



CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan

for the period 1 January to 31 December 2023

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

May 2024



United Nations
MPTF Office



DEFINITIONS

Allocation/Total Approved Budget

Amount approved by the Steering Committee for a project/programme. The total approved budget represents the cumulative amount of allocations approved by the Steering Committee.

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 donor agreement 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 donor agreement.

Delivery Rate

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization and Non-UN Organization against the 'net funded amount'. This does not include expense commitments by Participating Organizations.

Donor Agreement

Standard Administrative Arrangement and/or European Commission contribution agreement between contributor/donor and MPTF Office.

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. MPTF Office will report a project financially closed once the financial report(s) has been received and any balance of funds refunded.

Project Operational Closure

A project or programme is deemed operationally closed once all activities funded for Participating Organization(s) have been concluded, and the Steering Committee has approved the final narrative report.

Project Start Date

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

US Dollar Amount

The financial data in the report is recorded in US Dollars.

Transferred Funds

Funds transferred to Participating Organizations by the Administrative Agent in accordance with the Steering Committee's request.



TABLE OF CONTENTS

Introduction	4
1. Sources and Uses of Funds	5
2. Partner Contributions	6
3. Interest Earned	7
4. Transfer Of Funds	8
5. Expenditure and Financial Delivery Rates	9
6. Cost Recovery	11
7. Accountability and Transparency	11
8. Direct Cost	11
9. Annexes	12



INTRODUCTION

This Consolidated Annual Financial Report of the **Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan** 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 donor agreement signed with contributors/donors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and donor agreements with contributors/donors. 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 2023 and provides financial data on progress made in the implementation of projects of the **Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan**. It is posted on the MPTF Office GATEWAY (<https://mptf.undp.org/fund/arl00>).



2023 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan** using the pass-through funding modality as of 31 December 2023. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:
<https://mptf.undp.org/fund/arl00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2023, 7 contributors deposited US\$ 16,248,943 and US\$ 236,793 was earned in interest.

The cumulative source of funds was US\$ 16,485,735.

Of this amount, US\$ 14,132,726 has been net funded to 8 Participating Organizations, of which US\$ 12,440,872 has been reported as expenditure. The Administrative Agent fee amounts to 1% on deposits and amounts to US\$ 106,834. Table 1 provides an overview of the overall sources, uses, and balance of the **Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan** as of 31 December 2023.

Table 1 Financial Overview, as of 31 December 2023 (in US Dollars)

	Prior Years up to 31 Dec 2022	Financial Year Jan-Dec 2023	Total
Sources of Funds			
Contributions from donors	16,248,943	-	16,248,943
Sub-total Contributions	16,248,943	-	16,248,943
Fund Interest and Investment Income Earned	173,785	63,008	236,793
Total: Sources of Funds	16,422,727	63,008	16,485,735
Use of Funds			
Transfers to Participating Organizations	13,507,730	160,500	13,668,230
Transfers to Participating Organizations for Direct Cost - Fund Secretariat etc	629,588	-	629,588
Sub-Total Transfers	14,137,318	160,500	14,297,818
Refunds received from Participating Organizations	(3,702)	(161,390)	(165,092)
Sub-Total Refunds	(3,702)	(161,390)	(165,092)
Administrative Agent Fees	106,834	-	106,834
Bank Charges	407	73	480
Other Expenditures	55,655	-	55,655
Total: Uses of Funds	14,296,513	(817)	14,295,696
Change in Fund cash balance with Administrative Agent	2,126,215	63,825	2,190,040
Opening Fund balance (1 January)	4,461,617	2,126,215	-
Closing Fund balance (31 December)	2,126,215	2,190,040	2,190,040
Net Funded Amount (Includes Direct Cost)	14,133,616	(890)	14,132,726
Participating Organizations Expenditure (Includes Direct Cost)	8,613,344	3,827,528	12,440,872
Balance of Funds with Participating Organizations	5,520,272	(3,828,418)	1,691,854



2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this fund as of 31 December 2023.

The **Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan** is currently being financed by 7 contributors, as listed in the table below.

Table 2. Contributions, as of 31 December 2023 (in US Dollars)

Contributors	Total Commitments	Total Deposits
Al Waleed Philanthropies	200,000	200,000
European Union	5,565,510	5,565,510
Government of Finland	1,123,367	1,123,367
Government of Germany	742,300	742,300
Government of Norway	1,117,765	1,117,765
Government of Republic of Korea	1,000,000	1,000,000
Government of Uzbekistan	6,500,000	6,500,000
Grand Total	16,248,943	16,248,943



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 **2023**, Fund earned interest amounts to US\$ **236,793**.

Interest received from Participating Organizations amounts to US\$ **0**, bringing the cumulative interest received to US\$ **236,793**. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2023 (in US Dollars)

Interest Earned	Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Total
Administrative Agent			
Fund Interest and Investment Income Earned	173,785	63,008	236,793
Total: Fund Interest Earned	173,785	63,008	236,793
Participating Organization			
Total: Agency Interest Earned	-	-	-
Grand Total	173,785	63,008	236,793



4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2023, the AA has transferred US\$ **14,297,818** to **8** 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 up to 31-Dec-2022			Financial Year Jan-Dec-2023			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	410,772	-	410,772	-	-	-	410,772	-	410,772
UNDP	4,875,830	-	4,875,830	-	-	-	4,875,830	-	4,875,830
UNESCO	151,487	(3,702)	147,785	-	-	-	151,487	(3,702)	147,785
UNFPA	1,439,632	-	1,439,632	-	(890)	(890)	1,439,632	(890)	1,438,742
UNICEF	6,075,281	-	6,075,281	-	-	-	6,075,281	-	6,075,281
UNODC	200,507	-	200,507	-	-	-	200,507	-	200,507
UNOPS	-	-	-	160,500	-	160,500	160,500	-	160,500
WHO	983,810	-	983,810	-	(160,500)	(160,500)	983,810	(160,500)	823,310
Grand Total	14,137,318	(3,702)	14,133,616	160,500	(161,390)	(890)	14,297,818	(165,092)	14,132,726



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 2023 expenditure data has been posted on the MPTF Office GATEWAY at <https://mptf.undp.org/fund/ar100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In 2023, US\$ 890 was refunded to Participating Organizations, and US\$ 3,827,528 was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ 14,132,726 and cumulative expenditures reported by the Participating Organizations amount to US\$ 12,440,872. This equates to an overall Fund expenditure delivery rate of 88.03 percent.

Table 5.1 Net Funded Amount and Reported Expenditures by Participating Organization, as of 31 December 2023 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Cumulative	
FAO	410,772	410,772	158,283	183,361	341,643	83.17
UNDP	5,090,830	4,875,830	3,088,033	1,370,294	4,458,328	91.44
UNESCO	151,487	147,785	147,785	-	147,785	100.00
UNFPA	1,439,632	1,438,742	1,001,362	390,771	1,392,133	96.76
UNICEF	6,075,281	6,075,281	3,839,181	1,382,813	5,221,994	85.95
UNODC	200,507	200,507	170,705	28,827	199,532	99.51
UNOPS	160,500	160,500	-	155,479	155,479	96.87
WHO	823,310	823,310	207,995	315,983	523,978	63.64
Grand Total	14,352,318	14,132,726	8,613,344	3,827,528	12,440,872	88.03

*The expenditures reported represent payments made against obligations made by PUNOs prior to the operational closure of projects



5.2. 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 (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 5.2. Expenditure by UNSDG Budget Category, as of 31 December 2023 (in US Dollars)

Category	Expenditures			Percentage of Total Programme Cost
	Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Total	
Staff & Personnel Cost	588,569	419,992	1,008,561	8.67
Supplies, commodities and materials	1,874,010	345,283	2,219,293	19.07
Equipment, vehicles, furniture and depreciation	876,736	368,732	1,245,468	10.70
Contractual Services Expenses	3,206,044	1,578,674	4,784,717	41.12
Travel	210,045	154,973	365,018	3.14
Transfers and Grants	565,114	501,001	1,066,115	9.16
General Operating	729,049	218,004	947,053	8.14
Programme Costs Total	8,049,567	3,586,659	11,636,226	100.00
¹ Indirect Support Costs Total	563,777	240,869	804,646	6.92
Grand Total	8,613,344	3,827,528	12,440,872	-

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 2023, 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 2023, US\$ **106,834** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. Participating Organizations may charge 7% indirect costs based on UNSDG policy, establishing an indirect cost rate as a percentage of the programmable costs for interagency pass-through pool funds. In the current reporting period US\$ **240,869** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **804,646** as of 31 December **2023**.

8. 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 2023, US\$ 629,588 has been charged as Direct Costs.

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Cumulative	
UNDP	844,588	629,588	314,726	149,670	464,395	73.76
Grand Total	844,588	629,588	314,726	149,670	464,395	73.76

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 daily 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.



**Aral Sea UN Human Security Trust
Fund for the Aral Sea in Uzbekistan**
Annex to Financial Report



Annex. EXPENDITURE BY PROJECT GROUPED BY THEME/OUTCOME

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

Annex 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 %	
2 Employment & Income Gen							
00125229	JP- Youth n Vulnerable Citizens	FAO	On Going	180,000	180,000	177,148	98.42
00125229	JP- Youth n Vulnerable Citizens	UNDP	On Going	1,740,000	1,740,000	1,732,432	99.57
00125229	JP- Youth n Vulnerable Citizens	UNFPA	On Going	180,000	180,000	180,008	100.00
00134415	Youth-Green-Developmnt-Aral Sea	FAO	On Going	230,772	230,772	164,496	71.28
00134415	Youth-Green-Developmnt-Aral Sea	UNDP	On Going	1,193,828	1,193,828	950,493	79.62
00134415	Youth-Green-Developmnt-Aral Sea	UNICEF	On Going	195,401	195,401	195,412	100.01
2 Employment & Income Gen: Total				3,720,001	3,720,001	3,399,988	91.40

3 Food & Water							
00117259	Aral Sea MPTF-Human Insec	UNDP	Operationally Closed	1,312,414	1,312,414	1,311,007	99.89
00117259	Aral Sea MPTF-Human Insec	UNESCO	Operationally Closed	151,487	147,785	147,785	100.00
3 Food & Water: Total				1,463,900	1,460,198	1,458,792	99.90

4 Health							
00117258	Aral Sea MPTF- Perinatal care	UNFPA	Operationally Closed	639,322	639,322	639,290	99.99
00117258	Aral Sea MPTF- Perinatal care	UNICEF	Operationally Closed	980,344	980,344	980,344	100.00
00125228	JP-Investing Karakalpakstan	UNFPA	Operationally Closed	200,250	199,360	199,360	100.00
00125228	JP-Investing Karakalpakstan	UNICEF	Operationally Closed	3,098,027	3,098,027	3,093,771	99.86
00125228	JP-Investing Karakalpakstan	UNODC	Operationally Closed	200,507	200,507	199,532	99.51
00125932	Uni Health Covrg & Sec_Karakal	UNOPS	On Going	160,500	160,500	155,479	96.87
00125932	Uni Health Covrg & Sec_Karakal	WHO	On Going	264,879	264,879	264,877	100.00
00134414	Health Care-WASH in Kraklpkstn	UNFPA	On Going	420,060	420,060	373,475	88.91
00134414	Health Care-WASH in Kraklpkstn	UNICEF	On Going	1,801,509	1,801,509	952,467	52.87
00134414	Health Care-WASH in Kraklpkstn	WHO	On Going	558,431	558,431	259,101	46.40
4 Health: Total				8,323,829	8,322,939	7,117,697	85.52

Direct Cost Budget



00123047	Direct Cost - Secretariat supp	UNDP	On Going	844,588	629,588	464,395	73.76
Direct Cost Budget: Total				844,588	629,588	464,395	73.76
Grand Total				14,352,318	14,132,726	12,440,872	88.03



Contributors



AI Waleed
Philanthropies



European Union



Government of
Finland



Government of
Germany



Government of
Norway



Government of
Republic of Korea



Government of
Uzbekistan



UN Participating Organizations

