

**MID TERM PROGRESS REPORT FOR THE
SUDAN COMMON HUMANITARIAN FUND**

ADMINISTRATIVE AGENT

REPORTING PERIOD: 14 FEBRUARY 2006 – 31 JULY 2006



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EXECUTIVE SUMMARY

The United Nations Development Programme (UNDP) Sudan Country Office (CO) through its Trust Fund Management Unit (TFMU) is performing the role of Administrative Agent (AA) for the Common Humanitarian Fund (CHF). The CHF is managed by the Humanitarian Coordinator (HC) for Sudan. The Administrative Agent is implementing successfully the Joint Programming (pass through) modality of fund management as described in this mid-term report.

The AA performance enabled the commitment of a number of donors and UN agencies to a rapid humanitarian response which found its basis for action in an agreed allocation framework designed in the 2006 Work Plan (WP).

In the first five months of implementation, the CHF initiative has particularly benefited from the presence in Khartoum of both the HC office (allocation management) and the AA (fund management). A common working mode, whilst respecting the division of responsibilities, has developed a shared sense of commitment towards the fund and developed a constructive working environment.

Timely submission of fund balance forecasts, meticulous execution of its legal commitments undertaken with the CHF and a solid financial system have enabled the AA to release a total volume of **USD 100,233,806** to participating UN Organizations in an average of **2 working days** per transaction and raised the trust in UNDP capacity to play the dual role of AA and participating UN Organization.

UNDP plays a dual role both as Administrative Agent as mentioned above, and as a recipient of funds from CHF.

I. INTRODUCTION

In 2006, the United Nations' coordinated approach to the delivery of humanitarian aid in Sudan has been manifested in a Work Plan (WP) that encompasses UN Organizations and many Non Governmental Organizations (NGOs) that have participated in a process of nationwide coordination by sectors and regions. The WP outlines the strategic and operational plan for the UN and partners assistance in Sudan in 2006, and has been developed in consultation with Sudanese national, regional, and local authorities. It consists of sector plans with objectives, priorities, strategies, indicative projects and indicators. Given the existence of this comprehensive WP, a number of donors and UN Organizations have agreed to establish a common fund mechanism, the CHF, for donor contributions to the 2006 WP¹.

Contributions² to the CHF are utilized to finance projects carried out by participating UN Organizations and implementing partners within the framework of the 2006 WP. The projects and the operations of the CHF are designed in accordance with specific Terms of Reference (ToR) of the fund, and under the overall oversight and coordination of the Humanitarian Coordinator (HC) for Sudan.

The objective of the CHF is to support the timely allocation and disbursement of donor resources to the most critical humanitarian needs of Sudan under the direction of the HC. The CHF has been used only for projects classified as "Humanitarian" under the WP. Classification of projects is the sole responsibility of the HC.

The CHF is intended to improve humanitarian outcomes by: providing committed funds earlier than under previous arrangements; strengthening the planning and coordination process; tying the funding allocation to the WP; broadening participation in the WP; channelling funds towards the most urgent needs; and by ensuring that funds are available for rapid responses to unforeseen circumstances. In order to achieve these objectives, the CHF has been designed to accommodate the following principles:

- The CHF is operating as a single fund;
- Donors should make commitments and put money into the CHF as early as possible;
- The CHF should use the WP as its primary allocation tool;
- Funds should be allocated to the highest humanitarian priorities as determined by the HC;
- Allocation and disbursement procedures should be rapid and transparent;
- The fund should complement the allocation and consultation models;
- There should be no overall additional reporting burden on recipients;
- The CHF should maintain a reserve for rapid response to unforeseen circumstances;
- The CHF should be simple and capable of being set up rapidly;
- The operation of the CHF should meet acceptable fiduciary standards;
- It should strengthen the WP process for 2007.

¹ The CHF mechanism is proposed as one of three funding mechanisms used to support Sudan's humanitarian programme. The other two funding mechanisms are the Allocation Model and the Consultative Model:

- Under the Allocation Model, donors that are not channelling money through the Common Humanitarian Fund will place a tranche of money at the disposal of the Humanitarian Coordinator to decide how it should be allocated. Once allocated, the donor disburses directly to the organizations concerned.
- Under the Consultative Model, donors that are not channelling money through the Common Humanitarian Fund will consult with the Humanitarian Coordinator over funding decisions for Work Plan allocations. The donor makes the final decision about allocations and disburses directly to the organizations concerned.
- Under the Common Humanitarian Fund, the Donors pool their funds. The Humanitarian Coordinator allocates funds and instructs the Administrative Agent to disburse funds to the organizations concerned.

² Letters of Agreement (LoAs) between donor's national institutions and UNDP have been signed from 20 February 2006 (i.e. DFID) onwards in order to commit funding to the CHF.

The specific objectives of the activities financed by the CHF are elaborated in the 2006 WP.

Consistent with the above principles and objectives, the CHF is a mechanism whereby donors can fund projects within an agreed structure for joint co-ordination, monitoring and evaluation and under the overall authority of the HC.

The participating UN Organizations are managing projects in accordance with their financial regulations and rules. The allocation of funds under the CHF shall occur under the responsibility of the HC.

Contributions to the CHF may be accepted in fully convertible currency or in any other currency that can be readily utilized. Such contributions shall be deposited into bank accounts designated by UNDP. The value of a contribution-payment, when made in other than United States dollars (USD), has been determined by applying the United Nations operational rate of exchange in effect on the date of payment.

As AA, UNDP is responsible for receiving all donor contributions in the CHF account established for the purpose, and in turn, has made disbursements to the respective participating UN Organisations after the instructions of the HC and details of transfer provided from UN Organizations.

The participating UN Organisations and the Office for the Coordination of Humanitarian Affairs (OCHA) have signed a standardized Memorandum of Understanding (MOU) with UNDP, explaining the functions and responsibilities of the HC and setting out the terms and conditions under which, UNDP has served as AA, and the participating UN Organisations have received and have been able to use funds from the CHF account.

Each participating UN Organisation has established a separate ledger account or account code under its financial regulations and rules for the receipt and administration of the funds disbursed to it from the CHF account. Each participating UN Organisation has assumed full programmatic and financial accountability for the funds disbursed to them by the AA.

The International Organization for Migration (IOM) and NGO partners involved in the WP have access to the CHF through UNDP performing its second role as participating UN Organization. UNDP is using its standard NGO execution modality for this purpose (and its agency execution agreement in the case of IOM) on the basis of its financial regulations and rules. The HC has retained the responsibility for the allocation of funds to specific NGOs and projects included in the WP, in line with the allocation process and in keeping with UNDP's regulations and rules.

Roles and responsibilities of the different actors involved in the CHF are outlined as follows:

The Humanitarian Coordinator is responsible for:

- the overall management of the CHF activities;
- mobilizing resources;
- defining the level of a rapid response reserve and allocating CHF resources according to agreed procedures;
- allocating in particular CHF resources to IOM and NGO partners involved in the WP through UNDP, in line with the allocation process and in keeping with UNDP's regulations and rules;
- approving allocations and disbursements;
- reporting to donors in accordance with WP requirements;
- managing the process of monitoring and evaluating the impact and effectiveness of WP delivery;
- chairing an Advisory Group (AG) established for guidance to its function.

The AG, as part of the operation of the CHF, has been formed to represent the views of donors, the United Nations Country Team (UNCT) and the NGO community.

The Administrative Agent is responsible for:

- receipt, administration and management of contributions from donors;
- disbursement of such funds to the participating UN Organisations in accordance with the decisions of the HC;
- Maintaining a rapid response reserve as directed by the HC;
- provision of financial reports on the CHF Account to the HC, each donor that has contributed to the CHF, and the AG.

These arrangements are described in the diagram below.

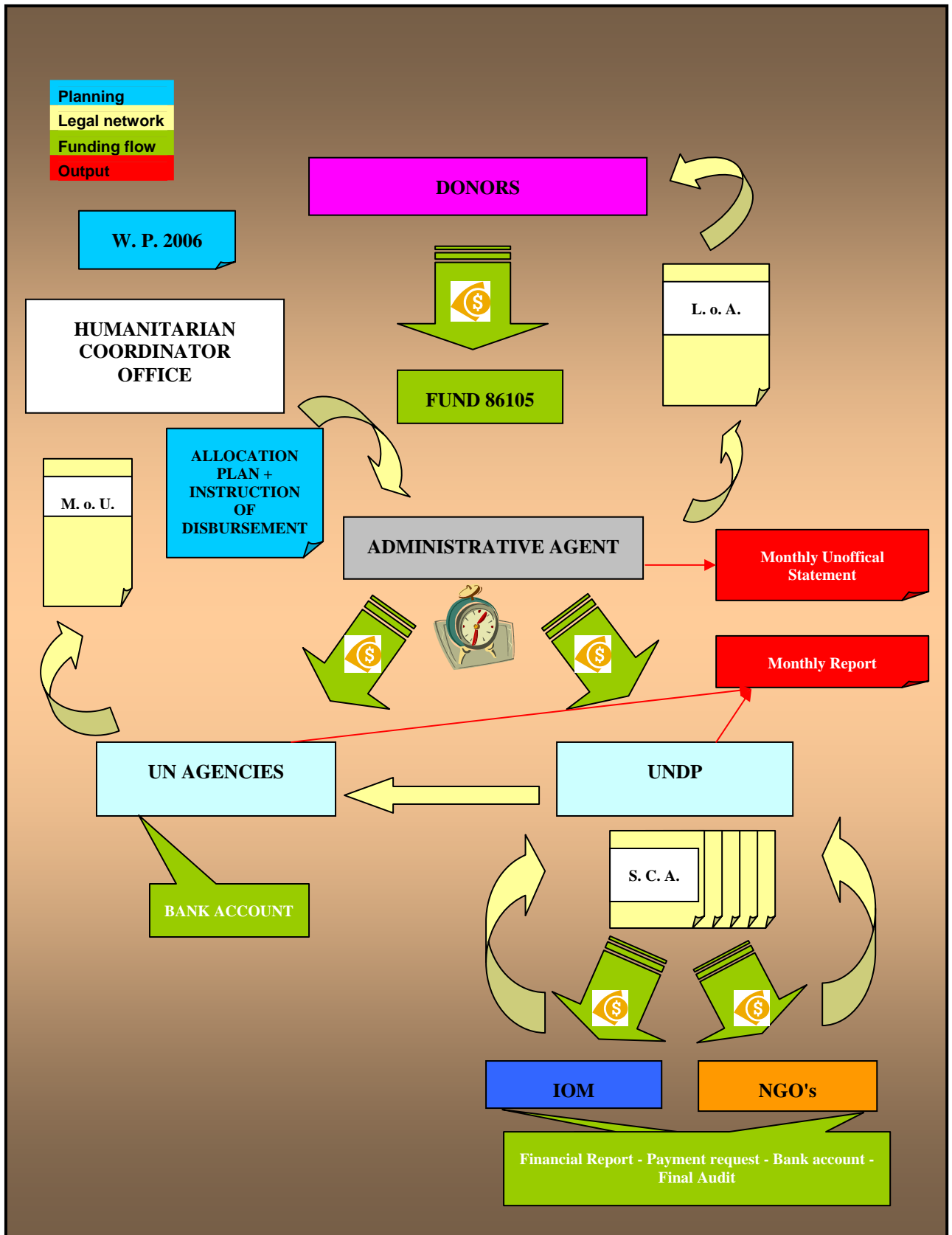


Figure 1: Commitment and fund flow between the actors of the CHF for Sudan – Joint Programming.

II. PROGRESS REVIEW

During the present reporting period, the CHF has achieved significant developments in its three main components of implementation: planning, legal network and fund flow.

Planning

In order for the HC to allocate resources, all participating UN Organisations, and implementing partners were required to provide accurate information on resources remaining available for humanitarian activities from the calendar year 2005. The primary project technical review function was considered to have been done through the WP process and the area and sector based allocation process. There have not been specific technical reviews of projects as a separate requirement for disbursement out of the CHF. However, an increased investment in monitoring and evaluation capacity in the HC's office is presently ongoing.

A first Allocation Plan was issued in December 2005, well ahead the signature of the MOU from the actors committed to the CHF initiative.

The HC office, on the basis of the expected income from the donor community, transmitted the first Allocation Plan to the AA, according to a policy paper endorsed by the AG and UNCT.

A total amount of **USD 106,101,115** is hereby presented in its distribution by recipient.

United Nations	84.219.693,00
WFP	26.874.483,00
UNDSS	400.000,00
UNICEF	24.279.695,00
UNHCR	11.354.773,00
UNMAS	1.843.750,00
FAO	8.422.337,00
OCHA	5.208.074,00
WHO	2.520.000,00
UNFPA	1.710.000,00
ORCHC	1.606.581,00
UNDP	21.881.422,00
IOM	5.267.400,00
NGO'S	16.614.022,00
GRAND TOTAL	106.101.115,00

Table 1: First Allocation Plan by Recipient.

The Allocation Plan presented by the HC to the donors and other actors of the CHF is intended to reach (with quick funding release) the several sectors and regions identified in Sudan for the humanitarian response agreed in the WP.

An overview by sector and region of the first funding plan is elaborated in the following tables & charts.

FIRST ALLOCATION PLAN BY SECTOR	
Cross-sector support for return	10,127,423.00
Educational and vocational training	5,199,105.00
Food security & livelihood recovery	10,780,254.00
Health	11,426,442.00
NFI's common services & coordination	24,125,692.00
Nutrition	5,893,316.00
Protection & human rights	6,347,473.00
Water & sanitation	13,032,660.00
GRAND TOTAL	106,101,115.00

Table 2: First Allocation Plan by Sector.

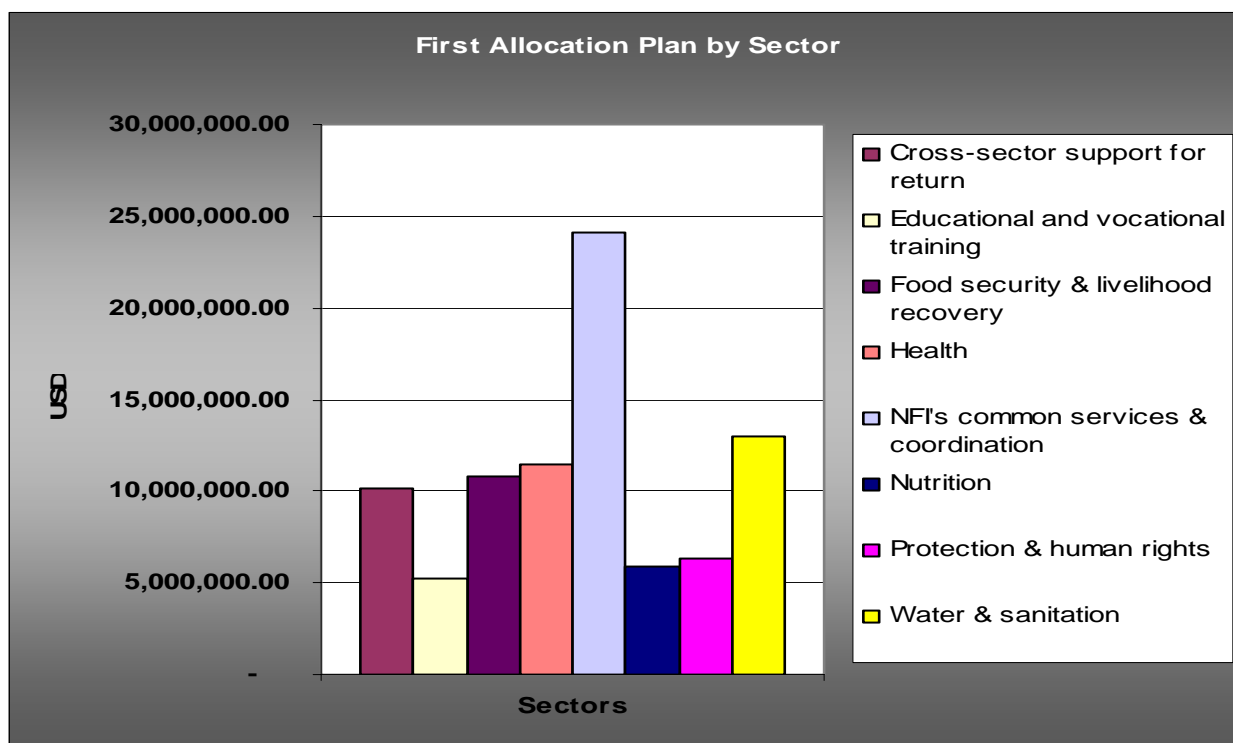


Chart 1: First Allocation Plan by Sector.

FIRST ALLOCATION PLAN BY REGION	
Abyei	1,153,750.00
Blue Nile	3,419,405.00
Darfur	31,416,226.00
Eastern Sudan	4,117,014.00
Khartoum & Other Northern States	2,723,544.00
National Programmes	12,200,000.00
Southern Kordofan	7,301,147.00
Southern Sudan	43,770,029.00
GRAND TOTAL	106,101,115.00

Table 3: First Allocation Plan by Region.

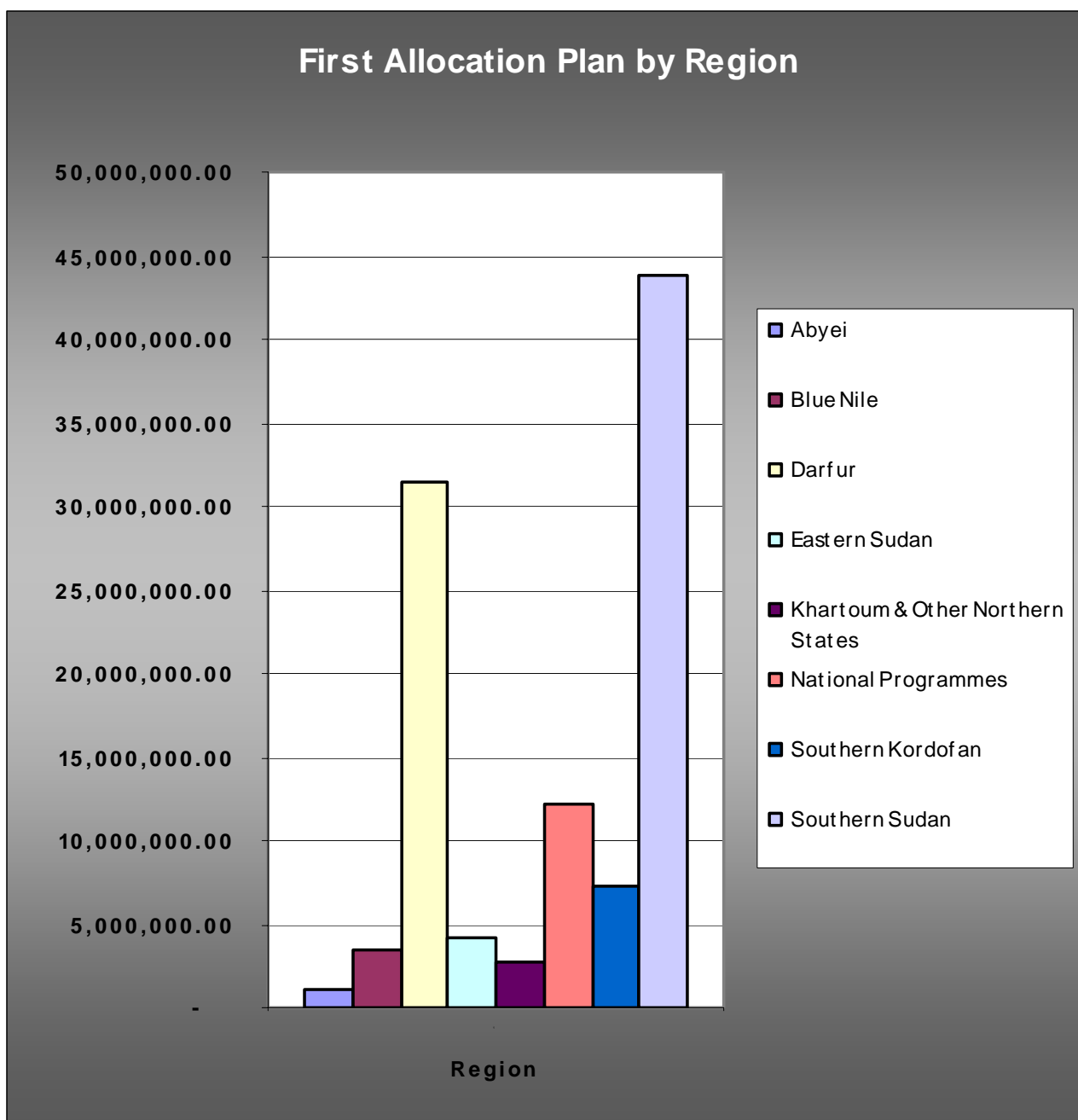


Chart 2: First Allocation Plan by Region.

It is worth mentioning that a number of variations to the initial Allocation Plan have occurred during the first five months of implementation of the CHF. In all subsequent amendments to the initial plan operated by the HC office, modifications to the first plan of action have taken the form of instruction of disbursements incorporating signed *ad hoc* allocations per recipient.

Although the AA has continued to disburse in favour of sister UN agencies, the lack of a comprehensive and exhaustive revision of the first Allocation Plan has hampered the possibility to track the variations by both sector and region. Therefore as of 31 July 2006, variations to the Allocation Plan by principal recipient are as shown below in table 4.

United Nations	90.233.806,00
WFP	29.874.483,00
UNDSS	400.000,00
UNICEF	24.980.695,00
UNHCR	11.354.773,00
FAO	8.422.337,00
OCHA	7.019.447,00
WHO	2.821.740,00
UNMAS	1.843.750,00
UNFPA	1.710.000,00
ORCHC	1.606.581,00
UNAIDS	200.000,00
UNDP	19.397.711,00
IOM	5.367.400,00
NGO'S	14.030.311,00
GRAND TOTAL	109.631.517,00

Table 4: Current Allocation Plan by Recipient.

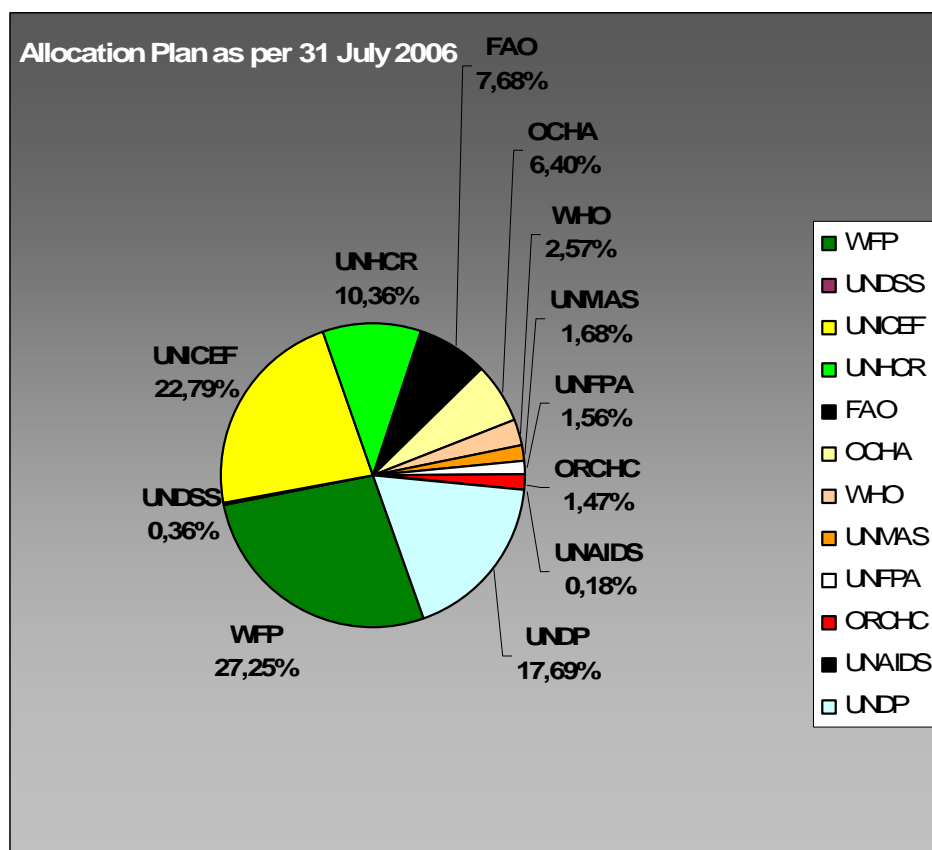


Chart 3: Current Allocation Plan by Recipient.

In the first five months of implementation the CHF initiative has particularly benefited from the simultaneous presence in Khartoum of the HC office and the UNDP-TFMU in charge of the AA role. Regular *ad hoc* meetings between the two main actors of the CHF have encouraged a common working mode. The division of responsibilities is agreed by the legal provisions of the MOU and the two entities have developed a common sense of commitment towards the programme. It is by sharing the information available to the AA and to the HC that the CHF in Sudan has developed a constructive working environment. Participating donors have made increasing commitments through signing new LoAs or amending existing ones which has enabled timely submission of fund balance forecasts.

Legal Network

Participating UN Organizations, which have signed a MOU with OCHA and UNDP regarding the operational aspects of the Sudan CHF, have agreed to support a coordinated approach to the delivery of humanitarian aid in Sudan within the framework of the WP. The same WP outlines the strategic and operational plan for the UN and partners assistance in Sudan in 2006, developed in consultation with Sudanese national, regional and local authorities. This agreement includes a common fund (CHF) as a pilot for the 2006 WP.

Participating UN Organizations have agreed that the projects and the operations of the CHF would be designed and carried out in accordance with the CHF's ToR, which constitute an integral part of the LoAs signed by donors and the AA under the overall oversight and coordination of the HC for Sudan.

In the first five months of the CHF the AA has successfully met its commitment to the fund by:

- receiving contributions from donors that have wished to provide financial resources to the projects through the CHF;
- administering funds received, in accordance with the MOU;
- subject to the availability of funds, disbursing funds to each of the participating UN Organizations in accordance with the CHF ToR and the decisions of the HC;
- maintaining a rapid response reserve in accordance with the CHF ToR and the decisions of the HC;
- providing adequate financial reporting.

In most cases the MOU amongst the participating UN Organizations, UNDP, and OCHA, regarding the operational aspects of the Sudan CHF was signed during the months of February and March 2006. However the United Nations Mine Action Service (UNMAS) did not sign until 9 May 2006, *de facto* making itself not eligible for funding until completion of this formal legal requirement.

The diagram below demonstrates the effective entry into force of the CHF.

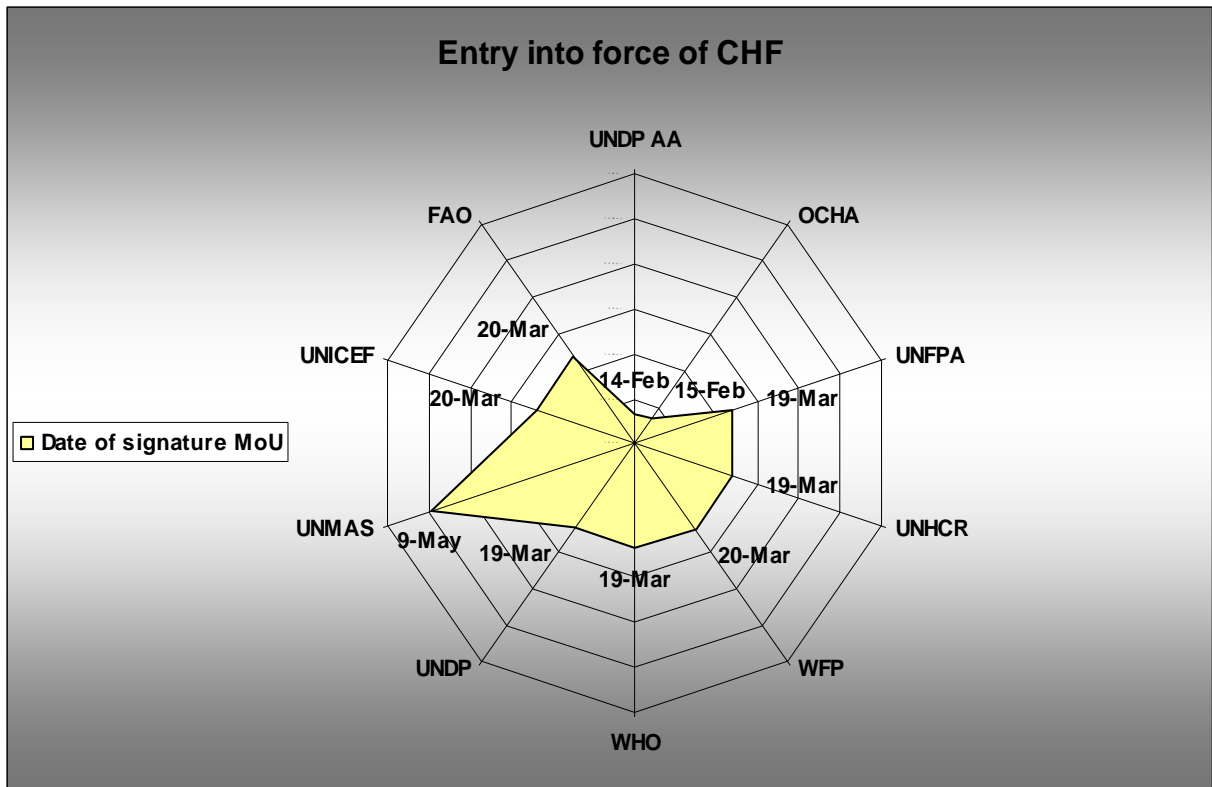


Figure 2: Entry into force of the CHF according to the date of signature of the MoU.

A number of donors have demonstrated great interest in the CHF by signing LoAs with UNDP/AA. The following diagram demonstrates the timing of financial commitment to the CHF.

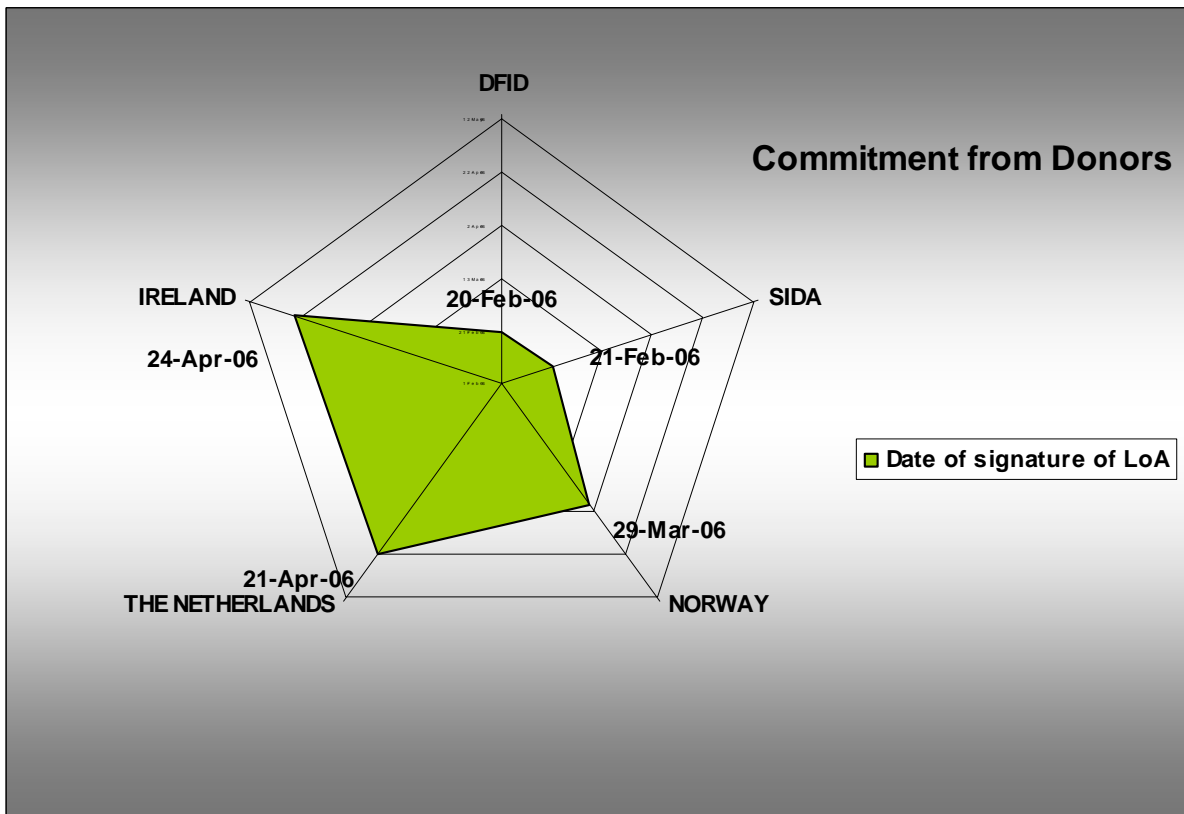


Figure 3: First commitment from donors to the CHF according to the date of signature of the LoAs.

Funding Flow

Income Management

The AA has established a sound financial system of its accounts in order to be able to record timely income from donors. During the month of February 2006, while the MOU was initiating its round of signatures between the participating UN Organizations, UNDP HQ had assisted the CO in Khartoum by adapting the Joint Programming (pass through) mechanism of similar interventions in other COs to the scope of the MOU for Sudan³.

The contribution of the donor community to the CHF has met largely the expectations of this particular humanitarian initiative. LoAs signed with the AA have been amended by the main supporters of the fund to grant additional resources to CHF.

The timely inflow of resources into the fund has made it possible for the AA to further disburse in accordance with the instruction notes of the HC office.

When making a contribution to the CHF, the donor would have normally notified the AA Treasury Operations of the amount transferred, the value date of the transaction and the origin of the transfer. However, in the first five months of implementation this information has not always reached the designated authority. The AA has substantially facilitated its Treasury Operations in HQ to identify the contributions from each donor. These regular communications between UNDP Treasury Operations, New York and AA, Khartoum have enabled exercises of income forecasting by the Sudan UNDP CO and have enhanced a strong working partnership within UNDP structures. Importantly, the AA has made available reliable data at the disposal of the HC office in Khartoum needed for its planning role.

The total amount of each donor contribution, its distribution and the increasing level of income generated to the fund, including overall positive exchange rate variations are hereby presented and updated at 31 July 2006⁴:

Donor	Actual Disbursement in favor of CHF
DFID	71.255.587,16
THE NETHERLANDS	32.050.000,00
SIDA	12.547.051,44
NORWAY	10.573.248,41
IRELAND	2.484.472,05
<i>exchange rate variation</i>	917.521,48
GRAND TOTAL	129.827.880,54

Table 5: Total amount of each donor contribution.

³ The ATLAS set up of the CHF for Sudan could be issued on request. It provides effective instructions of how to record the income into the fund and how to operate subsequent disbursements to participating UN Agencies and other partners of CHF.

⁴ According to Article II.2 of the MOU, “*The Administrative Agent will not absorb gains or losses on currency exchanges. Such amounts will increase or decrease the funds available for disbursements to Participating UN Organizations*”.

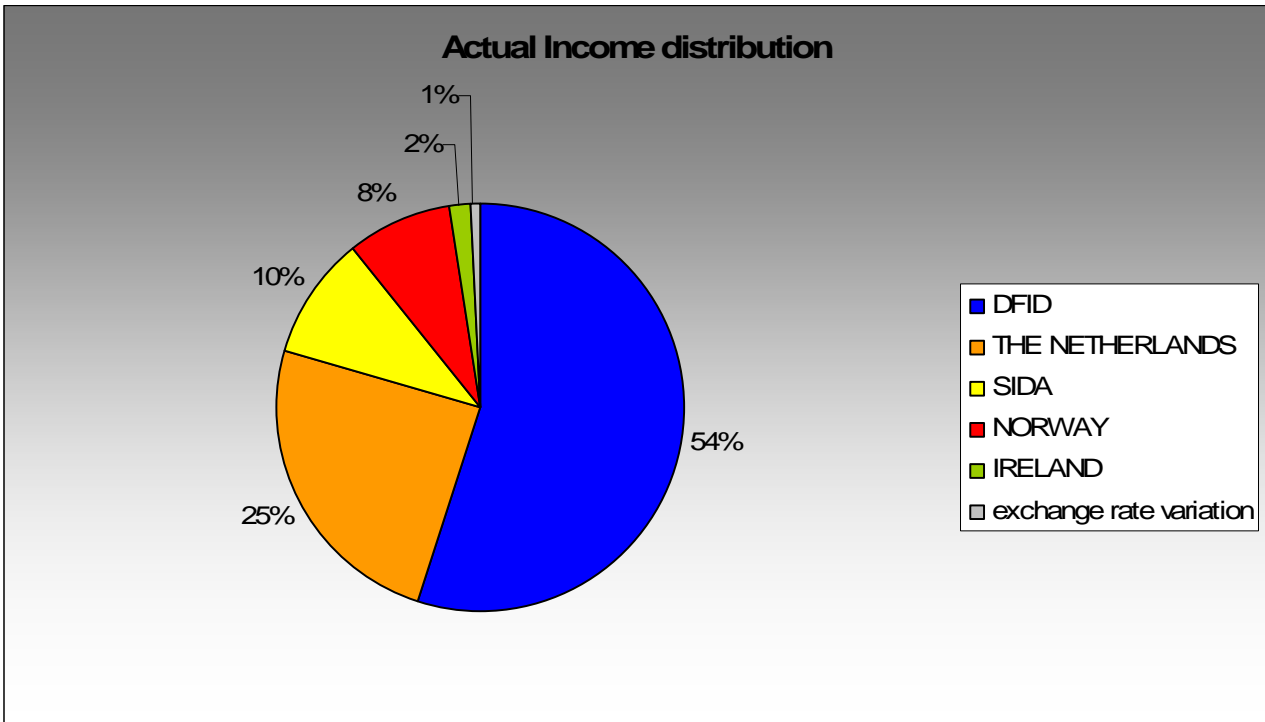


Chart 4: Current actual income distribution to the CHF by donor.

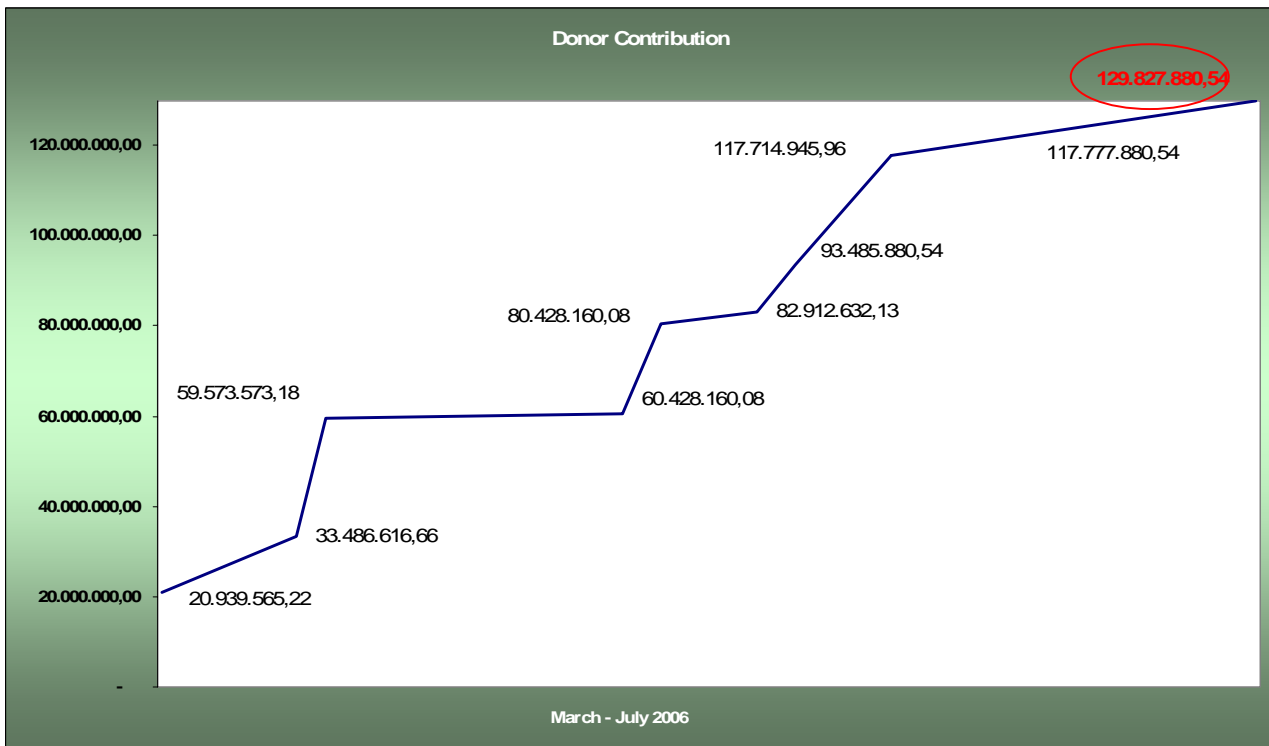


Chart 5: Increasing level of income into the CHF.

Disbursement Management

The ToR (legal basis of the MOU between the several actors of the CHF) established the following indicator to assess the performance of UNDP as AA in relation to its disbursement capacity:

- ✓ “(...) *The Administrative Agent will make payments to the respective participating UN Organizations within **three business days** of receipt of the appropriate documentation (...)*”.

At the beginning of its mandate for the CHF the UNDP/AA in Sudan developed a list of basic checks in order to comply with its commitment. This standardized checklist for disbursement has since served a double purpose. Firstly, it has enabled the AA to systematically verify the conditions to operate the transfer to a participating UN Organization. Secondly it has also included a “holding-break” to the timing countdown to execute the payment. Whenever the minimum requirements were not in place, the AA solved the issue by addressing formal communication to its sister agencies. In view of the system set up for the CHF, the AA has been able to release funds to participating UN Organizations in an average of **2 working days** per transaction, achieving the main principle of a rapid response financial mechanism.

The checklist operated by the AA for its disbursements is shown below.

		Responsible					
		H.C.			A.A.		
		Yes	No	N/A	Yes	No	N/A
1.1.	The MOU has been signed by the A.A. - OCHA - and relevant UN agency				x		
1.2.	Enough funds to operate the transfer are available under the SCHF Fund and Project				x		
1.3.	An Instruction from the HC office has been received	x			x		
1.4.	The Instruction from the HC office matches with the Allocation letters	x			x		
1.5.	A separate ledger account under its financial regulations and rules for the receipt and administration of the funds received has been established by the UN Agency				x		
1.6.	The relevant UN Agency has provided sufficient details to operate the transfer				x		

Figure 4: AA checklist for disbursements with minimum verifications.

Additional unplanned services have frequently been provided by the AA. In some circumstances sister UN agencies did not have adequate information of how the funds would be released to them. They were supposed to initiate the provision of transfer details and often did not. Further, the AA provided copies of the signed MOU to participating UN Organizations.

Two main codes of conduct have been agreed by UNDP and the HC office in relation of the management of the fee applicable for the AA financial management, and the allocation made for UNDP as participating UN Organization for IOM and NGOs:

1. despite the note that the eligibility of withdrawal of the 1% fee was *de facto* immediate after the record of the income⁵, the AA charged its fee only at the end of the executions of the first bulk of transfers related to the initial Allocation Plan.
2. UNDP acting for IOM and NGOs is not receiving the full allocated amount under the first instruction of disbursement from the HC office. The funds are transferred from the AA based on quarterly cash need forecasts.

The result of the above has created a high level of trust in UNDP capacity to play the dual role of AA and participating UN Organization, and the benefit to CHF could be summarized as:

- reduction of number of transactions to the fund due to the administrative fee;
- void of unnecessary unspent balance at the disposal of UNDP for IOM and NGOs;
- higher balance granted into the fund has enabled the HC office to respond at its discretion to immediate humanitarian need;
- reduction of risk of returning resources to the fund caused by the incomplete absorption of IOM and NGOs of the allocation plan.

Therefore the current disbursement status of the CHF updated at the 31 July 2006 is 100% disbursed to participating UN organizations against a revised allocation plan for **USD 90,233,806** and a 51%, equal to **USD 10,000,000** mobilized in favor of UNDP for IOM & NGOs, against a revised allocation plan for **USD 19,397,711**.

A certified Monthly Unofficial Statement of the CHF is annexed to this report. AA fee has so far been collected only for **USD 925,612.94**, against an entitlement of **USD 1,289,103.59**. UNDP for IOM and NGOs will apply a management fee of **3.7%** on the implemented activities. Thus in its programmatic responsibility UNDP will prudently hold the withdrawal of its entitlement up to the conclusion of the necessary financial controls and monitoring activities to launch with its UNDP partners.

⁵As per point 5 of the ToR of the MOU of the CHF: “ (...) *The Administrative Agent and the Participating UN Organization will be entitled to deduct their indirect costs on contributions received. The Administrative Agent’s administrative fee will be 1%. The fee will be deducted from the contributions to the CHF at the time they are deposited (...)*”.

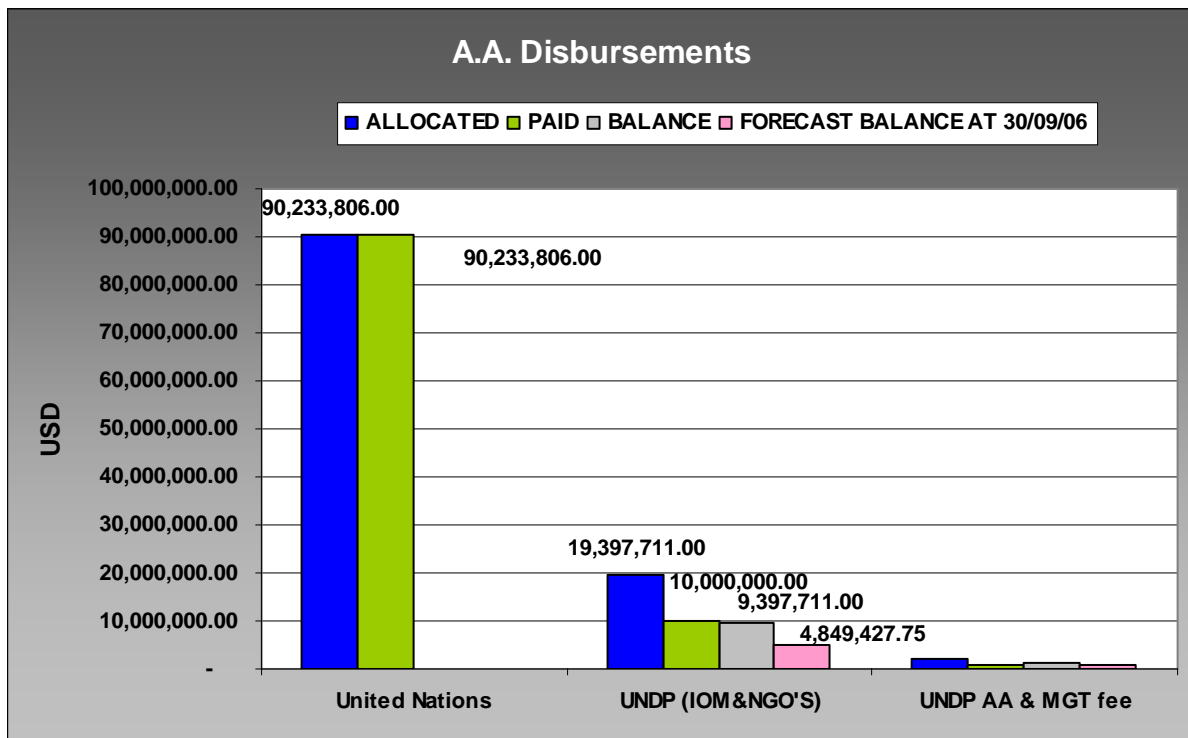


Chart 6: Updated Disbursement status of CHF at 31 July 2006.

Balance Management

The difference between the level of income received and disbursements executed during the reporting period allows analysis of the AA management of the balance of the CHF.

The lowest balance in the fund was registered on 18 May 2006 as **USD 3,340,574.60** with permanence of four days, when DFID operated a new transfer in CHF's favour.

The MOU of the fund requires the AA to limit its financial reporting to the monthly unofficial statements of contributions and commitments and disbursements related to the CHF Account. UNDP Sudan CO has enhanced the dialogue with the HC office with respect of improving forecasting. In order to efficiently influence the revision of allocation and timely submission of instruction notes of transfer likely to be executed, the AA is providing information of the actual and forecast balance of the fund on request.

The current forecast balance of the fund is based on the HC dialogue with the donor, shared with the AA. DFID is showing interest to further contribute to the CHF, and Luxembourg has exchanged written communications with the HC office regarding a possible initiative of funding.

During the months of June and July 2006 the projection of future disbursements and income operated by the AA has enabled the HC office to operate *ad hoc* allocations to participating UN Organizations. A renewed allocation plan will soon be launched by the HC office, based on the forecast of available CHF resources, equal to approximately **USD 35 Mio**, of which three million has been already committed and transferred to the World Food Programme (WFP).

The fund balance behaviour and the above described forecast balance exercise can be further seen by the two charts below.

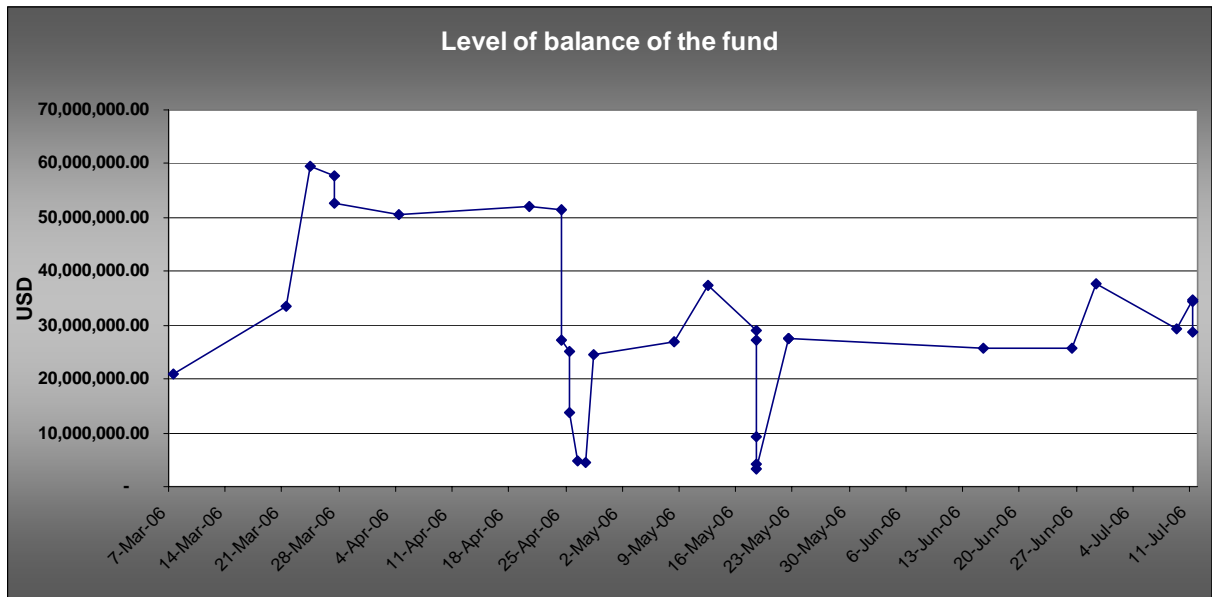


Chart 7: Level of balance of the fund from its first income up to date.

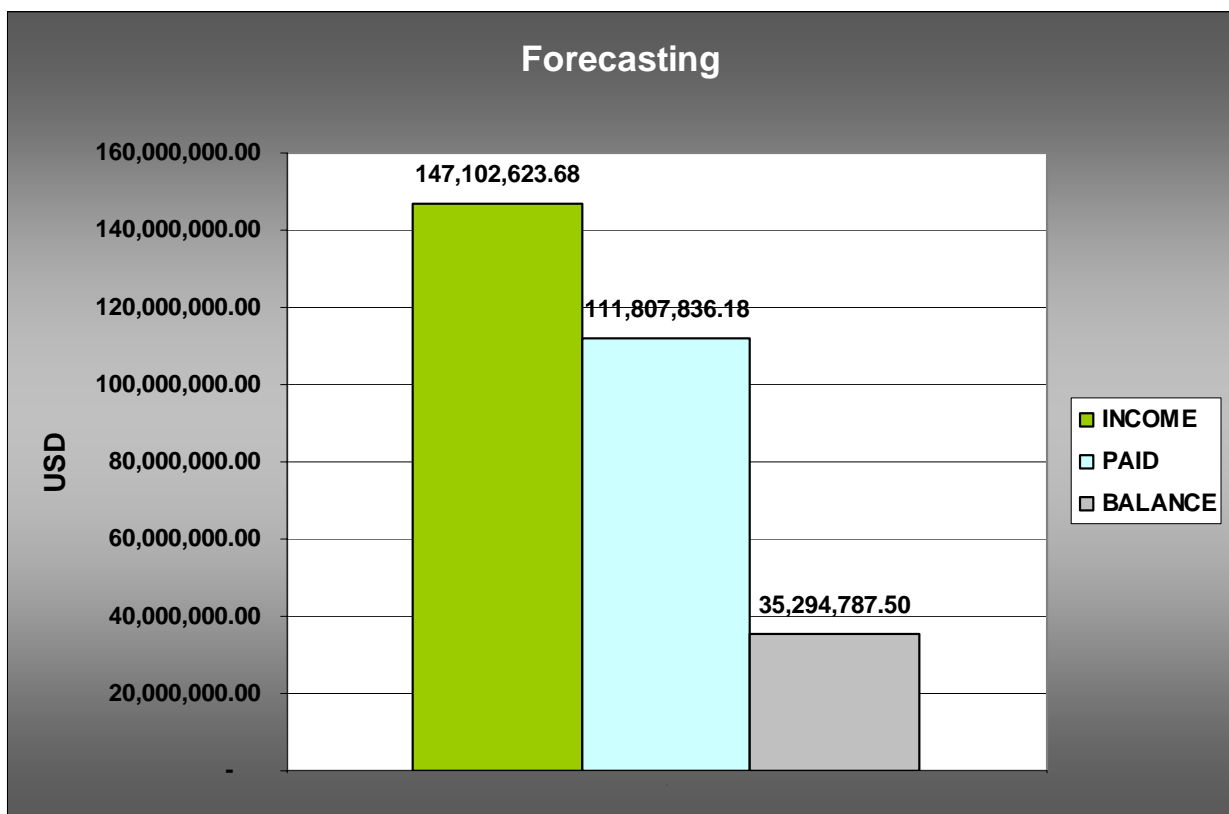


Chart 8: Forecasting balance exercise, AA June –July 2006.

III. CHALLENGES

The overall performance of UNDP/AA is considered solid. The pure financial nature of its mandate necessitates that the attention of the several actors of the CHF focuses on the financial indicators.

Additional challenges and opportunities are now presented to the UNDP Sudan CO, in order to strengthen further its commitment to the CHF initiative:

- Financial reports by sector and region;
- Analysis of the fund flow for the participating UN Organization by the necessary differentiation between allocations/commitments and payments;
- Verification of the delivery rate against pre-financing of projects;
- Eligibility of fee applicable to the actions vs. certified implementation.

A serious concern is the lack of provision of data by sister participating UN Organizations to the AA. According to the legal requirements of the MOU they should provide a monthly report including the status of portfolio implementation. It is not possible in this mid-term progress report to consolidate UN reports and present the delivery rate to the projects from the initial allocation plan of the HC office, because of the absence of this information.

A second area for which the AA will need to strengthen its role is by requesting to the HC office to issue a comprehensive renewed and updated allocation plan by sector, region and beneficiary.

With respect of UNDP in its role of participating UN Organization, an in depth data provision can be provided. A much more detailed progress report will be provided in the near future. In this mid-term report, it is not appropriate to provide programmatic analysis and assessment of the UNDP portfolio for IOM and the NGOs.

An overview of the current allocation, further structured with a presentation of the contracted and paid amount is summarized by the following tables and graphics as it stands at 31 July 2006.

CURRENT ALLOCATION PLAN BY SECTOR	ALLOCATED	CONTRACTED	PAID
Cross-sector support for return Educational and vocational training	6,446,650.00	5,768,650.00	5,267,400.00
Food security & livelihood recovery	1,345,355.00	1,335,355.00	117,090.00
Health	1,367,434.00	1,146,191.00	456,857.00
NFI's common services & coordination	2,043,411.00	2,043,411.00	628,429.58
Nutrition	2,034,786.00	2,034,786.00	1,400,000.00
Protection & human rights	1,007,066.00	1,007,066.00	143,782.00
Water & sanitation	664,999.00	544,999.00	25,590.00
GRAND TOTAL	4,488,010.00	4,308,010.00	186,727.91
	19,397,711.00	18,188,468.00	8,225,876.49

Table 6: Current implementation of the Allocation Plan UNDP for IOM and NGOs by Sector

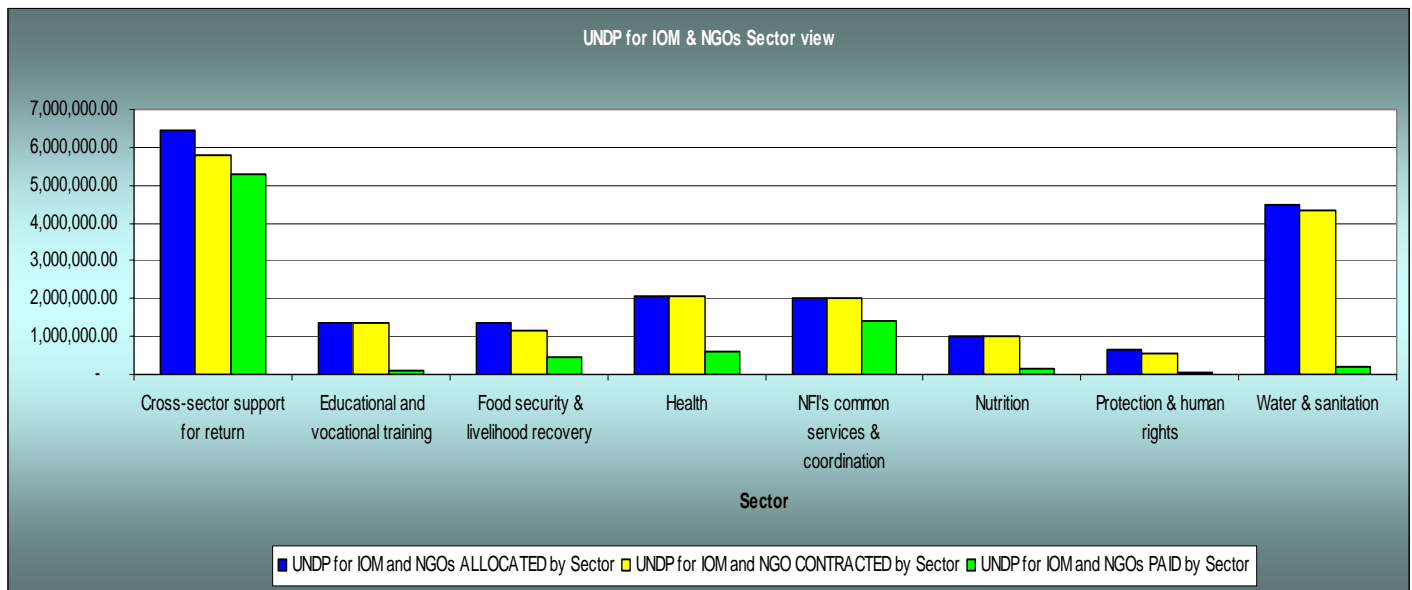


Chart 9: Current implementation of the Allocation Plan UNDP for IOM and NGOs by Sector

FIRST ALLOCATION PLAN BY REGION	ALLOCATED	CONTRACTED	PAID
Abyei	35,000.00	-	-
Blue Nile	45,000.00	45,000.00	-
Darfur	8,767,011.00	8,587,011.00	4,081,306.49
Eastern Sudan	110,000.00	110,000.00	-
Khartoum & Other Northern States	363,999.00	338,999.00	44,300.00
National Programmes	1,700,000.00	1,400,000.00	1,300,000.00
Southern Kordofan	3,968,584.00	3,677,341.00	2,317,105.00
Southern Sudan	4,408,117.00	4,030,117.00	483,165.00
GRAND TOTAL	19,397,711.00	18,188,468.00	8,225,876.49

Table 7: Current implementation of the Allocation Plan UNDP for IOM and NGOs by Region.

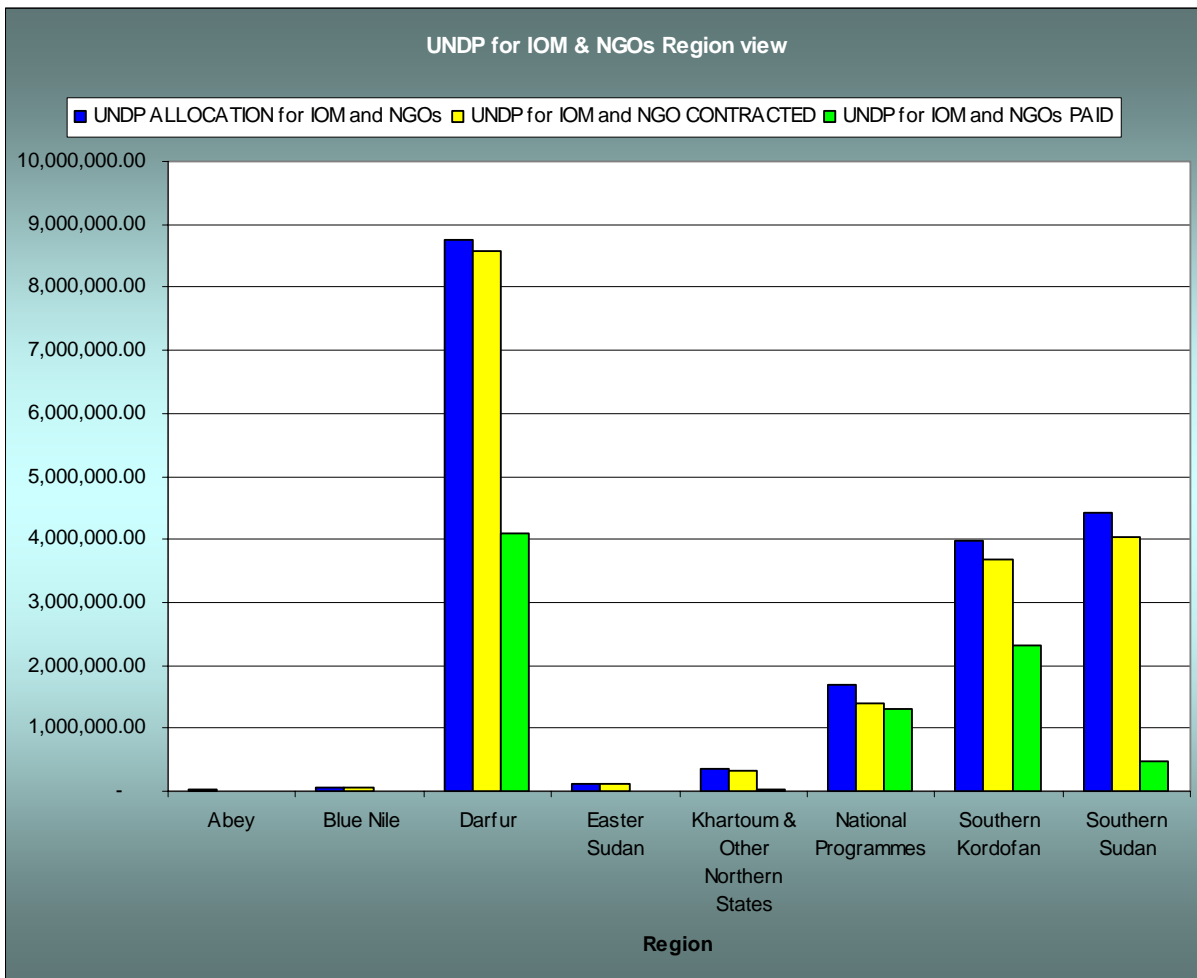


Chart 10: Current implementation of the Allocation Plan UNDP for IOM and NGOs by Region

IV. PARTNERSHIPS, PLANNED ACTIVITIES AND SUSTAINABILITY

Other UNDP COs are looking at the Sudan experience of Fund Management with interest. This is mostly because of its sound financial mechanism implemented for the CHF. Improved information sharing among UNDP COs in the region is positively influencing the exchange of views and the provision of practical solutions to a number of topics.

The strength of Fund Management so far demonstrated by UNDP Sudan has proven:

- The ability to coordinate in the country of intervention an effective *modus operandi* with donors and programming entities,
- The capacity of forecasting income, disbursements and balance level, for the need of the UNDP HQ and its dynamic cash requirement adjusted to the need of the fund.

The dialogue with the HC office in Khartoum has produced measurable results in the:

- Rapid transfers of funds to the participating UN Organizations, sole beneficiary of the AA action;
- Significant inputs to the programming activity of the HC office by the provisions of *ad hoc* forecast exercises.

Areas of work still ahead for the AA is in its definition of collector and consolidator of financial reporting of other participating UN Organizations. This has not yet been implemented as regular practice because of the non recognition of a programmatic role of UNDP/AA *vis a vis* the CHF. But in this respect further guidance by the HC office will be requested in order to comply with the legal provisions of the MOU, and to better serve the scope of the CHF.

Keeping the level of efficiency and exhausting in full the mandate of the AA within the time frame of future revision of the allocation plan is in the scope, plan and capacity of the AA of the UNDP Sudan CO.

The sustainability of the AA role is shown below:

- Communication capacity between the HC and UNDP at CO level;
- Financial forecast management capacity of the AA;
- Level of personnel involved at UNDP CO for the action.

Concerning the last point a cost efficient achievement has been realised by the CO during this first five months of implementation. A reduction of personnel dedicated to the coordination has resulted with no effect to the efficiency of the AA. This is shown in the table below.

	February	March	April-May	June	July
Coordination	2	1	1.5	1	0.5
Programme Support Unit	0.5	0.5	0.5	0	0
Finance	0	1	0.5	0.5	0.5
TOTAL	2.5	2.5	2.5	1.5	1

Table 8: AA staff involved in the CHF.

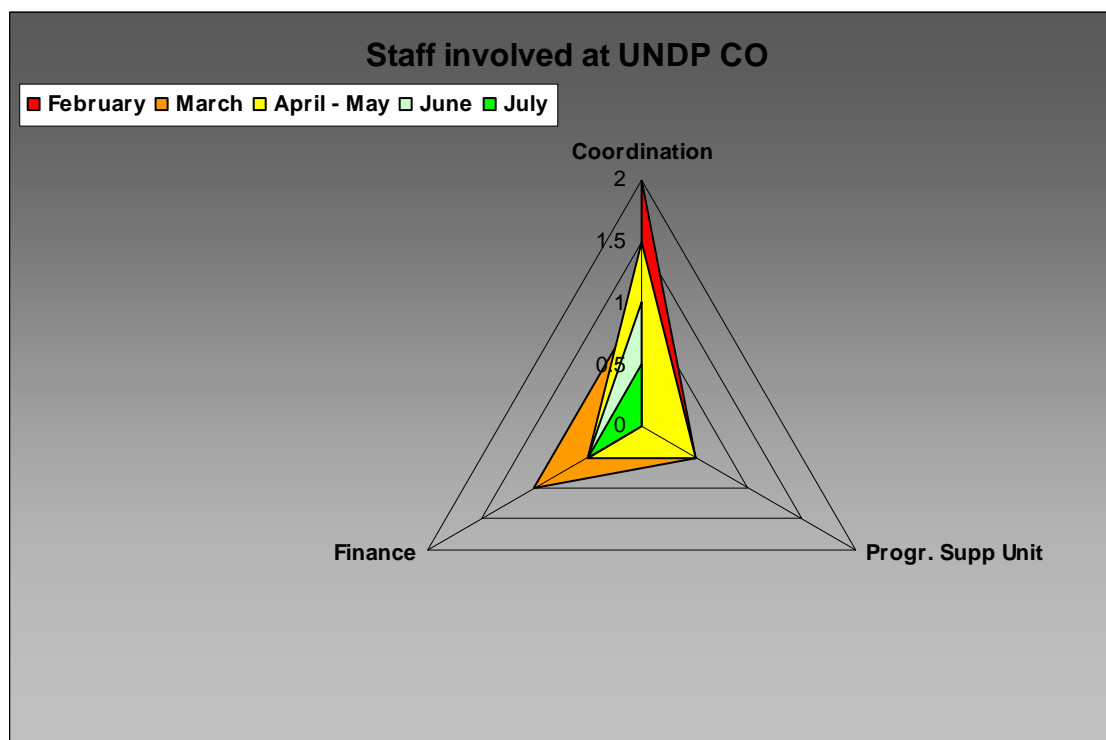


Figure 5: AA staff involved in the CHF mid-term review

ACRONYMS

AG	Advisory Group
CHF	Common Humanitarian Fund
CO	Country Office
DFID	Department for International Development
FAO	Food Aid Organization
HC	Humanitarian Coordinator
HQ	Head Quarter
IOM	International Organization for Migration
LoA	Letter of Agreement
M&E	Monitoring & Evaluation
MoU	Memorandum of Understanding
NGO	Non Governmental Organization
ORCHC	Office Resident Coordinator Humanitarian Coordination
SCA	Standard Cooperation Agreement
SIDA	Swedish International Development Cooperation Agency
TFMU	Trust Fund Management Unit
ToR	Term of Reference
UNAIDS	The Joint United Nations Programme on HIV/AIDS
UNCT	United Nations Country Team
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security

ANNEXES

- **Monthly Unofficial Statement of Account July 2006.**