98,500	-	98,500	100.00
UNESCO	68,500	68,392	68,392	-	68,392	100.00
UNICEF	316,189	314,979	314,979	-	314,979	100.00
UNIDO	361,325	336,810	336,810	-	336,810	100.00
WHO	126,950	126,950	126,950	-	126,950	100.00
<b>Grand Total</b>	<b>2,984,167</b>	<b>2,930,367</b>	<b>2,913,774</b>	<b>13,475</b>	<b>2,927,249</b>	<b>99.89</b>



### 3.2 EXPENDITURE BY UNDAF OUTCOME

Table 3.2 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome

Table 3.2. Expenditure with breakdown by Outcome (in US Dollars)

Outcome	Current Year Jan-Dec-2022		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
<b>Montenegro</b>					
Democratic Governance			570,956	570,956	100.00
Environmental Sustainability a			1,061,054	1,058,901	99.80
Social Inclusion	00	13,475	1,298,357	1,297,392	99.93
<b>Total</b>	<b>00</b>	<b>13,475</b>	<b>2,930,367</b>	<b>2,927,249</b>	<b>99.89</b>
<b>Grand Total</b>	<b>00</b>	<b>13,475</b>	<b>2,930,367</b>	<b>2,927,249</b>	<b>99.89</b>

### 3.3. 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 3.3. Expenditure by UNDG 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	
Supplies, Commodities, Equipment and Transport (Old)	51,672	-	51,672	1.89
Personnel (Old)	484,040	-	484,040	17.67
Training of Counterparts (Old)	16,547	-	16,547	0.60
Contracts (Old)	288,628	-	288,628	10.53
Other direct costs (Old)	71,942	-	71,942	2.63
Staff & Personnel Cost	272,680	142	272,822	9.96
Supplies, commodities and materials	5,470	-	5,470	0.20
Equipment, vehicles, furniture and depreciation	29,975	6,097	36,071	1.32
Contractual Services Expenses	873,473	332	873,804	31.89
Travel	116,270	-	116,270	4.24
Transfers and Grants	333,374	4,826	338,200	12.34
General Operating	183,538	1,070	184,608	6.74
<b>Programme Costs Total</b>	<b>2,727,609</b>	<b>12,465</b>	<b>2,740,074</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	186,165	1,010	187,175	6.83
<b>Grand Total</b>	<b>2,913,774</b>	<b>13,475</b>	<b>2,927,249</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 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. Cumulatively, as of 31 December **2022**, US\$ **31,189** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **1,010** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **187,175** as of 31 December **2022**.

#### 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.

#### 6. 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 2022, US\$ 138,451 has been charged as Direct Costs.

Participating Organization	Current Year Net Funded Amount	Current Year Expenditure	Total Net Funded Amount	Total Expenditure
UNDP	-	-	138,451	139,288
<b>Total</b>	-	-	<b>138,451</b>	<b>139,288</b>

# Montenegro UN Country Fund

## Annexes to Financial Report

## Annex 1. EXPENDITURE BY PROJECT GROUPED BY OUTCOME

Annex 1 displays the net funded amounts, expenditures reported and the financial delivery rates by Outcome by project/ joint programme and Participating Organization

### Annex 1 Expenditure by Project within Outcome

Outcome / Project No. and Project Title	Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %	
<b>Democratic Governance</b>							
00075496	MNE (Dem Gov) - Health System	UNDP	Financially Closed	256,800	256,800	256,800	100.00
00075497	MNE (Dem Gov) - Strengthening	UNDP	Financially Closed	107,000	107,000	107,000	100.00
00075503	MNE (Dem Gov) - Child Protection	UNICEF	Financially Closed	97,156	97,156	97,156	100.00
00080993	MNE (Dem Gov) - Legal Aid Project	UNDP	Financially Closed	90,000	90,000	90,000	100.00
00080994	MNE (Dem Gov) - Gender & Human Rights	UNDP	Operationally Closed	20,000	20,000	20,000	100.00
<b>Democratic Governance: Total</b>				<b>570,956</b>	<b>570,956</b>	<b>570,956</b>	<b>100.00</b>
<b>Environmental Sustainability</b>							
00075509	MNE (Env Sust) - Green Jobs	FAO	Financially Closed	53,500	51,719	51,719	100.00
00075509	MNE (Env Sust) - Green Jobs	UNDP	Financially Closed	53,500	53,500	53,500	100.00
00075509	MNE (Env Sust) - Green Jobs	UNEP	Financially Closed	68,500	68,500	68,500	100.00
00075509	MNE (Env Sust) - Green Jobs	UNESCO	Financially Closed	68,500	68,392	68,392	100.00
00075509	MNE (Env Sust) - Green Jobs	UNIDO	Financially Closed	133,750	122,359	122,359	100.00
00080995	MNE (Env Sust) - Disaster Risk	UNDP	Financially Closed	30,000	30,000	30,000	100.00
00080995	MNE (Env Sust) - Disaster Risk	UNEP	Financially Closed	30,000	30,000	30,000	100.00
00080995	MNE (Env Sust) - Disaster Risk	UNICEF	Financially Closed	20,000	20,000	20,000	100.00
00100048	MNE (Env Sust) - Fostering Communication	ILO	Operationally Closed	98,875	97,072	97,072	100.00
00100048	MNE (Env Sust) - Fostering Communication	UNCTAD	Operationally Closed	123,625	106,687	104,533	97.98
00100048	MNE (Env Sust) - Fostering Communication	UNDP	Operationally Closed	198,375	198,375	198,375	100.00
00100048	MNE (Env Sust) - Fostering Communication	UNIDO	Operationally Closed	227,575	214,451	214,451	100.00
<b>Environmental Sustainability a: Total</b>				<b>1,106,200</b>	<b>1,061,054</b>	<b>1,058,901</b>	<b>99.80</b>
<b>Social Inclusion</b>							
00076863	MNE (soc. incl) social norms	UNDP	Financially Closed	66,713	66,713	66,713	100.00
00076863	MNE (soc. incl) social norms	UNICEF	Financially Closed	10,700	10,321	10,321	100.00
00076863	MNE (soc. incl) social norms	WHO	Financially Closed	126,950	126,950	126,950	100.00

00076864	MNE (social inclusion) disparities	ILO	Operationally Closed	123,333	115,889	115,889	100.00
00076864	MNE (social inclusion) disparities	UNDP	Operationally Closed	790,982	790,982	790,016	99.88
00076864	MNE (social inclusion) disparities	UNICEF	Operationally Closed	188,333	187,502	187,502	100.00
<b>Social Inclusion: Total</b>				<b>1,307,011</b>	<b>1,298,357</b>	<b>1,297,392</b>	<b>99.93</b>
<b>Grand Total</b>				<b>2,984,167</b>	<b>2,930,367</b>	<b>2,927,249</b>	<b>99.89</b>

## Contributors

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## UN Participating Organizations

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## Contributing Trust Fund

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Delivering  
Results  
Together

Expanded  
DaO Fund