

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Cape Verde Transition Fund**

for the period 1 January to 31 December 2016

Multi-Partner Trust Fund Office
Bureau for Management Services
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)

10 May 2017

PARTICIPATING ORGANIZATIONS



Food and
 Agriculture
 Organization



International
 Labour
 Organisation



International
 Organization for
 Migration



International
 Trade Centre



UN Conference on
 Trade and
 Development



United Nations
 Development
 Programme



United Nations
 Volunteers
 Programme



United Nations
 Environment
 Programme



United Nations
 Educational,
 Scientific and
 Cultural
 Organization



United Nations
 Population Fund



UN Centre for
 Human
 Settlement

CONTRIBUTORS



Government of AUSTRIA



Delivering Results Together



Expanded DaO Funding Window



Government of LUXEMBOURG



Government of the NETHERLANDS



Government of NORWAY



Government of SPAIN



United Nations
Children's Fund



UN Industrial
Development
Organization



UN Office for Drug
and Crime



UNWOMEN



World Food
Programme



World Health
Organization

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.

INTRODUCTION

This Consolidated Annual Financial Report of the **Cape Verde Transition 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 contributors.

This consolidated financial report covers the period 1 January to 31 December **2016** and provides financial data on progress made in the implementation of projects of the **Cape Verde Transition Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/CV100>).

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

2016 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Cape Verde Transition Fund** using the pass-through funding modality as of 31 December **2016**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:

<http://mptf.undp.org/factsheet/fund/CV100>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2016**, 7 contributors deposited US\$ **26,846,059** in contributions and US\$ **242,955** was earned in interest.

The cumulative source of funds was US\$ **27,089,013** (see respectively, Tables 2 and 3).

Of this amount, US\$ **23,312,876** has been transferred to **17** Participating Organizations, of which US\$ **20,294,372** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **268,461**. Table 1 provides an overview of the overall sources, uses, and balance of the **Cape Verde Transition Fund** as of 31 December 2016.

Table 1. Financial Overview, as of 31 December 2016 (in US Dollars)

	Annual 2015	Annual 2016	Cumulative
Sources of Funds			
Contributions from donors	2,100,000	3,618,904	26,846,059
Fund Earned Interest and Investment Income	12,971	20,164	186,460
Interest Income received from Participating Organizations	1,633	4,478	56,494
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	2,114,605	3,643,545	27,089,013
Use of Funds			
Transfers to Participating Organizations	3,770,000	2,181,853	23,885,916
Refunds received from Participating Organizations	(31,637)	(541,311)	(573,039)
Net Funded Amount	3,738,363	1,640,542	23,312,876
Administrative Agent Fees	21,000	36,189	268,461
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	103	112	629
Other Expenditures	-	-	-
Total: Uses of Funds	3,759,466	1,676,842	23,581,965
Change in Fund cash balance with Administrative Agent	(1,644,862)	1,966,703	3,507,048
Opening Fund balance (1 January)	3,185,207	1,540,345	-
Closing Fund balance (31 December)	1,540,345	3,507,048	3,507,048
Net Funded Amount	3,738,363	1,640,542	23,312,876
Participating Organizations' Expenditure	2,877,804	2,177,969	20,294,372
Balance of Funds with Participating Organizations			3,018,504

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2016.

The table below includes commitments made through Standard Administrative Agreements signed up to 31 December 2016, and deposited in 2016. It does not include commitments for future years.

The **Cape Verde Transition Fund** is currently being financed by 7 contributors, as listed in the table below.

Table 2. Contributors' Commitments and Deposits, as of 31 December 2016 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec-2015 Deposits	Current Year Jan-Dec-2016 Deposits	Total Deposits
Government of AUSTRIA	684,225	684,225	-	684,225
Delivering Results Together	3,438,500	3,000,000	438,500	3,438,500
Expanded DaO Funding Window	3,935,000	3,935,000	-	3,935,000
Government of LUXEMBOURG	10,247,654	7,067,250	3,180,404	10,247,654
Government of the NETHERLANDS	1,105,280	1,105,280	-	1,105,280
Government of NORWAY	1,435,400	1,435,400	-	1,435,400
Government of SPAIN	6,000,000	6,000,000	-	6,000,000
Grand Total	26,846,059	23,227,155	3,618,904	26,846,059

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 **2016**, Fund earned interest amounts to US\$ **186,460**.

Interest received from Participating Organizations amounts to US\$ **56,494**, bringing the cumulative interest received to US\$ **242,955**.

Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2016 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Total
Administrative Agent			
Fund Earned Interest and Investment Income	166,296	20,164	186,460
Total: Fund Earned Interest	166,296	20,164	186,460
Participating Organization			
FAO	1,045	4,196	5,241
UNCTAD	8,937		8,937
UNDP	17,174		17,174
UNDP(UNV)	591		591
UNESCO	2,031		2,031
UNFPA	1,049		1,049
UNIDO	5,832	282	6,114
UNODC	13,901		13,901
UNWOMEN	1,456		1,456
Total: Agency earned interest	52,017	4,478	56,494
Grand Total	218,313	24,641	242,955

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2016, the AA has transferred US\$ **23,885,916** to **17** Participating Organizations (see list below).

4.1 TRANSFER BY PARTICIPATING ORGANIZATION

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 2016 (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2015			Current Year Jan-Dec-2016			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	4,358,399	(10,945)	4,347,454		(504,691)	(504,691)	4,358,399	(515,636)	3,842,763
ILO	1,160,256	(8,930)	1,151,326	210,109		210,109	1,370,365	(8,930)	1,361,435
IOM	545,210		545,210				545,210		545,210
ITC	113,045	(11,761)	101,284				113,045	(11,761)	101,284
UNCTAD	525,945		525,945				525,945		525,945
UNDP	3,106,045		3,106,045	1,699,989		1,699,989	4,806,034		4,806,034
UNDP(UNV)	229,451		229,451				229,451		229,451
UNEP	177,696		177,696				177,696		177,696
UNESCO	435,441		435,441		(36,444)	(36,444)	435,441	(36,444)	398,997
UNFPA	1,726,043	(56)	1,725,987				1,726,043	(56)	1,725,987
UNHABITAT	500,279		500,279				500,279		500,279
UNICEF	1,524,022	(36)	1,523,986				1,524,022	(36)	1,523,986
UNIDO	1,600,843		1,600,843		(175)	(175)	1,600,843	(175)	1,600,668
UNODC	2,584,505		2,584,505	171,270		171,270	2,755,775		2,755,775
UNWOMEN	533,364		533,364	100,485		100,485	633,849		633,849
WFP	1,541,181		1,541,181				1,541,181		1,541,181
WHO	1,042,338		1,042,338				1,042,338		1,042,338
Grand Total	21,704,063	(31,728)	21,672,335	2,181,853	(541,311)	1,640,542	23,885,916	(573,039)	23,312,876

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2016** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Participating Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The **2016** expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/CV100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2016**, US\$ **1,640,542** million was net funded to Participating Organizations, and US\$ **2,177,969** million was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **23,312,876** and cumulative expenditures reported by the Participating Organizations amount to US\$ **20,294,372**. This equates to an overall Fund expenditure delivery rate of **87** percent.

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2016 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Cumulative	
FAO	5,228,173	3,842,763	3,696,645	116,266	3,812,911	99.22
ILO	1,370,365	1,361,435	816,471	425,186	1,241,657	91.20
IOM	545,210	545,210	545,210		545,210	100.00
ITC	113,045	101,284	101,284		101,284	100.00
UNCTAD	525,945	525,945	408,446	115,480	523,926	99.62
UNDP	4,806,034	4,806,034	2,499,201	520,162	3,019,363	62.82
UNDP(UNV)	229,451	229,451	188,698	20,976	209,674	91.38
UNEP	177,696	177,696	160,421		160,421	90.28
UNESCO	435,441	398,997	401,714	(2,717)	398,997	100.00
UNFPA	1,726,043	1,725,987	1,590,508	135,052	1,725,561	99.98
UNHABITAT	500,279	500,279	500,280		500,280	100.00
UNICEF	1,524,024	1,523,986	1,118,866	405,122	1,523,987	100.00
UNIDO	1,600,843	1,600,668	1,391,868	40,181	1,432,049	89.47
UNODC	2,755,775	2,755,775	2,327,737	151,880	2,479,617	89.98
UNWOMEN	633,849	633,849	305,130	131,742	436,872	68.92
WFP	1,541,181	1,541,181	1,161,228		1,161,228	75.35
WHO	1,042,338	1,042,338	902,696	118,640	1,021,336	97.99
Grand Total	24,755,692	23,312,876	18,116,403	2,177,969	20,294,372	87.05

5.2 EXPENDITURE BY [UNDAF OUTCOME OR THEMATIC AREA]

Table 5 displays the net funded amounts, expenditures incurred and the financial delivery rates by [UNDAF Outcome or Thematic Area].

Table 5. Expenditure by UNDAF Outcome, as of 31 December 2016 (in US Dollars)

Country/Sector	Prior Years as of 31-Dec-2015		Current Year Jan-Dec-2016		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Cape Verde							
Consolidation of Democracy	934,264	983,752		8,945	934,264	992,697	106.25
CPV Delivering Results Togethr	2,970,000	1,078,553	433,940	1,527,228	3,403,940	2,605,781	76.55
CPV Food and Nutrition	4,950,004	3,901,537	(504,684)	163,828	4,445,320	4,065,365	91.45
CPV-Child & Social Protection	348,944	348,944			348,944	348,944	100.00
CPV-Coordination Unit	71,937	66,432			71,937	66,432	92.35
CPV-Env'mt, Energy & Disaster	1,648,846	1,615,220	(4,916)	485	1,643,929	1,615,705	98.28
CPV-Growth&Econ Opportunities	3,342,555	3,330,272		(14,607)	3,342,555	3,315,665	99.20
CPV-Quality of the Educatn Sys	866,861	815,533	(31,528)		835,333	815,533	97.63
CPV-Reform of Health Sector	1,451,863	1,442,893			1,451,863	1,442,893	99.38
CPV-Youth Participation	340,886	337,299		(13,902)	340,886	323,397	94.87
Econ Grad&Integ-Glob Ecny	770,739	754,772	(7)	12,887	770,731	767,659	99.60
P1 Inclusive Growth	1,400,000	993,680	580,000	469,872	1,980,000	1,463,552	73.92
P2 Institutions & Citizenship	226,073	225,512		497	226,073	226,010	99.97
P3 Disparities & Inequity	50,000	49,674	1,167,738		1,217,738	49,674	4.08
P4 Environment-Climate Change	81,667	20,233		22,778	81,667	43,010	52.67
Strengthening of Security	2,217,696	2,152,096		(42)	2,217,696	2,152,054	97.04
Cape Verde Total:	21,672,335	18,116,403	1,640,542	2,177,969	23,312,876	20,294,372	87.05
Grand Total:	21,672,335	18,116,403	1,640,542	2,177,969	23,312,876	20,294,372	87.05

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 6 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 6. Expenditure by UNDG Budget Category, as of 31 December 2016 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Total	
Supplies, Commodities, Equipment and Transport (Old)	2,338,383	-	2,338,383	12.36
Personnel (Old)	3,665,811	-	3,665,811	19.37
Training of Counterparts (Old)	1,023,143	-	1,023,143	5.41
Contracts (Old)	2,336,016	-	2,336,016	12.34
Other direct costs (Old)	573,476	-	573,476	3.03
Staff & Personnel Cost (New)	2,227,494	264,235	2,491,729	13.17
Suppl, Comm, Materials (New)	423,885	264,713	688,598	3.64
Equip, Veh, Furn, Depn (New)	262,834	20,764	283,598	1.50
Contractual Services (New)	990,382	446,455	1,436,837	7.59
Travel (New)	872,041	410,704	1,282,745	6.78
Transfers and Grants (New)	687,304	100,619	787,923	4.16
General Operating (New)	1,464,446	550,808	2,015,254	10.65
Programme Costs Total	16,865,215	2,058,298	18,923,513	100.00
¹ Indirect Support Costs Total	1,251,188	119,671	1,370,858	7.24
Total	18,116,403	2,177,969	20,294,372	

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 2016, 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\$ 36,189 was deducted in AA-fees. Cumulatively, as of 31 December 2016, US\$ 268,461 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 119,671 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 1,370,858 as of 31 December 2016.

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.