
Financial reporting

2020 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **UN-REDD Programme Fund** using the pass-through funding modality as of 31 December 2020. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/CCF00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2020, seven contributors had deposited US\$ 333,746,542 in contributions and US\$ 3,302,263 had been earned in interest. The cumulative source of funds was US\$ 337,048,805.

Of this amount, US\$ 322,309,481 has been net funded to three participating organizations, of which US\$ 309,541,628 has been reported as expenditure. The administrative agent fee has been charged at the approved rate of 1 percent on deposits and amounts to US\$ 3,071,549. Table 1 provides an overview of the overall sources, uses, and balance of the UN-REDD Programme Fund as of 31 December 2020.

TABLE 1. FINANCIAL OVERVIEW, AS OF 31 DECEMBER 2020 (IN US DOLLARS)

	ANNUAL2019	ANNUAL2020	CUMULATIVE
SOURCES OF FUNDS			
Contributions from donors	8,777,288	16,423,417	333,746,542
Fund Earned Interest and Investment Income	36,578	29,487	2,655,330
Interest Income received from Participating Organizations	71,704	30,407	646,933
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other income	-	-	-
TOTAL: SOURCES OF FUNDS	8,885,570	16,483,310	337,048,805
USE OF FUNDS			
Transfers to Participating Organizations	10,603,695	5,932,275	324,556,559
Refunds received from Participating Organizations	(156,626)	(962,239)	(2,247,078)
NET FUNDED AMOUNT	10,447,069	4,970,036	322,309,481
Administrative Agent Fees	87,734	149,982	3,071,549
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	71	96	12,491
Other Expenditures	39	14,252	265,917
Total: Uses of Funds	10,534,912	5,134,365	325,659,437
CHANGE IN FUND CASH BALANCE WITH ADMINISTRATIVE AGENT	(1,649,342)	11,348,945	11,389,368
Opening Fund balance (1 January)	1,689,765	40,423	-
CLOSING FUND BALANCE (31 DECEMBER)	40,423	11,389,368	11,389,368
Net Funded Amount (Includes Direct Cost)	10,447,069	4,970,036	322,309,481
Participating Organizations' Expenditure (Includes Direct Cost)	17,683,226	14,651,772	309,541,628
BALANCE OF FUNDS WITH PARTICIPATING ORGANIZATIONS			12,767,853

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2020.

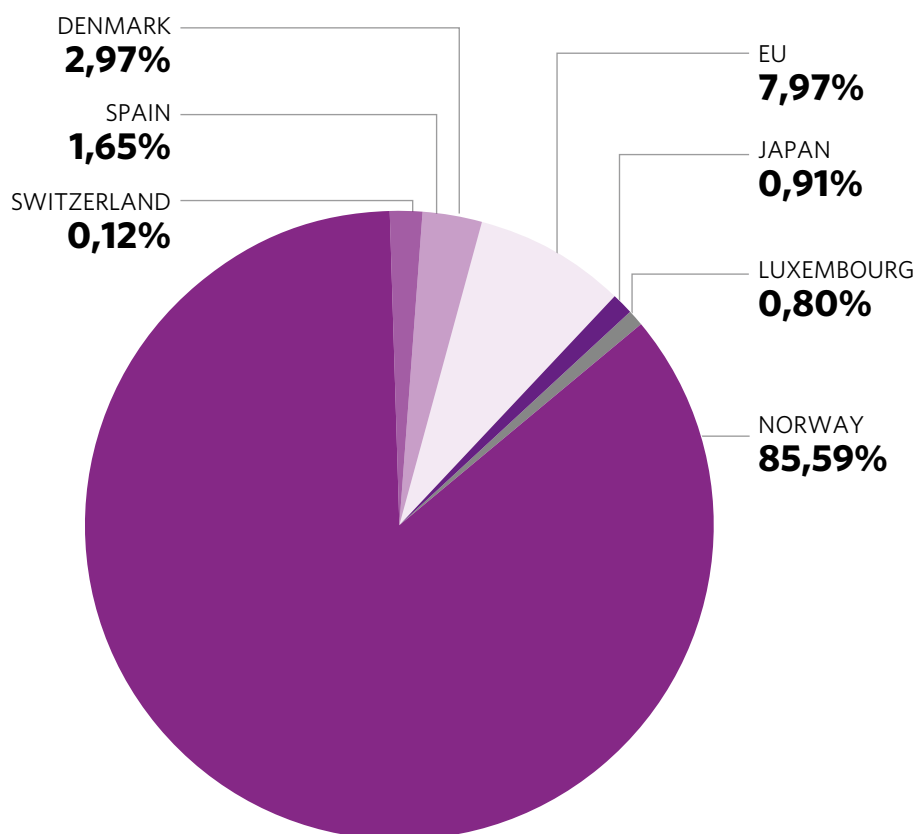
The UN-REDD Programme Fund is currently being financed by seven contributors, as listed in the table below.

The table below includes commitments made up to 31 December 2020 through signed Standard Administrative Agreements, and deposits made through 2020. It does not include commitments that were made to the fund beyond 2020.

TABLE2. CONTRIBUTORS' COMMITMENTS AND DEPOSITS, AS OF 31 DECEMBER 2020 (IN US DOLLARS)

CONTRIBUTORS	TOTAL COMMITMENTS	PRIORYEARS AS OF 31 DEC 2019 DEPOSITS	CURRENT YEAR JAN-DEC 2020 DEPOSITS	TOTAL DEPOSITS
DENMARK, GOVERNMENT OF	9,898,183	9,898,183	-	9,898,183
EUROPEAN UNION	26,591,660	25,166,420	1,425,240	26,591,660
JAPAN, GOVERNMENT OF	3,046,138	3,046,138	-	3,046,138
LUXEMBOURG, GOVERNMENT OF	2,674,100	2,674,100	-	2,674,100
NORWAY, GOVERNMENT OF	285,658,564	270,759,686	14,898,877	285,658,564
SPAIN, GOVERNMENT OF	5,492,939	5,492,939	-	5,492,939
SWITZERLAND, GOVERNMENT OF	384,959	285,660	99,299	384,959
GRAND TOTAL	333,746,542	317,323,126	16,423,417	333,746,542

FIGURE 1: DEPOSITS BY CONTRIBUTOR, CUMULATIVE AS OF 31 DECEMBER 2020



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 administrative agency. As of 31 December 2020, Fund-earned interest amounts to US\$ 2,655,330. Interest received from participating organizations amounts to US\$ 646,933, bringing the cumulative interest received to US\$ 3,302,262. Details are provided in the table below.

TABLE 3. SOURCES OF INTEREST AND INVESTMENT INCOME, AS OF 31 DECEMBER 2020 (IN US DOLLARS)

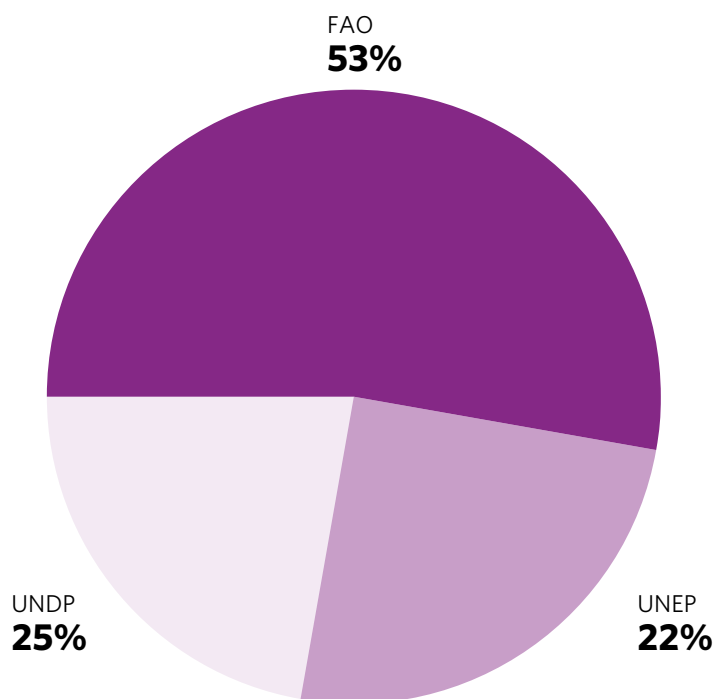
INTEREST EARNED	PRIOR YEARS AS OF 31 DEC 2019	CURRENT YEAR JAN-DEC 2020	TOTAL
ADMINISTRATIVE AGENT			
Fund Earned Interest and Investment Income	2,625,843	29,487	2,655,330
TOTAL: FUND EARNED INTEREST	2,625,843	29,487	2,655,330
PARTICIPATING ORGANIZATION			
FAO	147,209	30,407	177,615
UNDP	421,882		421,882
UNEP	47,435		47,435
TOTAL: AGENCY EARNED INTEREST	616,526	30,407	646,933
GRAND TOTAL	3,242,369	59,893	3,302,262

4. TRANSFER OF FUNDS

Allocations to participating organizations are approved by the Steering Committee and disbursed by the administrative agent. As of 31 December 2020, the administrative agent has transferred US\$ 324,556,559 to three participating organizations (see list below).

PARTICIPATING ORGANIZATION	PRIOR YEARS AS OF 31 DEC 2019			CURRENT YEAR JAN-DEC 2020			TOTAL		
	TRANSFERS	REFUNDS	NETFUNDED	TRANSFERS	REFUNDS	NETFUNDED	TRANSFERS	REFUNDS	NETFUNDED
FAO	116,287,053	(682,635)	115,604,418	3,143,752	(4,467)	3,139,285	119,430,805	(687,102)	118,743,703
UNDP	122,844,023	(173,496)	122,670,527	1,503,067	(957,772)	545,295	124,347,090	(1,131,268)	123,215,822
UNEP	79,493,208	(428,708)	79,064,500	1,285,456		1,285,456	80,778,664	(428,708)	80,349,956
GRAND TOTAL	318,624,284	(1,284,839)	317,339,445	5,932,275	(962,239)	4,970,036	324,556,559	(2,247,078)	322,309,481

FIGURE 2: TRANSFER AMOUNT BY PARTICIPATING ORGANIZATION FOR THE PERIOD OF 1 JANUARY TO 31 DECEMBER 2020



5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2020 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 2020 expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/CCF00>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In 2020, US\$ 4,970,036 was net funded to participating organizations, and US\$ 14,651,772 was reported in expenditure. As shown in table below, the cumulative net funded amount is US\$ 322,309,481 and cumulative expenditures reported by the participating organizations amount to US\$ 309,541,628. This equates to an overall Fund expenditure delivery rate of 96 percent.

The agencies with the three highest delivery rates are: FAO (97%), UNEP (97%) and UNDP (94%)

TABLE 5.1 NET FUNDED AMOUNT, REPORTED EXPENDITURE, AND FINANCIAL DELIVERY BY PARTICIPATING ORGANIZATION, AS OF 31 DECEMBER 2020 (IN US DOLLARS)

PARTICIPATING ORGANIZATION	APPROVED AMOUNT	NET FUNDED AMOUNT	EXPENDITURE			DELIVERY RATE %
			PRIOR YEARS AS OF 31-DEC-2019	CURRENT YEAR JAN-DEC-2020	CUMULATIVE	
FAO	119,430,805	118,743,703	109,881,721	5,758,220	115,639,941	97.39
UNDP	127,166,287	123,215,822	111,260,655	4,986,787	116,247,442	94.34
UNEP	80,778,664	80,349,956	73,747,481	3,906,765	77,654,245	96.65
GRAND TOTAL	327,375,756	322,309,481	294,889,856	14,651,772	309,541,628	96.04

5.2 EXPENDITURE BY PROJECT

Table 5 displays the net funded amounts, expenditures reported and the financial delivery rates by participating organization.

TABLE 5.2 EXPENDITURE BY PROJECT WITHIN COUNTRY, AS OF 31 DECEMBER 2020 (IN USDOLLARS)

COUNTRY / PROJECT NO. AND PROJECT TITLE		PARTICIPATING ORGANIZATION	APPROVED AMOUNT	NET FUNDED AMOUNT	EXPENDITURE	DELIVERY RATE %
CHILE						
00102605	UN-REDD CHILE-NATIONAL PROGR	FAO	856,000	856,000	687,893	80.36
00102605	UN-REDD CHILE-NATIONAL PROGR	UNDP	3,424,000	2,792,954	2,567,265	91.92
CHILE TOTAL			4,280,000	3,648,954	3,255,158	89.21
PERU						
00102612	UN-REDD PERU-NATIONAL PROGRA	FAO	1,686,688	1,686,688	1,411,746	83.70
00102612	UN-REDD PERU-NATIONAL PROGRA	UNDP	1,983,084	1,983,084	1,842,120	92.89
00102612	UN-REDD PERU-NATIONAL PROGRA	UNEP	396,007	396,007	289,906	73.21
PERU TOTAL			4,065,779	4,065,779	3,543,772	87.16

TABLE 5.2 EXPENDITURE BY PROJECT WITHIN COUNTRY, AS OF 31 DECEMBER 2020 (IN USDOLLARS)

GLOBAL SUPPORT						
00103359	UN-REDD-DELIVERING NATIONAL PROGRA	FAO	5,466,848	5,466,848	5,375,299	98.33
00103359	UN-REDD-DELIVERING NATIONAL PROGRA	UNDP	5,425,556	5,425,556	3,182,445	58.66
00103359	UN-REDD-DELIVERING NATIONAL PROGRA	UNEP	2,876,553	2,876,553	2,793,662	97.12
00103784	DIRECT COST FOR SECRETARIAT	FAO	500,000	500,000	393,614	78.72
00103784	DIRECT COST FOR SECRETARIAT	UNDP	1,289,528	1,289,528	884,420	68.58
00103784	DIRECT COST FOR SECRETARIAT	UNEP	3,400,422	3,400,422	3,217,860	94.63
00103788	KM & GLOBAL COORDINATION	FAO	2,891,727	2,891,727	2,704,250	93.52
00103788	KM & GLOBAL COORDINATION	UNDP	5,194,298	5,194,298	3,037,876	58.48
00103788	KM & GLOBAL COORDINATION	UNEP	7,013,901	7,013,901	6,893,453	98.28
GLOBAL TOTAL			34,058,833	34,058,833	28,482,879	83.63
REGIONAL SUPPORT						
00103785	AFRICA- TECHNICAL ASSISTANCE	FAO	3,301,404	3,301,404	3,151,983	95.47
00103785	AFRICA- TECHNICAL ASSISTANCE	UNDP	2,464,702	2,464,702	2,024,569	82.14
00103785	AFRICA- TECHNICAL ASSISTANCE	UNEP	1,458,510	1,458,510	1,432,900	98.24
00103786	ASIA- TECHNICAL ASSISTANCE	FAO	6,247,004	6,247,004	4,349,671	69.63
00103786	ASIA- TECHNICAL ASSISTANCE	UNDP	3,204,655	3,204,655	2,554,438	79.71
00103786	ASIA- TECHNICAL ASSISTANCE	UNEP	2,283,207	2,283,207	1,381,672	60.51
00103787	LAC-TECHNICAL ASSISTANCE	FAO	2,778,558	2,778,558	2,598,174	93.51
00103787	LAC-TECHNICAL ASSISTANCE	UNDP	4,958,936	4,958,935	4,534,938	91.45
00103787	LAC-TECHNICAL ASSISTANCE	UNEP	1,707,245	1,707,245	1,682,471	98.55
REGIONAL TOTAL			28,404,221	28,404,220	23,710,816	83.48
GRAND TOTAL			70,808,833	70,177,786	58,992,625	84.00

5.3 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. See table below.

2012 CEB Expense Categories	2006 UNDG Expense Categories
1. Staff and personnel costs	1. Supplies, commodities, equipment & transport
2. Supplies, commodities and materials	2. Personnel
3. Equipment, vehicles, furniture and depreciation	3. Training counterparts
4. Contractual services	4. Contracts
5. Travel	5. Other direct costs
6. Transfers and grants	6. Indirect costs
7. General operating expenses	
8. Indirect costs	

TABLE 6. EXPENDITURE BY UNDG BUDGET CATEGORY, AS OF 31 DECEMBER 2020 (IN US DOLLARS)

CATEGORY	EXPENDITURE			PERCENTAGE OF TOTAL PROGRAMME COST
	PRIOR YEARS AS OF 31-DEC-2019	CURRENT YEAR JAN-DEC-2020	TOTAL	
Supplies, Commodities, Equipment and Transport (Old)	1,256,408	-	1,256,408	0.43
Personnel (Old)	23,105,695	-	23,105,695	7.98
Training of Counterparts (Old)	3,596,995	-	3,596,995	1.24
Contracts (Old)	6,914,797	-	6,914,797	2.39
Other direct costs (Old)	2,110,598	-	2,110,598	0.73
Staff & Personnel Cost (New)	119,115,542	9,290,887	128,406,429	44.37
Supplies, commodities, materials (New)	2,354,967	82,661	2,437,628	0.84
Equipment, vehicles, furniture, depreciation (New)	3,483,147	61,777	3,544,924	1.22
Contractual services (New)	31,759,129	1,763,779	33,522,908	11.58
Travel (New)	26,327,336	184,264	26,511,600	9.16
Transfers and grants (New)	33,084,690	1,738,747	34,823,437	12.03
General operating (nNew)	22,630,762	522,497	23,153,259	8.00
PROGRAMME COSTS TOTAL	275,740,067	13,644,611	289,384,678	100.00
¹ INDIRECT SUPPORT COSTS TOTAL	19,149,790	1,007,160	20,156,950	6.97
TOTAL	294,889,856	14,651,772	309,541,628	

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 percent agreed upon for on-going projects. Once projects are financially closed, this number is not to exceed 7 percent.

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 **2020**, were as follows:

- **The administrative agent fee:** 1 percent 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\$ 149,982 was deducted in administrative agent fees. Cumulatively, as of 31 December 2020, US\$ 3,071,549 has been charged in administrative agent fees.
- **Indirect Costs of Participating Organizations:** Organizations may charge 7 percent indirect costs. In the current reporting period US\$ 1,007,160 was deducted in indirect costs by participating organizations. Cumulatively, indirect costs amount to US\$ 20,156,950 as of 31 December 2020.

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.