



CENTRAL AFRICAN REPUBLIC

**COMMON HUMANITARIAN FUND FOR
CENTRAL AFRICAN REPUBLIC (CHF-CAR)**

CONSOLIDATED ANNUAL FINANCIAL REPORT

Report of the Administrative Agent

For the period 1 January to 31 December 2010

May 2011

Multi-Donor Trust Fund Office
Bureau of Management, UNDP
<http://mdtf.undp.org>

Common Humanitarian Fund for Central African Republic (CHF-CAR)

PARTICIPATING UNITED NATIONS ORGANIZATIONS



Food and Agriculture Organization (FAO)



United Nations Children's Fund (UNICEF)



United Nations Development Programme (UNDP)



United Nations Educational, Scientific and Cultural Organization (UNESCO)



United Nations High Commissioner for Refugees (UNHCR)



United Nations Office for the Coordination of Humanitarian Affairs (OCHA)



United Nations Population Fund (UNFPA)


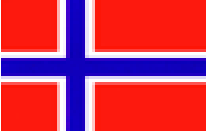
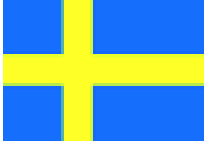



World Food Programme (WFP)



World Health Organization (WHO)

Central African Republic – Common Humanitarian Fund (CHF-CAR)

CONTRIBUTING DONORS	
IRELAND	
NORWAY	
SWEDEN	
THE NETHERLANDS	
UNITED KINGDOM	

Definitions

Allocation

Amount approved by the CHF-CAR Humanitarian Coordinator (HC) for a project/programme.

Approved Project/Programme

A project/programme document, including budget, etc., that is approved by the HC for fund allocation purposes.

Donor Commitment

A Donor contribution as per signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Donor Trust Fund Office (MDTF Office), in its capacity as the Administrative Agent (AA) of the CHF-CAR.

Donor Deposit

Cash deposit received by the UNDP MDTF Office for the CHF-CAR.

Indirect support costs

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. These costs are recovered in accordance with each Participating Organizations' own financial regulations and rules.

Managing Agent

UN Organization that has signed the MOU as a Participating UN Organization (PUNO) and performs an oversight function vis-à-vis NGOs receiving CHF-CAR funding. In the case of the CHF-CAR UNDP is the Managing Agent. The Managing Agent has the same obligations as any other PUNO that has signed the MOU, including for CHF-CAR reporting.

Net funded amount

Amount transferred to a Participating Organization minus refunds of unspent balances from the Participating Organization.

Participating Organizations

Organizations that have signed a Memorandum of Understanding with the UNDP MDTF Office, acting as Administrative Agent of the CHF-CAR. This can include both Participating UN Organizations (PUNOs), as well as non-UN Participating Organizations, such as IOM.

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 activities for which a Participating Organization is responsible under the approved programmatic document have been completed.

Project Commitment

The amount for which legally binding contracts have been signed, including multi-year commitments that may be disbursed in future years.

Project Disbursement

The amount paid to a vendor or entity for goods received, work completed, and/or services rendered (does not include unliquidated obligations).

Project Expenditure

Amount of project disbursement plus unliquidated obligations related to payments due for the year, except for UN Organisations that have adopted the International Public Sector Accounting Standards (IPSAS).

Project Start Date

Date of transfer of first instalment from the MDTF Office to the Participating Organization.

Total Approved Budget

Amount approved by the Humanitarian Coordinator.

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1. Introduction

This Consolidated Annual Financial Report on the Central African Republic Common Humanitarian Fund (CHF-CAR) is prepared by the United Nations Development Programme (UNDP) Multi-Donor Trust Fund Office (MDTF Office) in fulfillment of its obligations as Administrative Agent (AA) of the CHF-CAR, contained under the CHF-CAR Concept Note, the Memorandum of Understanding (MoU) signed between the MDTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) between the MDTF Office and Donors¹.

The MDTF office serves as AA for the CHF-CAR and is responsible for concluding SAAs with donors and MoUs with Participating Organizations. It receives, administers and manages contributions from Donors, and disburses these funds to the Participating Organizations in accordance with the decisions of the Humanitarian Coordinator (HC). Finally, the AA prepares and submits annual consolidated financial reports, as well as regular financial statements on the CHF-CAR account to the HC, for transmission to donors.

This consolidated financial report covers the period 1 January to 31 December 2010 and provides financial data on progress made in the implementation of projects² funded by the CHF-CAR. It is posted on the MDTF Office GATEWAY (mdtf.undp.org).

2. Sources, Uses, and Balance of Funds

The CHF-CAR was established in July 2008 as an expansion of the Emergency Response Fund (ERF) in CAR. By the end of 2010, a total amount of US\$33.56 million has been received from five donors: Irish Aid, the Government of the Netherlands, the Government of Norway, the Swedish International Development Cooperation (Sida) and the United Kingdom Department for International Development (DFID). Out of the total deposited, US\$11.43 million was received in 2010.

A total of US\$24.80 million has been transferred to the Participating Organizations as of 31 December 2010, including US\$18.81 million to NGOs through UNDP acting as Managing Agent (76 percent). Eight Participating Organizations had received CHF-CAR funding at the end of 2010: OCHA, UNDP³, UNESCO, UNFPA, UNHCR, UNICEF, WFP, WHO.

¹ The content of this Report has been shared in previous years by the AA with the Humanitarian Coordinator for CAR, and OCHA for inclusion in the final CAR-CHF Annual Report. This year, the report is also finalized as a stand-alone AA Report. For increased public transparency, it is posted on the MDTF Office GATEWAY (mdtf.undp.org).

² Project refers to both Projects and Programmes.

³ Acting both as Managing Agent (MA) and Participating UN Organization, as shown in the tables of this Report.

In 2010, US\$5.80 million has been transferred to two Participating Organizations (UNDP and UNICEF).

At the end of the reporting period, the Balance of Funds with the Administrative Agent was US\$8.75 million. The Balance of Funds with the Participating Organizations was US\$3.66 million.

Table 1 – Financial Overview, as of 31 December 2010 (amounts in US\$ Thousands)

	Prior Years as of 31 Dec 2009	Current Year Jan-Dec 2010	TOTAL
Sources of Funds			
Gross Donor Contributions	22,129	11,428	33,557
Fund Earned Interest Income	161	100	260
Interest Income received from Participating Organizations	-	113	113
Refunds by Administrative Agent (Interest/Others)	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	22,290	11,640	33,930
Uses of Funds			
Transfers to Participating Organizations	19,003	5,800	24,803
Refunds received from Participating Organizations	-	(14)	(14)
Net Funded Amount to Participating Organizations	19,003	5,786	24,789
Administrative Agent Fees	221	114	336
Direct Costs: (Steering Committee, Secretariat, etc)	-	-	-
Bank Charges	0	-	0
Other Expenditures	(202)	254	52
Total: Uses of Funds	19,022	6,154	25,176
Balance of Funds Available with Administrative Agent	3,267	5,486	8,754
Net Funded Amount to Participating Organizations	19,003	5,786	24,789
Participating Organizations' Expenditure	12,521	8,608	21,129
Balance of Funds with Participating Organizations	6,482	(2,822)	3,660

Apart from donor contributions, the CHF-CAR also receives funds from the interest income earned. The two sources of interest income are: (1) Interest earned by the MDTF Office on the balance of funds with the Administrative Agent's (Fund) account. (2) Interest Income from the Participating Organization, which is the amount earned by the Participating Organizations on the undisbursed balance of the CHF-CAR funds. By the end of 2010, the Fund earned interest amounted to US\$0.26 million, out of which US\$0.10 million has been earned in 2010. The interest earned from the funds with the Participating Organizations amounted to US\$0.11 million from three Participating Organizations (UNDP: US\$0.10 million, or 93 percent of total received; UNESCO: US\$2,000 and UNFPA: US\$6,000). The total earned interest as of 31 December 2010 was therefore US\$0.37 million.

Since the inception of the CHF-CAR in 2008, refunds of unspent balances from allocations transferred to Participating Organizations amount to US\$0.014 million from UNFPA.

The Administrative Agent (AA) fee is charged at the standard MDTF rate of 1 percent on donor's deposits. The cumulative AA fee on the funds received at the end of 2010 amount to US\$0.34 million, of which US\$0.11 million was charged in 2010.

It is worth noting that the total interest amount earned of US\$0.37 million, fully covers the cumulative Administrative Agent's fee of US\$0.34 million at the end of the reporting period.

Table 2 below shows interest received on the CHF-CAR account, from both the Fund and Participating Organizations, as of 31 December 2010.

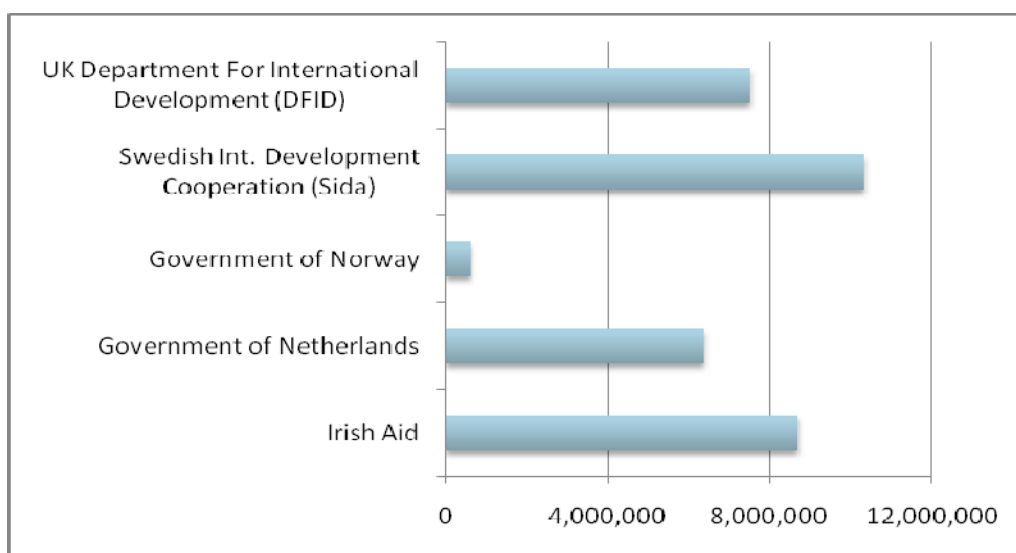
3. Donor Contributions

The CHF-CAR is financed by five donors, namely Irish Aid, the Government of the Netherlands, the Government of Norway, the Swedish International Development Cooperation (Sida) and the United Kingdom Department for International Development (DFID). Total contribution received as of 31 December 2010 is US\$33.56 million. In 2010 the deposits amounted to US\$11.43 million, representing 100 percent of the Donor Commitments to the CHF-CAR in 2010. Table 2 shows the breakdown of contributions received at the end of the reporting period.

Table 2 – Donor contributions, as of 31 December 2010 (amounts in US\$ Thousands)

Donors	Deposits			
	2008	2009	2010	Grand Total
Irish Aid	2,305	3,346	3,052	8,703
Government of Netherlands	1,351	2,941	2,098	6,390
Government of Norway	593	-	-	593
Swedish Int. Development Cooperation (Sida)	3,048	3,299	3,999	10,346
UK Department For International Development (DFID)	2,935	2,311	2,279	7,525
TOTAL	10,232	11,897	11,428	33,557

Figure 1 – Donor Deposits 2008-2010 in US Dollars



4. Transfer of Funds to Participating Organizations

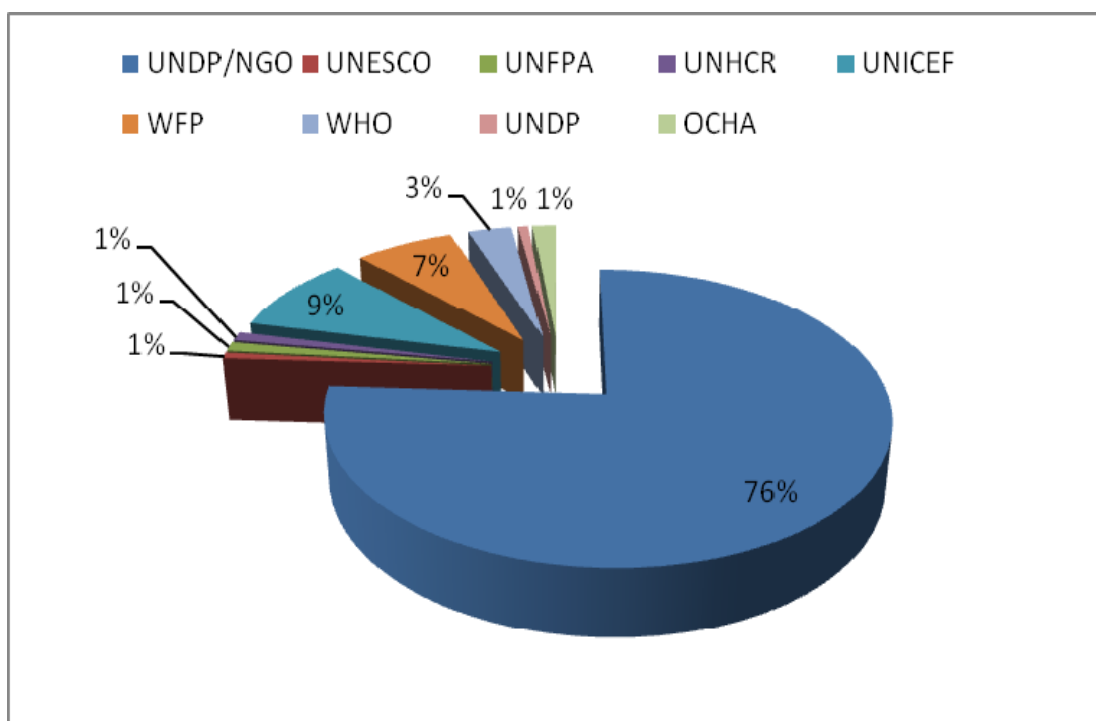
Nine Participating Organizations have signed the MoU for the CHF-CAR since its inception in July 2008. In 2010, the CHF-CAR has transferred to three Participating Organizations a total of US\$5.80 million, which in addition to the US\$19 million transferred in 2008 and 2009 amount to US\$24.80 million. The distribution of approved funding, consolidated by Participating Organization is summarized in Table 3. The term “Net funded amount” refers to amounts transferred to a Participating Organization minus refunds of unspent balances from the Participating Organization.

Table 3 – Net funded amount by Participating Organization, as of 31 December 2010 (Amounts in US\$ Thousands)

	Prior Years as of 31 Dec 2009	2010	TOTAL
UNDP/NGO	13,393	5,421	18,814
UNESCO	170	-	170
UNFPA	277	(14)	262
UNHCR	250	-	250
UNICEF	1,957	279	2,237
WFP	1,711	-	1,711
WHO	765	-	765
UNDP	80	100	180
OCHA	400	-	400
TOTAL	19,003	5,786	24,789

At the end of 2010, UNDP in its role of Managing Agent (MA) received the largest funding (76 percent) for transfers to NGOs, followed by UNICEF (9 percent) and WFP (7 percent), as shown in Figure 2 below.

Figure 2 – Percentage of funds transferred to Participating Organizations, as of 31 December 2010



5. Expenditure Reported by Participating Organizations

Project expenditures are incurred and monitored by each Participating Organizations. They are reported following the UN Development Group (UNDG) six categories of expenditure in order to provide harmonized and comparable reporting expenditure to donors⁴.

All expenditures reports were submitted by the Participating Organizations, by using the MDTF Office's reporting tool (UNEX). These tables were extracted and analyzed by the MDTF Office and subsequently posted on the [MDTF Office GATEWAY](#).

5.1. Overall Expenditure and Financial Delivery Rates

Financial delivery rates are measured in terms of expenditure as a proportion of the amount transferred. In 2010, reported expenditure amounted to US\$8.61 million, while the cumulative expenditure since 2008 was US\$21.12 million.

Table 4 below shows the cumulative financial delivery rate as at 31 December 2010, that reached 85.2 percent. Net funded amount and expenditure broken down by prior years and the reporting year (2010) are displayed in the table.

Total expenditure reported in 2010 (US\$8.61 million) exceeds the amounts transferred in 2010 (US\$5.80 million) due to some expenditure being reported in 2010 for funding received in prior years.

Table 4 – Overall expenditure and financial delivery rate, as of 31 December 2010 (Amounts in US\$ Thousands)

Country/Fund	Net Funded Amount	Expenditure			Delivery Rate (%)
		Prior Years as of 31 Dec 2009	Current Year Jan-Dec 2010	TOTAL	
Central African Republic					
CHF-CAR	24,789	12,521	8,608	21,129	85.24
Total	24,789	12,521	8,608	21,129	85.24

⁴ For further reference, see document "UNDG Harmonized Reporting to Donors for Joint Programmes" approved in 2006, available at www.undg.org/docs/9442/Explanatory-Note---Annex-D.doc.

5.2. Total Expenditure Reported by Category

Table 5 hereunder shows Fund's expenditure by the six harmonized categories. The largest categories of expenditure were: Other Direct Costs (78 percent), Contracts (10 percent), Supplies, Commodities, Equipment and Transport (6 percent) and Personnel (5 percent). The high percentage of "Other Direct Cost" is in all likelihood due to UNDP (acting as Managing Agent) setting-up NGO project budgets in its accounting system as such and therefore reporting expenditure under the same "Direct Cost" category.

At the end of the reporting period, the indirect support costs represented 6.15 percent of the total programme costs, which is within the 7 percent rate authorized in the CHF-CAR Memorandum of Understanding and the Standard Administrative Agreement with donors.

Table 5 – Expenditure by Category, as of 31 December 2010 (Amounts in US\$ Thousands)

Category	Expenditure			Percentage of
	Prior Years as of 31 Dec 2009	Current Year Jan-Dec 2010	TOTAL	Total Programme Costs
Supplies, Commodities, Equipment and Transport	615	635	1,250	6.28
Personnel	621	410	1,031	5.18
Training of counterparts	26	62	88	0.44
Contracts	1,460	580	2,040	10.25
Other direct costs	9,065	6,432	15,497	77.85
Programme Costs Total	11,786	8,119	19,905	100.00
Indirect Support Costs	735	489	1,224	6.15
Total Expenditure	12,521	8,608	21,129	

5.3. Cumulative Expenditure by Participating Organization, with breakdown by Category

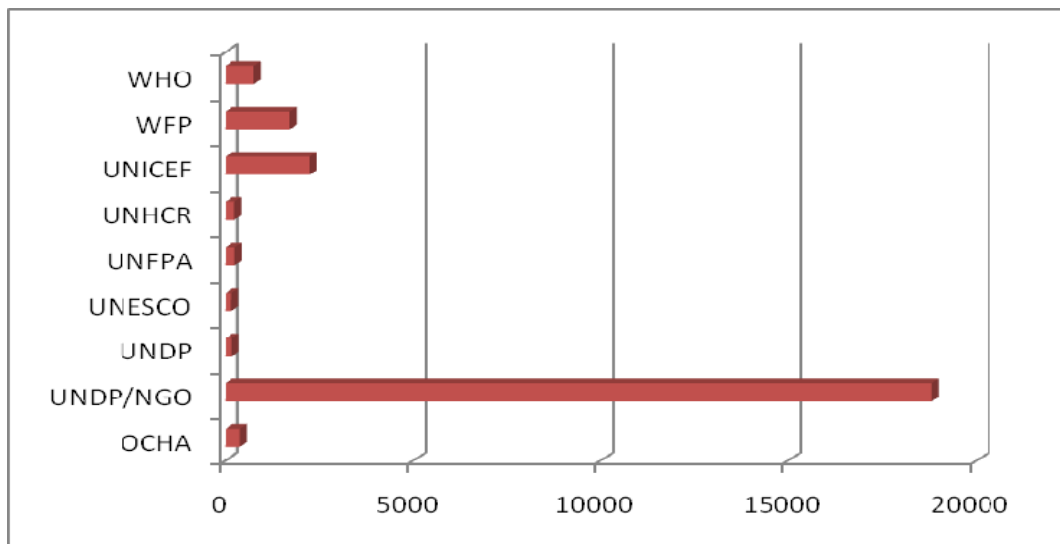
Cumulative Expenditure reported by Participating Organizations are shown and sorted in the six UNDG agreed categories in Table 6.

Table 6 – Expenditure by Participating Organization, with breakdown by Category, as of 31 December 2010 (Amounts in US\$ Thousands)

Participating Organization	TOTAL			Expenditure by Category								Total Programme Cost	Indirect Support Costs	% of Total Programme Costs
	Total Approved Amount*	Net Funded Amount	Expenditure	Supplies Commodities Equipment & Transport	Personnel	Training of Counterparts	Contracts	Other Direct Costs						
OCHA	400	400	400	56	263		3	12	40		374	26	7.00	
UNDP/NGO	18,843	18,814	16,115	17		0	-	-	14,925		14,942	1,173	7.85	
UNDP	180	180	143	36		52	-	-	325		414	(271)	-65.45	
UNESCO	170	170	161	102		29	-	-	20		151	11	7.00	
UNFPA	277	262	71	33		11	-	19	4		67	5	7.00	
UNHCR	250	250	250	90		73	51	-	18		233	18	7.53	
UNICEF	2,237	2,237	2,210	277	337		33	1,339	79		2,065	145	7.00	
WFP	1,711	1,711	1,652	638	181		1	639	86		1,544	108	7.00	
WHO	765	765	126	0		85	-	31	-		116	10	8.69	
T O T A L	24,832	24,789	21,129	1,250	1,031		88	2,040	15,497		19,905	1,224	6.15	

UNDP acting as Managing Agent reported the highest amount of expenditure due to the large amount of funding transferred to NGOs in the CHF-CAR (76 percent). This amount represents 76 percent of the total reported expenditure for the CHF-CAR as of 31 December 2010.

Figure 4 – Total expenditure reported by Participating Organization, as of 31 December 2010



6. Accountability and Transparency

In 2010, the MDTF Office officially launched the MDTF Office GATEWAY (<http://mdtf.undp.org>). It is a knowledge platform providing real-time data from the MDTF Office accounting system, with a maximum of two-hour delay, on financial information on donor contributions, programme budgets and transfers to Participating Organizations. It is designed to provide transparent, accountable fund-management services to the United Nations system to enhance its coherence, effectiveness and efficiency. Each MDTF and JP administered by the MDTF Office has its own website on the GATEWAY with extensive narrative and financial information on the MDTF/JP including on its strategic framework, governance arrangements, eligibility and allocation criteria. Annual financial and narrative progress reports and quarterly/semi-annual updates on the results being achieved are also available. In addition, each programme has a Factsheet with specific facts, figures and updates on that programme.

The GATEWAY provides easy access to more than 5,000 reports and documents on MDTFs/JPs and individual programmes, with tools and tables displaying related financial data. By enabling users in the field with easy access to upload progress reports and related documents also facilitates knowledge sharing and management among UN agencies. The MDTF Office GATEWAY is already being recognized as a 'standard setter' by peers and partners.