

**FUND OF THE  
UNITED NATIONS ENVIRONMENT PROGRAMME**

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**FINANCIAL REPORT**  
**and**  
**AUDITED FINANCIAL STATEMENTS**  
**for the biennium ended 31 December 1985**  
**and**  
**REPORT OF THE BOARD OF AUDITORS**

**GENERAL ASSEMBLY**

OFFICIAL RECORDS: FORTY-FIRST SESSION

SUPPLEMENT No. 5F (A/41/5/Add.6)



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**UNITED NATIONS**

New York, 1986

#### **NOTE**

**Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.**

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LETTERS OF TRANSMITTAL

31 March 1986

Sir,

Pursuant to regulation 11.4 of the Financial Regulations of the United Nations, as amended by General Assembly resolution 3192 (XXVIII) of 18 December 1973, and rule 213.3 of the Financial Rules of the United Nations Environment Programme, I have the honour to transmit the financial report and accounts of the United Nations Environment Programme for the biennium 1984-1985 ended 31 December 1985, which I hereby certify as correct.

Copies of this financial report and accounts are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

Accept, sir, the assurances of my highest consideration.

(Signed) Rudolf SCHMIDT  
Assistant Executive Director  
Office of the Environment Fund  
and Administration

The Chairman of the Board of Auditors  
United Nations  
New York, N.Y. 10017  
United States of America

30 June 1986

Sir,

I have the honour to transmit to you the financial statements of the United Nations Environment Programme for the biennium 1984-1985 ended 31 December 1985, which were submitted by the Executive Director. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(Signed) R. T. NELSON  
Auditor General of Ghana  
and Chairman of the  
United Nations Board of Auditors

The President of the General Assembly  
of the United Nations  
New York, N.Y.

I. FINANCIAL REPORT FOR THE BIENNIUM 1984-1985 ENDED  
31 DECEMBER 1985

Introduction

1. The Assistant Executive Director, Office of the Environment Fund and Administration, has the honour to submit herewith the financial report together with the accounts of the United Nations Environment Programme (UNEP) for the biennium 1984-1985 ended 31 December 1985. The accounts consist of 11 statements supported by six schedules, as well as the notes to the financial statements. These accounts were transmitted to the Board of Auditors on 31 March 1986 in accordance with financial regulation 11.4.
2. The interim accounts for the first year of the biennium 1984-1985 were presented to the Governing Council at its thirteenth session (UNEP/GC.13/L.3). The Board of Auditors conducted an interim audit of these accounts and did not report to the Advisory Committee on Administrative and Budgetary Questions any situation which should be brought to the attention of Member States. 1/
3. Comparative figures for the biennium 1982-1983 have been reflected in the financial statements.
4. The following paragraphs highlight the financial developments and positions and draw attention to significant items reflected in the statements and schedules. These financial statements and schedules, as well as the notes thereon, are to be considered an integral part of the financial report.

Levels of appropriations, allocations/allotments,  
expenditures and commitments

5. The Governing Council of UNEP, in its decision 11/10, paragraph 15, of 23 May 1983, approved a level of appropriation for Fund programme activities in 1984-1985 of \$70,000,000 and a level of the Fund programme reserve of \$2,000,000 for the biennium 1984-1985. By decision 11/12 B, paragraph 4 (a), of 23 May 1983, the Governing Council also approved an appropriation of \$26,020,000 for the programme and programme support costs budget. By decision 13/75, paragraph 3, of 23 May 1985, the Governing Council revised this appropriation to \$22,811,000.
6. The total appropriations, allocations/allotments and expenditures for the biennium 1984-1985 are as follows:

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1/ Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 31 (A/9631 and Corr.2), p. 136, item 73, subpara. (h).



<u>Appropriations</u>	<u>Allocations/ allotments issued</u>	<u>Expenditures</u>	<u>Unexpended appropriations</u>	<u>Unobligated allocations/ allotments</u>
-----------------------	---	---------------------	--------------------------------------	--

(United States dollars)

Fund programme activities	70 000 000	52 500 000	39 487 870	30 512 130	13 012 130
Fund programme reserve	2 060 700	1 000 000	947 621	1 052 379	52 379
Programme and programme support costs	22 811 000	22 303 800	20 278 223	2 532 777	2 025 577
	<u>94 811 000</u>	<u>75 803 800</u>	<u>60 713 714</u>	<u>34 097 286</u>	<u>15 090 086</u>

7. The balance of commitments for Fund programme and Fund programme reserve activities, as at 31 December 1985, amounts to \$19,712,358, which consists of \$4,597,127 as unexpended balance of commitments for 1985 and \$15,115,231 for future years.

8. The above sum of \$19,712,358 constitutes contingent liabilities on the resources of the Fund within the levels approved by the Governing Council.

#### Regular budget of the United Nations

9. The total revised appropriations for the biennium 1984-1985 from the regular budget of the United Nations to meet the costs of the secretariat established under General Assembly resolution 2997 (XXVII) of 15 December 1972, as approved by the Assembly in its resolution 40/239 of 18 December 1985, were \$10,015,000. Total expenditure incurred for the biennium 1984-1985 was \$9,992,134, consisting of disbursements of \$9,662,244 and unliquidated obligations of \$329,890.

#### Construction of the United Nations accommodation at Nairobi

10. By its resolution 32/208 of 21 December 1977, the General Assembly approved, in principle, the construction of permanent headquarters facilities for UNEP and accommodation for the other United Nations offices at Nairobi. As a consequence of its decision to locate the newly established United Nations Centre for Human Settlements (Habitat) at Nairobi, the Assembly approved, by its resolution 34/233 of 20 December 1979, section XI, the construction of an additional accommodation for the Centre to be added to the basic project.

11. By its resolution 35/222 of 17 December 1980, the General Assembly approved the proposals of the Executive Director of UNEP for a more economical alternative for the United Nations accommodation at Nairobi, including "the two major conference rooms as envisaged in the original project, as approved by the General Assembly in 1977, and the necessary adjustment of catering, library and documentation facilities". Furthermore, the Assembly in section IX of its

resolution 36/235 of 18 December 1981, approved the revised construction project at Nairobi, and approved a total appropriation of \$27,078,200.

12. By its resolution 37/237 of 21 December 1982, section IX, the General Assembly approved the construction of one additional office block and one visitors' and tours' pavilion, as well as the purchase of additional furniture and equipment within the total appropriation that it had approved in its resolution 36/235.

13. By its resolution 39/236 of 18 December 1984, section XIV, the General Assembly approved an expenditure of \$415,000 from within the existing resources for complimentary additional equipment and external works, thus allowing the complex to function efficiently.

14. All works envisaged in the tender documents, plus one additional office block, were completed on time, and the United Nations Office at Nairobi was officially inaugurated on 24 May 1984. Additional works required from the contractor extended the contract period for a further four months; these works were completed by 30 September 1984. The defects liability period for the original work expired on 6 May 1985 and for the additional works it expired on 25 October 1985.

15. Out of the \$27,078,200 appropriated for the construction of the United Nations accommodation at Nairobi, there remained an estimated unencumbered balance of \$401,200 as at 31 July 1985. At its fortieth session, the General Assembly approved, by its resolution 40/252 of 18 December 1985, the proposal by the Secretary-General to use this balance for certain extra non-recurrent capital expenditure related to the project. It is anticipated that all of the outstanding items of work will be completed before the end of 1986 and that any resources still available will be passed on to United Nations Headquarters to be reported as miscellaneous income under income section 2.

16. The offices of the United Nations bodies housed at Gigiri, namely, the global headquarters of UNEP and the United Nations Centre for Human Settlements (Habitat), the regional offices of the United Nations Children's Fund (UNICEF), the International Civil Aviation Organization (ICAO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) are all fully operational. The conference facilities at the new premises were used by the Governing Council of UNEP for its twelfth and thirteenth sessions and proved to be of a high technical standard.

#### Financial statements

##### Statement I. Environment Fund: statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985

17. The total income for the biennium 1984-1985 amounted to \$61,448,423 and the total expenditure to \$60,713,714, leaving an excess of income over expenditure of \$734,709 as at 31 December 1985.

18. The expenditures for the Fund programme and Fund programme reserve activities and programme and programme support costs for the years 1973 to 1985 are as follows:

<u>Year</u>	<u>Fund programme and Fund programme reserve activities</u>	<u>Programme and programme support costs</u>
-------------	---	--

(United States dollars)

1973	3 264 485	926 985
1974	4 015 676	2 550 095
1975	13 146 540	5 083 009
1976	15 596 098	5 404 167
1977	21 666 410	6 070 770
1978	22 902 469	6 953 728
1979	27 036 306	8 236 721
1980	26 830 093	9 467 382
1981	23 206 960	9 565 603
1982	22 145 795	9 411 787
1983	24 871 811	9 457 538
1984	16 903 581	10 181 238
1985	23 531 910	10 096 985*

\* Including \$989,093 as unliquidated obligations.

19. The following is the summary of expenditures expressed by object code for the Fund programme and Fund programme reserve activities for the biennium 1984-1985 ended 31 December 1985.

<u>Object of expenditure</u>	<u>Disbursement</u>	<u>Unliquidated obligations</u>	<u>Total</u>
	(United States dollars)		
Project personnel (excluding consultants)	8 423 517	156 582	8 580 099
Consultants	4 035 746	589 742	4 625 488
Administrative support personnel	3 623 153	55 015	3 678 168
Travel	1 709 973	71 598	1 781 571
Sub-contracts	4 288 827	840 545	5 129 372
Fellowships	375 915	-	375 915
Group training and meetings	6 510 839	390 283	6 901 122
Expendable equipment	734 756	225 788	960 544
Non-expendable equipment	1 206 655	858 121	2 064 776
Rental of premises	438 443	2 897	441 340
Operation and maintenance of equipment	735 013	29 856	764 869
Reporting costs	1 953 128	327 486	2 280 614
Sundry	1 256 489	37 831	1 294 320
UNEP participation costs (external projects)	1 409 088	148 205	1 557 293
<b>Total</b>	<u>36 701 542</u>	<u>3 733 949</u>	<u>40 435 491</u>

Statement II. Environment Fund: statement of assets, liabilities and Fund balance as at 31 December 1985

20. As at 31 December 1985, the Environment Fund had a balance of \$21,338,542 after setting aside \$1,030,000 for the financial reserve. In accordance with Governing Council decision 12/19, paragraph 7, the financial reserve was increased from \$6.32 million of the previous biennium to \$7.35 million at the end of the biennium 1984-1985.

Write-off of losses of cash and receivables

21. In accordance with financial rule 110.14, and after a full investigation, the writing off of seven balances, amounting to \$1,499.61, was approved by the Assistant Secretary-General, Office of Financial Services, for the biennium 1984-1985. In each case, it was determined in the light of the facts known at the time that (a) the responsibility for the loss could not be fixed and attached to any official of UNEP; (b) every effort had been made to collect the amount; and (c) further collection efforts would be fruitless.

Write-off of losses of property

22. During the biennium 1984-1985, property losses amounting to \$1,081.77 were written off in accordance with financial rule 110.15. These write-offs brought the balance of property shown by the records into conformity with the actual quantities of non-expendable property as at 31 December 1985.

Statement III. UNEP general trust funds: combined statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985 and combined statement of assets and liabilities as at 31 December 1985

23. During the biennium 1984-1985, UNEP was responsible for nine general trust funds, namely:

- (a) Trust Fund for the Protection of the Mediterranean Sea against Pollution;
- (b) Regional Trust Fund for the Protection and Development of the Marine Environment and Coastal Areas of Bahrain, Islamic Republic of Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates;
- (c) Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- (d) Trust Fund for Regional Training Workshops on Environmental Management;
- (e) Regional Trust Fund for the Implementation of the Action Plan for the Protection and Development of the Marine Environment and Coastal Areas of the East Asian Seas;
- (f) Regional Trust Fund for the Implementation of the Action Plan for the Caribbean Environment Programme;
- (g) Trust Fund for the Protection and Development of the Marine Environment and the Coastal Areas of the West and Central African Region;

(h) Interim Special Account for the establishment of the Special Commission on the Environment Prespective to the year 2000 and Beyond;

(i) Environment Conservation Stamp Trust Fund.

Statement IV.1. UNEP technical co-operation trust funds; combined statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985 and combined statement of assets and liabilities as at 31 December 1985

24. UNEP is now administering four technical co-operation trust funds, namely:

(a) Trust Fund for the Provision of Short-term Experts to Developing Countries. During the biennium 1984-1985, a total of \$50,796 had been paid into the trust fund from a single contribution made by the Federal Republic of Germany;

(b) Trust Fund for an Integrated Pilot Project on Environmental Management and Protection of Andean Ecosystems (Cajamarca/Peru). The Government of the Federal Republic of Germany has undertaken to finance this trust fund at a cost of DM 3 million. As at 31 December 1985, DM 1,500,000 (equivalent to \$496,374) had been paid into this trust fund, leaving a balance of DM 1,500,000 (equivalent to \$600,000) to be contributed during the years 1986 and 1987;

(c) Trust Fund to Promote Technical Co-operation and Assistance in Industrial, Environmental and Raw Material Management. A total of \$19,353 had been paid into the trust fund by the end of 1985 from a single contribution made by the Swedish International Development Authority (SIDA);

(d) Trust Fund to Support the Clearing House Mechanism through Provision of Consultants to Developing Countries on Strategies for Dealing with Serious Environment Problems. A total of \$75,000 had been paid into the Trust Fund by the end of 1985 from a single contribution made by the Government of Norway.

All of the above four trust funds were established during the biennium 1984-1985.

Statement IV.2. Other trust funds; UNEP Junior Professional Officers Programme financed by the Governments of Denmark, Federal Republic of Germany, Japan and Norway; combined statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985 and combined statement of assets and liabilities as at 31 December 1985

25. Based on the agreements with the Danish International Development Agency and the Governments of the Federal Republic of Germany, Japan and Norway, junior professional officers were appointed by UNEP to duties in compliance with these agreements. At the end of the biennium, there were five such junior professional officers, two from Denmark, two from the Federal Republic of Germany and one from Japan. The period of appointment of the junior professional officer from Norway had expired and no officer from Norway is, at present, working with UNEP.

26. During the biennium 1984-1985, the Danish International Development Agency and the Governments of the Federal Republic of Germany and Japan have deposited with UNEP \$144,105, \$123,232, and \$46,800, respectively, in an interest bearing bank account to meet the expenses connected with the assignment of junio professional officers.

Statement IV.3. Other trust funds: international prizes in the field of the environment: statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985 and statement of assets and liabilities as at 31 December 1985

27. By decision 10/27 of 31 May 1982, paragraph 14, the Governing Council of UNEP approved the establishment of a trust fund for the purpose of financing a new international environment prize. A donation by the Japan Shipbuilding Industry Foundation provided an initial endowment of \$US 1 million to this "Sasakawa Environment Prize" Trust Fund. The value of the prize or prizes awarded in any year may not exceed 70 per cent of the interest income of the trust fund in the previous 12 months. Another donation in the amount of \$5,000 was received from the Government of Kuwait. A prize of \$50,000 was awarded in 1984 and two prizes of \$25,000 each were awarded in 1985.

Statement V.1. Special Account for Programme Support Costs: statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985 and statement of assets and liabilities as at 31 December 1985

28. Thirteen per cent of the total expenditures of the general trust funds and technical co-operation trust funds and 12 per cent of the total expenditures of the UNEP Junior Professional Officers Programme were charged to cover overhead costs to the organization.

29. Total income for the biennium 1984-1985 amounted to \$1,191,053, and expenditures amounted to \$920,990, resulting in an excess of income over expenditure of \$270,063.

Statement V.2. Special Account for the Plan of Action to Combat Desertification: statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985 and statement of assets and liabilities as at 31 December 1985

30. This special account was established under General Assembly resolution 34/184 of 18 December 1979. During the biennium 1984-1985, contributions of \$10,000, \$10,000 and \$5,000 were pledged by the Governments of Chile, Greece and Senegal, respectively. No commitment of expenditure has so far been made from this special account.

Statement VI.1. Counterpart contributions: statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985 and statement of assets and liabilities as at 31 December 1985

31. To deal with serious environmental problems in developing countries, the Governing Council, by its decision 10/26 of 31 May 1982, paragraph 4, called upon Governments to make available further resources in addition to those already being provided to the Environment Programme in accordance with established procedures.

32. As a result, during the biennium 1984-1985, pledged contributions of \$3,163,543 were received and interest and other income amounted to \$157,139 earned. Total expenditure amounted to \$1,576,747, which left an excess of income over expenditure of \$1,743,935.

Statement VI.2. Non-convertible currency counterpart contribution to the Mediterranean Trust Fund; statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985 and statement of assets and liabilities as at 31 December 1985

33. During the second Meeting of the Contracting Parties to the Convention for the Protection of the Mediterranean Sea against Pollution (Cannes, 2-7 March 1981), the Government of Greece pledged to make counterpart contributions as an additional resource to finance the implementation of the Mediterranean Action Plan adopted at the Barcelona meeting of February 1975. During the biennium 1984-1985, a contribution equivalent to \$US 800,000 was paid by the Government of Greece.

Statement VII. Revolving Fund (information); statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985 and statement of assets and liabilities as at 31 December 1985

34. Income for the biennium 1984-1985 ended 31 December 1985 amounted to \$55,720, and expenditures amounted to \$43,197, leaving an excess of income over expenditure of \$12,523 as at 31 December 1985.

## II. REPORT OF THE BOARD OF AUDITORS

### Introduction

1. As required by General Assembly resolution 74 (I) of 7 December 1946 and article XIV of the Financial Rules of the United Nations Environment Programme (UNEP), the Board of Auditors has audited the accounts of the Fund of UNEP for the biennium ended 31 December 1985.
2. The examination was conducted in accordance with article XII of the Financial Regulations of the United Nations and the annex thereto and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. The examination was conducted at UNEP headquarters at Nairobi.
3. During the biennium under review, the Board of Auditors continued its practice of reporting the results of specific audits and issuing management letters containing detailed audit observations to the Administration. This practice has helped the Board to maintain a continuing dialogue with the Administration.
4. The following are the most significant matters arising from our audit examination during the biennium. We have discussed these matters with the Administration, whose responses are incorporated where appropriate.

### Summary of findings

5. Our analysis of expenditures revealed charges against the Environment Fund for the salary of a staff member holding a post under section 28 of the United Nations regular budget. Similarly, an official in the Environment Fund was given a post under section 18 of the regular budget. In addition, we observed that, since the appropriation for furniture and equipment in the Environment Fund had already been exceeded, the acquisition cost of a facsimile machine was taken up in the accounts as a deferred charge.
6. We also observed that accounts for 22 projects have remained open even after the lapse of from two to five years following the technical completion of the projects. Our review of the financial statements and schedules for the various funds disclosed that bond investments with a book value of \$1,005,000 were reported as part of the cash at bank account balance rather than as investments. We also noted errors in the combined statements of income and expenditures for the general trust funds as well as the other trust funds.

### Budgetary control

#### Inter-fund and inter-period transfer

7. Our review of the accounts of the Environment Fund disclosed expenditures charged against the Fund for the salary of a staff member holding a post under section 28 of the United Nations regular budget. The salary costs amounting to \$29,501 were for the period from June to December 1985. Subsequently, on 3 December 1985, the expenditure was transferred to the deferred charge account



and is so reported in the statement of assets and liabilities of the Environment Fund. On 21 February 1986, the amount was finally taken up under section 28 as an expenditure of the 1986-1987 financial period.

8. Had the amount been properly charged against section 28 of the regular budget, then UNEP would have reported an over-expenditure of \$17,817.92 under this section for the 1984-1985 biennium rather than an unencumbered balance of \$11,683.22. We recommended that supervisory controls should be strengthened in order to ensure that expenditures are charged against the correct fund. The Administration informed us that, because of an earlier cut-off date for the regular budget accounts, the 1984-1985 accounts have already been closed and the correction could no longer be made. The necessary adjustments, however, have since been made by the Administration.

9. We also observed that the Deputy Director of the Environment Management Service, an Environment Fund position, was given a post under section 18 of the regular budget. Since 1 November 1985, the salary of the official has been charged against the regular budget.

10. We recommended that authority should be sought for the re-employment of the official if his services are in fact required under the regular budget; otherwise, the salary should be charged against the Environment Fund. The Administration informed us that the use of the post under the regular budget was a temporary measure and that, henceforth, charges would be made against the Environment Fund.

#### Office equipment taken up as deferred charge

11. Our review also disclosed that the acquisition of a facsimile machine for \$26,400 was taken up in the accounts of the Environment Fund as a deferred charge rather than as an expenditure. Further verification revealed that the 1984-1985 appropriation for the acquisition of furniture and equipment had already been exceeded.

12. We recommended, and the Administration agreed, that a correcting journal voucher should be raised to transfer the amount from deferred charges to the appropriate expenditure object. We also questioned the propriety of the acquisition when no appropriation was available for the purpose. The Administration subsequently informed us that the correction had been made, as recommended.

#### Staffing tables

13. We noted that the allotment advices issued by the Budget Unit for extrabudgetary resources do not include the staffing table authorization. The staffing table, which shows the distribution of authorized established and temporary posts by programme, category and level, sets the staffing limits and provides a tool for determining whether limits have been observed. The usefulness of the staffing table is recognized and required in the budget manual of UNEP.

14. We recommended, and the Administration agreed, that these tables should be included in future allotment advice releases.

### Closure of project accounts

15. According to an internal procedure adopted by the Environment Fund, project accounts should be closed after the lapse of two years following the technical completion of a project even if certain required reports were not received. Presumably, this procedure was adopted in order to eliminate the costs associated with the maintenance and reporting of project accounts when it appeared that regular and periodic reminders to supporting organizations and co-operating agencies were not likely to produce positive results.

16. Our review of the budget line reports disclosed 22 projects whose accounts remained open even after the lapse of from two to five years following completion. We recommended, and the Administration agreed, that the relevant project accounts should be closed.

### Unliquidated obligations

17. During our interim audits, we brought to the attention of the Administration the high incidence of obligations arising from transactions relating to procurement, experts and consultants, and travel that had been outstanding for more than a year and that were no longer valid. Our examination revealed that these balances should have been cancelled, either because the authorized travel was never undertaken or because the amount represented an excess of provisions over actual expenditures. We recommended at the time that a thorough and regular review should be made of these balances, particularly at year-end.

18. Our follow-up review during the final audit disclosed that the over- and under-liquidations had been adjusted and invalid obligations had been cancelled. To improve further the control over obligations, the Administration introduced a computer-generated aging schedule of outstanding obligations.

## Financial reporting

### Investments

19. Our examination of the investment pool balances disclosed that bonds due to mature on 15 May 1989, with a book value of \$1,005,000, were reported on the statement of assets and liabilities of the International Prizes in the Field of the Environment Trust Fund (statement IV.3) and in the related schedule as part of the cash at bank account balance. Since the accounting policy of both the United Nations and UNEP is clear on the composition of the cash account and the United Nations policy is to classify security holdings such as bonds as investments, we recommended that the affected financial statement and schedule should be revised accordingly, and the Administration has subsequently revised them.

### Combined statement for general trust funds

20. Our review of the combined statement of income and expenditures for the UNEP general trust funds disclosed that for three expenditure accounts for the Environment Conservation Stamp Trust Fund the amounts reported differed from the corresponding amounts generated by the summary report by object of expenditure. Further verification disclosed that the errors were committed during the combination process.

21. We recommended that appropriate reviews should be made of the combined statements prior to their finalization in order to ensure correctness of the statement classifications. On the basis of our observation, the Administration reviewed the 1984-1985 computerized expenditure summaries, confirmed the observation, and revised the financial statement.

22. We also observed that the deferred charge balance for the fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) included an amount for \$18,815 that was carried over from the first year of the biennium. Under existing practice, this amount should have been transferred to the appropriate expenditure account in 1985 when the covering allocations became available.

23. We recommended, and the Administration agreed, that an adjustment should be made to the affected accounts. The Administration subsequently informed us that the adjustment had been made.

#### Notes to the financial statements

24. Note 5 (b) to the financial statements (see annex) stated that the deferred charges shown in statement III in the amount of \$21,648 represented contributions received by United Nations Headquarters, but not credited to the UNEP accounts by inter-office voucher as at 31 December 1985. The nature of the asset as described in the note clearly indicated that the asset was a receivable rather than a deferred charge. The above note was also inconsistent with financial note 1 (j) to the financial statements, which defined the nature of deferred charges.

25. We recommended, and the Administration agreed, that the amount should be reclassified and the note should be corrected.

#### Funds for UNEP Junior Professional Officers Programme

26. In the combined statement of income and expenditures for the junior professional officers trust funds, we observed an account for salaries for established posts. Since the Junior Professional Officers Programme funds do not specifically provide for established posts but only for staff and other personnel costs, that account should not even be on the statement.

27. We recommended that the nature of the charges should be verified and properly presented. The Administration informed us that the amount represents staff and other personnel costs and has been reclassified accordingly.

#### Statement presentation

28. Our review of the receivables from non-staff accounts disclosed that an account with a credit balance of \$260,984.81 was netted against the total of the accounts with debit balances.

29. Because of the materiality of the amount involved, we recommended, and the Administration agreed, that for purposes of financial statement presentation the credit balance should be separately shown as a payable account.

Write-off of losses of cash, receivables and property

30. The Administration informed us that, during the 1984-1985 biennium, cash and receivables in the amount of \$1,499.61 and property losses amounting to \$1,081.17 were written off in accordance with financial rule 110.15.

Comments on matters dealt with in the report  
of the biennium 1982-1983

31. The matters contained in our 1982-1983 report 1/ have either been dealt with to our satisfaction or have been mentioned again in this report.

Acknowledgement

32. The Board of Auditors wishes to express its appreciation for the co-operation and assistance extended by the Executive Director, his officers and their staff.

(Signed) R. T. NELSON  
Auditor General of Ghana

(Signed) A. DEFOY  
Senior President of the Court  
of Accounts of Belgium

(Signed) Teofisto T. GUINGONA, Jr.  
Chairman, Commission on Audit,  
the Philippines

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1/ Official Records of the General Assembly, Thirty-ninth Session,  
Supplement No. 5F (A/39/5/Add.6), sect. II.

### III. AUDIT OPINION

We have examined the following appended financial statements, numbered I to VII, properly identified, and relevant schedules of the Fund of the United Nations Environment Programme for the financial period ended 31 December 1985. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. As a result of our examination, we are of the opinion that the financial statements present fairly the financial position as at the end of the period and the results of its operations for the period then ended. The financial statements were prepared in accordance with the stated accounting principles, which were applied on a basis consistent with that of the preceding financial period, and the transactions were in accordance with the Financial Regulations and legislative authority.

(Signed) R. T. NELSON  
Auditor General of Ghana

(Signed) A. DEFOY  
Senior President of the Court  
of Accounts of Belgium

(Signed) Teofisto T. GUINGONA, Jr.  
Chairman, Commission on Audit,  
the Philippines

IV. OBSERVATIONS OF THE EXECUTIVE DIRECTOR OF UNEP ON THE  
COMMENTS AND RECOMMENDATIONS OF THE BOARD OF AUDITORS

Introduction:

1. The report of the Board of Auditors is reproduced in section II above. The observations of the Executive Director on the points raised by the Auditors are given below. For convenience of reference, the paragraph numbers of the report of the Board of Auditors are shown alongside the headings of the Executive Director's observations.

Budgetary Control (audit, para. 5 and paras. 7-18)

2. The continuing concern of the Administration for strict budgetary control has resulted over the years in a considerable level of effectiveness in the existing system of monitoring, reporting and evaluating budgetary performances. In fact, UNEP has never exceeded the total budget allocations as approved. In this context and with reference to the specific points raised by the Auditors, the following comments are made.

Inter-fund and inter-period transfer (audit, paras. 7-10)

3. As correctly indicated in the audit comments, the Administration has made the necessary adjustments and corrections based on specific recommendations.

Office equipment taken up as deferred charge (audit, paras. 11 and 12)

4. The costs for the acquisition of a facsimile machine, which were originally taken up as an item under deferred charges in the accounts, were properly reclassified and transferred to the appropriate expenditure budget line.

Staffing tables (audit, paras. 13-14)

5. The staffing table authorizations will in future be included in the release of allotment advices as recommended by the Auditors.

Closure of project accounts (audit, para. 6 and paras. 15 and 16)

6. As indicated by the Auditors, the internal procedure for the closure of project accounts after the lapse of two years following the technical completion will be strictly followed by the Administration. The projects referred to in the audit report, the accounts for which had remained open beyond the two-year period, have been or are being closed.

Unliquidated obligations (audit, paras. 17 and 18)

7. The validity of unliquidated obligations is regularly and thoroughly reviewed in line with established procedures and policy guidelines. Meanwhile the Administration has introduced a computer-generated aging control system for outstanding obligations that facilitates the identification of expired and invalid obligations in the accounts.

Financial reporting (audit, para. 6 and paras. 19-28)

8. The inter-agency harmonization of financial reporting, including classification of accounts, continues to be implemented by the Administration of UNEP. This involves titles, consolidation of statements and schedules, contents and sequence of presentation of data and information. In this context and with reference to the specific points raised by the Auditors, the following comments are made.

Investments (audit, para. 19)

9. The correct classification of bonds under the title of investments has been reflected in the financial statements and schedules as at 31 December 1985.

Combined statement for general trust funds (audit, paras. 20-23)

10. As indicated by the Auditors, the revisions, corrections and reclassifications have been carried out in accordance with their recommendations. Furthermore, a deferred charge balance carried forward from the first year of the biennium was transferred to the appropriate expenditure account.

Notes to the financial statements (audit, paras. 24 and 25)

11. The Administration has taken note of the audit observation and the cases of reclassifications and corrections have been resolved.

Funds for UNEP Junior Professional Officers Programme (audit, paras. 26 and 27)

12. The comments of the Auditors refer to the combination of account codes for established posts and staff and other personnel costs, and the Administration agreed to incorporate the change in the financial statements and schedules as at 31 December 1985.

Acknowledgement

13. The Administration wishes to express its appreciation for the constructive co-operation extended by the Auditors in the course of their work.

V. ACCOUNTS FOR THE BIENNIUM 1984-1985 ENDED 31 DECEMBER 1985



## STATEMENT I

## ENVIRONMENT FUND

Statement of income and expenditure for the biennium  
1984-1985 ended 31 December 1985

(United States dollars)

<u>Income</u>	<u>1984/1985</u>	<u>1982/1983</u>
Contributions from Governments (schedule 1.1)	57 856 437	58 323 725
Public donations	2 972	626
Interest income	3 590 026	5 150 256
Rental income	21 331	51 480
Miscellaneous income	99 467	506 026
Gain/loss on exchange	(121 710)	(1 092 695)
Total income	<u>61 448 423</u>	<u>62 939 418</u>
 <u>Expenditure</u>		
Fund programme activities (schedule 1.2)	39 487 870	46 381 479
Fund programme reserve activities (schedule 1.2)	947 621	636 127
Programme and programme support costs (schedule 1.3)	20 278 223	18 869 325
Total expenditure	<u>60 713 714</u>	<u>65 886 931</u>
Excess of income over expenditure (statement II)	<u>734 709</u>	<u>(2 947 513)</u>

CERTIFIED CORRECT

(Signed) Rudolf SCHMIDT

Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1986

SCHEDULE 1.1

ENVIRONMENT FUND

Status of contributions as at 31 December 1985

(United States dollars)

Countries	Unpaid pledges as at 1 January 1984	Adjustments to prior years' pledges	Pledges and adjustments for 1984 and 1985	Pledges for future years	Collections during 1983 for 1984 a/	Collections during 1984 and 1985	Unpaid pledges for 1985 and prior years	Unpaid pledges for future years
Algeria	550	-	22 000	11 000	-	22 550	-	11 000
Argentina	-	4 136	-	-	-	4 136	-	-
Australia	-	-	707 085	-	-	707 085	-	-
Austria	-	-	600 000	300 000	-	600 000	-	300 000
Bahamas	-	-	1 000	-	-	1 000	-	-
Bangladesh	-	2 012	10 011	2 541	-	10 023	2 000	2 541
Barbados	-	-	2 000	-	-	2 000	-	-
Belgium	70 884	131 549	380 198	-	-	373 807	208 824	-
Benin	4 000	(286)	2 000	-	-	5 714	-	-
Botswana	-	-	1 463	-	-	1 463	-	-
Brazil	40 000	-	40 000	20 000	-	60 000	20 000	20 000
Burundi	-	-	-	877	-	-	-	877
Bulgaria	-	-	20 304*	-	-	20 304	-	-
Byelorussian Soviet Republic	-	-	31 004*	-	-	31 004	-	-
Cameroon	5 448	2 385	11 680	15 666	-	11 680	7 833	13 666
Canada	865 000	-	1 751 900	1 007 000	-	2 616 900	-	1 007 000
Central African Republic	-	90	-	-	-	90	-	-
Chile	-	-	10 000	-	-	10 000	-	-
China	-	-	161 477	78 370	-	161 477	-	78 370
Colombia	-	-	70 244	35 000	-	61 250	8 994	35 000
Congo	-	-	7 370	-	-	7 370	-	-
Costa Rica	-	29	72	-	-	101	-	-
Cyprus	-	-	4 000	-	-	4 000	-	-
Czechoslovakia	-	-	50 089*	26 067	-	50 089	-	26 067
Democratic Yemen	1 602	36	3 804	2 200	-	3 840	1 602	2 200
Denmark	-	-	680 934	-	-	680 934	-	-
Ecuador	-	-	10 000	5 000	-	-	10 000	5 000
Egypt	24 085	-	54 346	29 750	-	73 021	5 410	29 750
Finland	-	-	1 200 000	642 857	-	1 200 000	-	642 857
France	-	82 834	1 426 974	849 673	-	1 509 808	-	849 673

SCHEDULE 1.1 (continued)

<u>Countries</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Adjustments to prior years' pledges</u>	<u>Pledges and adjustments for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections during 1983 for 1984 a/</u>	<u>Collections during 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
Gabon	-	-	6 000	-	-	6 000	-	-
German Democratic Republic	-	-	252 723	150 000	-	252 723	-	150 000
Germany, Federal Republic of	-	-	3 014 244	1 920 000	-	3 014 244	-	1 920 000
Greece	-	14 000	7 000	-	-	21 000	-	-
Guinea	-	-	2 000	-	-	-	2 000	-
Hungary	-	-	42 580	24 742	-	42 580	-	24 742
Iceland	-	-	9 000	4 500	-	9 000	-	4 500
India	48 794	-	200 000	-	-	148 215	100 579	-
Indonesia	-	-	24 000	12 000	-	12 000	12 000	12 000
Iran (Islamic Republic of)	55 647	-	-	-	-	55 647	-	-
Ireland	-	-	38 856	-	-	38 856	-	-
Italy	321 838	(39 406)	529 303	279 883	-	811 735	-	279 883
Ivory Coast (Côte d'Ivoire)	-	4 211	-	-	-	4 211	-	-
Jamaica	-	-	7 490	-	-	-	7 490	-
Japan	-	-	8 000 000	-	-	8 000 000	-	-
Jordan	-	-	15 000	-	-	15 000	-	-
Kenya	11 283	-	90 000	60 060	-	64 040	37 243	60 060
Kuwait	-	-	400 000	-	-	400 000	-	-
Lao People's Democratic Republic	-	-	8 027	2 000	-	8 027	-	2 000
Lesotho	-	586	388	-	-	974	-	-
Luxembourg	-	-	10 418	6 038	-	10 418	-	6 038
Malawi	-	1 338	4 195	3 216	-	5 533	-	3 216
Malaysia	-	-	30 000	100 000	-	30 000	-	100 000
Malta	-	-	2 887	-	-	2 887	-	-
Mexico	-	-	39 790	10 500	-	39 790	-	10 500
Mongolia	-	-	1 671	833	-	1 671	-	833
Morocco	-	41 108	-	-	-	41 108	-	-
Nepal	-	-	2 000	-	-	1 000	1 000	-
Netherlands	-	-	983 181	591 072	-	983 181	-	591 072
New Zealand	-	-	118 821	-	-	118 821	-	-

SCHEDULE 1.1 (continued)

<u>Countries</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Adjustments to prior years' pledges</u>	<u>Pledges and adjustments for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections during 1983 for 1984 a/</u>	<u>Collections during 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
Nigeria	8 388	32 000	32 000	-	-	60 677	11 711	-
Norway	-	-	1 509 148	904 459	-	1 509 148	-	904 459
Oman	-	-	25 000	10 000	-	25 000	-	10 000
Pakistan	5 000	-	9 984	5 000	-	14 984	-	5 000
Panama	-	-	7 500	4 000	2 000	6 000	-	3 500
Papua New Guinea	-	-	13 000	26 000	-	12 445	555	26 000
Peru	35 000	-	-	-	-	-	35 000	-
Philippines	7 186	-	2 348	10 000	-	9 534	-	10 000
Poland	-	-	45 054*	-	-	45 054	-	-
Portugal	-	3 000	6 000	-	-	9 000	-	-
Rwanda	-	-	-	1 000	-	-	-	1 000
Qatar	-	-	10 000	-	-	10 000	-	-
Republic of Korea	10 000	-	-	-	-	10 000	-	-
Saudi Arabia	500 000	-	1 000 000	-	-	1 500 000	-	-
Senegal	-	-	-	2 000	-	-	-	2 000
Seychelles	-	-	200	-	-	200	-	-
Singapore	-	-	2 000	-	-	2 000	-	-
Somalia	575	66	538**	269	-	844	335	269
Spain	-	-	528 862	327 160	-	528 862	-	327 160
Sri Lanka	-	-	6 000	-	-	6 000	-	-
Sudan	3 000	-	22 211**	-	-	3 000	22 211	-
Swaziland	-	471	1 019	766	-	1 073	417	766
Sweden	-	-	3 903 921	2 122 917	-	3 903 921	-	2 122 917
Switzerland	-	-	867 180	1 121 495	-	867 180	-	1 121 495
Syrian Arab Republic	-	1 007	27 384	-	-	13 728	14 663	-
Thailand	-	-	20 000	10 000	-	30 000	-	-
Togo	484	437	-	-	-	921	-	-
Trinidad and Tobago	5 000	-	-	5 025	-	5 000	-	5 025
Tunisia	-	-	15 180	-	-	15 160	-	-
Turkey	6 000	-	12 000	9 000	-	12 000	6 000	9 000

SCHEDULE 1.1 (concluded)

<u>Countries</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Adjustments to prior years' pledges</u>	<u>Pledges and adjustments for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections during 1983 for 1984 a/</u>	<u>Collections during 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
Uganda	2 557	-	2 000	-	-	2 206	2 351	-
Ukrainian Soviet Socialist Republic	-	-	78 021*	-	-	78 021	-	-
Union of Soviet Socialist Republics	-	-	6 392 408*	-	-	6 392 408	-	-
United Kingdom of Great Britain and Northern Ireland	-	-	1 978 125	-	-	1 978 125	-	-
United States of America	-	(12 812)	19 849 876	-	-	18 912 126	924 938	-
United Republic of Tanzania	3 288	(900)	-	-	-	-	2 388	-
Venezuela	-	-	257 333	-	-	257 333	-	-
Yugoslavia	-	8 640	34 590*	51 724	-	43 230	-	51 724
Zaire	9 506	14 638	75 000	-	-	-	99 144	-
Zambia	8 400	-	13 875	-	-	22 275	-	-
Zimbabwe	-	-	9 151	-	-	9 151	-	-
<b>Total</b>	<b>2 053 515</b>	<b>291 169</b>	<b>57 856 437</b>	<b>10 801 680</b>	<b>2 000</b>	<b>58 664 933</b>	<b>1 544 688</b>	<b>10 791 180</b>

\* Non-convertible currencies.

\*\* Converted at December 1985 United Nations rate of exchange for current year pledges only.

a/ Amounts reported in 1983, shown here for information purposes only.

SCHEDULE 1.2

ENVIRONMENT FUND

Summary of appropriations, allocations issued, expenditures incurred and unexpended balance of appropriations and unobligated balance of allocations for Fund programme and Fund programme reserve activities for the biennium 1984-1985 ended 31 December 1985

(United States dollars)

	Appropriations 1984-1985	Allocations issued 1984-1985	Unallocated appropriations	Expenditures incurred during 1984/1985				Unexpended balance of appropriations	Unobligated balance of allocations
				Disbursements		Unliquidated obligations	Total		
				1984	1985				
<b>I. Fund programme activities</b>									
Environment and development	8 050 000	6 037 000	2 013 000	1 941 783	1 846 145	427 030	4 214 958	3 835 042	1 822 042
Environmental awareness	12 000 000	9 000 000	3 000 000	2 973 669	3 010 481	928 147	6 912 297	5 087 703	2 087 703
Partwatch	8 500 000	6 375 000	2 125 000	2 099 344	2 933 108	566 582	5 500 034	2 900 966	775 966
Oceans	7 400 000	5 550 000	1 850 000	2 153 055	2 568 157	455 176	5 176 388	2 223 612	323 612
Water	3 000 000	2 250 000	750 000	270 571	1 268 462	126 805	1 665 838	1 334 162	584 162
Terrestrial ecosystems	10 800 000	8 100 000	2 700 000	1 319 172	2 273 841	332 656	3 925 669	6 874 331	4 174 331
Arid and semi-arid lands, ecosystems and desertification control	6 700 000	5 025 000	1 675 000	1 899 446	2 002 410	368 569	4 270 425	2 429 575	754 575
Health and human settlements	7 150 000	5 363 000	1 787 000	1 924 832	2 378 090	118 286	4 421 208	2 728 792	941 792
The arms race and the environment	400 000	300 000	100 000	117 158	113 790	-	230 948	169 052	69 052
Regional and technical co-operation	6 000 000	4 500 000	1 500 000	1 689 488	1 305 395	276 222	3 071 105	2 828 895	1 428 895
<b>Total Fund programme activities</b>	<b>70 000 000</b>	<b>52 500 000</b>	<b>17 500 000</b>	<b>16 388 518</b>	<b>19 499 879</b>	<b>3 599 473</b>	<b>39 487 870</b>	<b>30 512 130</b>	<b>13 012 130</b>
<b>II. Total Fund programme reserve activities</b>									
<b>TOTAL a/</b>	<b>72 000 000</b>	<b>53 500 000</b>	<b>18 500 000</b>	<b>16 903 581</b>	<b>19 797 961</b>	<b>3 733 949</b>	<b>40 435 491</b>	<b>31 564 509</b>	<b>13 064 509</b>

a/ Per UNPP Governing Council decision 11/10, para. 15.

SCHEDULE 1.3

ENVIRONMENT FUND

Summary of appropriations, allotments issued, expenditures incurred and unexpended balance of appropriations and unobligated balance of allotments for Fund programme and programme support costs for the biennium 1984-1985 ended 31 December 1985

(United States dollars)

	Appropriations 1984-1985	Allocations issued 1984-1985	Unallocated appropriations	Expenditures incurred 1984/1985				Unexpended balance of appropriations	Unobligated balance of allocations
				Disbursements		Unliquidated obligations	Total		
				1984	1985				
Established posts	9 362 900	9 109 900	253 000	4 212 808	4 308 025	31 820	8 552 653	810 247	557 247
General temporary assistance	337 800	336 400	1 400	117 608	181 926	4 406	303 940	33 860	32 460
Consultants (including travel)	862 800	858 800	4 000	227 990	371 445	169 431	768 866	93 934	89 934
Overtime and night differential	145 800	100 828	44 972	43 730	49 349	2 851	95 930	49 870	4 898
<u>Ad Hoc</u> expert groups	478 000	446 000	32 000	21 035	70 102	13 896	105 033	372 967	340 967
Language training	70 400	69 300	1 100	51 586	12 048	-	63 634	6 766	5 666
Staff and other personnel costs	4 416 100	4 290 300	125 800	1 861 583	2 132 598	197 985	4 192 166	223 934	98 134
Travel	1 423 400	1 400 000	23 400	536 064	621 287	97 287	1 254 638	168 762	145 302
Contractual services	155 900	155 900	-	65 073	47 776	1 969	114 818	41 082	41 082
General operating expenses	3 321 800	3 313 872	7 928	1 053 219	1 585 079	189 926	2 828 224	493 576	485 648
Supplies and materials	732 500	724 800	7 700	230 346	191 597	110 469	532 412	200 088	192 388
Acquisition of furniture and equipment	385 600	385 600	300	120 019	200 378	71 741	392 138	(6 238)	(6 538)
New premises, including additions	10 400	4 800	5 600	-	-	4 164	4 164	6 236	636
Fellowships, grants and contributions	120 700	120 700	-	49 283	34 339	-	83 622	37 078	37 078
Contributions to joint administrative activities within the United Nations	986 600	986 600	-	387 101	411 551	187 333	985 985	615	615
	<u>22 811 000</u>	<u>22 303 800</u>	<u>507 200</u>	<u>8 977 445</u>	<u>10 217 500</u>	<u>1 083 278</u>	<u>20 278 223</u>	<u>2 532 777</u>	<u>2 025 577</u>

## STATEMENT II

## ENVIRONMENT FUND

Statement of assets, liabilities and Fund balance as at  
31 December 1985

(United States dollars)

<u>Assets</u>	<u>1985</u>	<u>1983</u>
Cash at banks		
Convertible currency (schedule 2.1)	23 578 998	21 641 744
Non-convertible currency	7 784 169	7 385 467
Advances to co-operating agencies and supporting organizations	3 220 956	4 925 883
Pledged contributions receivable from Governments (schedule 1.1)	12 335 868	22 533 862
Accrued interest receivable	170 388	171 426
Accounts receivable	276 984	337 111
Deferred charges (note 5)	1 048 869	2 377 193
Due from United Nations funds and inter-fund accounts (note 6) 2 910 071	785 877	
	<hr/>	<hr/>
Total assets	51 326 303	60 378 563
	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities</u>		
Accounts payable (note 4)	702 487	2 701 180
Advances by co-operating agencies and supporting organizations	6 156 003	5 331 583
Unliquidated obligations (schedules 1.2 and 1.3)	4 817 227	3 955 060
Financial reserve	7 350 000	6 320 000
Deferred contributions (schedule 1.1)	10 801 680	20 482 347
Due to United Nations funds and inter-fund accounts (note 7)	160 364	773 121
	<hr/>	<hr/>
Total liabilities	29 987 761	39 563 291
	<hr/> <hr/>	<hr/> <hr/>
<u>Fund balance</u>		
Balance available 1 January	20 815 272	24 567 851
<u>Add:</u> Savings effected in liquidation of prior years' obligations 666 049	819 016	
Adjustment to prior years' income	152 512	295 918
Excess of income over expenditure (statement 1)	734 709	(2 947 513)
<u>Less:</u> Transfer to financial reserve	1 030 000	1 920 000
	<hr/>	<hr/>
Balance available 31 December	21 338 542	20 815 272
	<hr/>	<hr/>
Total liabilities and Fund balance	51 326 303	60 378 563
	<hr/> <hr/>	<hr/> <hr/>

CERTIFIED CORRECT

(Signed) Rudolf SCHMIDT  
Assistant Executive Director  
Office of the Environment Fund and Administration

Nairobi, 31 March 1986



ENVIRONMENT FUND

Convertible cash, bank deposits and investments as at 31 December 1985

Book value  
(United States dollars)

Environment Fund (statement II)

Cash at banks			938 998.09
Morgan Guaranty Trust	Interest bearing fund	7.5000% call account	1 140 000.00
First National Bank Chicago	Grand Cayman	8.0000% due 2 Jan 1986	5 000 000.00
First National Bank Chicago	Grand Cayman	8.0625% due 3 Jan 1986	4 000 000.00
State Bank of India	Interest bearing fund	8.2500% due 3 Jan 1986	500 000.00
Bank Bapoalis	Grand Cayman	8.0000% due 8 Jan 1986	1 000 000.00
First American Bank	Nassau	8.0625% due 21 Jan 1986	1 500 000.00
State Bank of India	Nassau	8.0000% due 21 Jan 1986	1 000 000.00
Banco di Napoli	Interest bearing fund	8.2200% due 3 Feb 1986	1 000 000.00
Banco di Napoli	Interest bearing fund	8.3125% due 7 Feb 1986	4 000 000.00
Bank Bapoalis	Grand Cayman	8.0000% due 13 Feb 1986	1 000 000.00
Bayerische Bank	Grand Cayman	8.0625% due 27 Feb 1986	2 500 000.00
			<u>23 578 998.09</u>

UNEP general and technical co-operation trust funds, international prize fund and Special Account for the Plan of Action to Combat Desertification (statements III, IV.1, IV.3 and V.2)

Cash at banks			489 832.25
Saudi International Bank	Grand Cayman	7.8750% due 3 Jan 1986	65 000.00
Saudi International Bank	Grand Cayman	8.3750% due 17 Jan 1986	500 000.00
Bayerische Bank	Grand Cayman	8.0000% due 31 Jan 1986	1 000 000.00
Bayerische Bank	Grand Cayman	7.8750% due 7 Feb 1986	500 000.00
J. H. Schroder	Grand Cayman	8.1875% due 7 Feb 1986	500 000.00
Bayerische Bank	Grand Cayman	8.1875% due 21 Feb 1986	1 000 000.00
Bayerische Bank	Grand Cayman	8.5000% due 7 Mar 1986	500 000.00
National Bank of Pakistan	Interest bearing fund	8.1875% due 21 Mar 1986	1 000 000.00
J. H. Schroder	Grand Cayman	8.0000% due 11 Apr 1986	500 000.00
Bank of Tokyo Tr.	Nassau	7.6875% due 25 Apr 1986	500 000.00
Daiwa Bank and Tr.	Grand Cayman	7.6875% due 25 Apr 1986	500 000.00
Bank of Japan, long-term credit	London	8.7625% due 23 May 1986	500 000.00
Société générale de banque	Grand Cayman	8.0000% due 23 May 1986	500 000.00
Bank Bapoalis	Grand Cayman	8.1875% due 6 Jun 1986	1 000 000.00
Bank of China	Grand Cayman	7.8125% due 20 Jun 1986	500 000.00
Société générale de banque	Grand Cayman	8.0625% due 5 Sep 1986	1 000 000.00
J. H. Schroder	Grand Cayman	8.2500% due 19 Sep 1986	1 000 000.00
Chubu El.-Daiwa Sec	Nagoya	11.1250% due 15 May 1989	1 005 000.00 a/
			<u>12 559 832.25 b/</u>

SCHEDULE 2.1 (concluded)

% value  
(United States dollars)

UNEP Junior Professional Officers Programme (statement IV.2)

Cash at bank			89 106.01
Morgan Guaranty Trust	Interest bearing fund	7.5000% call account	100 000.00
			189 106.01

UNEP Government Counterpart Contributions Special Account (statement VI.1)

Cash at banks			27 084.85
Morgan Guaranty Trust	Interest bearing fund	7.5000% call account	210 000.00
Saudi International Bank	Grand Cayman	7.8750% due 3 Jan 1986	110 000.00
			347 084.85

UNEP Special Account for Programme Support Costs (statement V.1)

Cash at banks			2 803.28
Morgan Guaranty Trust	Interest bearing fund	7.5000% call account	150 000.00
Saudi International Bank	Grand Cayman	7.8760% due 3 Jan 1986	325 000.00
Mitsui Bank	Tokyo	8.0000% due 17 Jan 1986	100 000.00
J. H. Schroder	Grand Cayman	8.2500% due 21 Feb 1986	125 000.00
Chemical Bank	London	7.5625% due 21 Mar 1986	200 000.00
			902 803.28

a/ Investment in bonds.

b/ General trust funds (statement III)			10 674 011.64
Technical co-operation trust funds (statement IV.1)			612 036.94
International Prizes in the field of the Environment Trust Fund (statement IV.3)			1 082 793.89
Special Account for the Plan of Action to Combat Desertification (statement V.2)			190 989.58
Total			12 559 832.25

## STATEMENT III

## UNEP GENERAL TRUST FUNDS

I. Combined statement of income and expenditure for the biennium 1984-1985, ended 31 December 1985

(United States Dollars)

	Mediterranean Trust Fund	Kuwait Action Plan	CITES	Regional Workshop Trust Fund	East Asian Seas	Caribbean Trust Fund	West and Central African Region	Environment Conservation Stamp	Special commission for year 2000	Total	
										1984/85	1982/83
<b>Income</b>											
Income from pledged contributions (schedule 3.1)	5 980 259	-	1 361 647	-	181 600	1 323 234	-	624 897 a/	8 928 b/	9 480 565	10 729 619
Interest income	1 399 998	195 311	89 693	13 014	19 109	253 545	48 218	48 621	1 549	2 069 058	1 437 922
Miscellaneous income	-	-	17 957	-	-	-	-	-	-	17 957	268
<b>Total income</b>	<b>7 380 257</b>	<b>195 311</b>	<b>1 469 297</b>	<b>13 014</b>	<b>200 709</b>	<b>1 576 779</b>	<b>48 218</b>	<b>673 518</b>	<b>10 477</b>	<b>11 567 580</b>	<b>12 167 809</b>
<b>Expenditure</b>											
Staff and other personnel costs	1 645 342	235 164	615 871	10 438	7 397	37 111	-	240 213	-	2 791 536	3 161 959
Consultants	309 977	89 446	66 173	1 548	1 013	275 083	7 000	32 569	8 488	791 297	-
Travel	216 833	62 456	50 572	-	4 750	5 213	-	12 332	770	352 926	328 925
Contractual services	1 297 662	22 866	50 531	11 801	5 955	18 000	-	34 310	-	1 441 125	634 557
Group training/meetings	685 081	35 856	37 005	5 797	33 795	148 446	6 125	55 469	-	1 007 658	547 903
Operating expenses	127 061	37 678	60 093	-	5 520	2 291	-	3 153	-	235 796	172 370
Acquisitions	517 743	63 665	74 116	-	9 899	34 593	-	1 926	-	701 942	311 569
Reporting costs	129 440	18 570	23 371	-	-	15 032	-	14 113	-	200 526	167 591
Sundry	139 378	14 189	57 957	1 631	-	5 375	-	9 733	47	228 310	289 465
UNEP participation costs	16 355	119 745	-	-	-	-	-	-	673	136 773	215 907
Rental	-	4 595	24 549	-	-	-	-	-	-	29 144	-
Loss on exchange	3 128	-	302	891	-	54	-	-	-	4 375	2 040
Programme support costs (statement V.1)	66. 033	91 550	137 842	4 058	8 883	70 349	1 706	52 496	499	1 028 416	757 935
<b>Total expenditure</b>	<b>5 749 033</b>	<b>795 780</b>	<b>1 198 466</b>	<b>36 164</b>	<b>77 212</b>	<b>611 547</b>	<b>14 831</b>	<b>456 314</b>	<b>10 477</b>	<b>8 949 824</b>	<b>9 590 221</b>
<b>Excess of income over expenditure</b>	<b>1 631 224</b>	<b>(600 469)</b>	<b>270 831</b>	<b>(23 150)</b>	<b>123 497</b>	<b>965 232</b>	<b>33 387</b>	<b>217 204</b>	<b>-</b>	<b>2 617 756</b>	<b>5 577 588</b>

## STATEMENT III (continued)

II. Combined statement of assets and liabilities as at 31 December 1985

	Mediterranean Trust Fund	Kuwait Action Plan	<u>CITPS</u>	Regional Workshop Trust Fund	East Asian Seas	Caribbean Trust Fund	West and Central African Region	Environment Conservation Stamp	Special commissioner for year 2000	<u>Total</u>	
										<u>1985</u>	<u>1983</u>
<b>Assets</b>											
Cash at banks (schedule 2.1)	6 900 055	563 616	547 773	-	175 541	1 657 336	545 504	284 181	-	10 674 011	8 366 885
Pledged contributions receivable (schedule 3.1)	485 301	-	1 991 326	-	38 000	743 434	1 908 458	-	-	5 10 519	11 103 594
Accrued interest	102 044	8 748	621	-	2 139	33 031	8 427	4 379	-	159 389	167 808
Accounts receivable	4 384	24	2 845	-	307	-	-	-	-	7 560	11 615
Advances to co-operating agencies and supporting organizations	466 677	64 576	18 815	-	34 558	19 317	-	49 612	-	653 655	362 242
Deferred charges (note 5)	2 833	-	-	-	-	-	-	-	-	2 833	288 211
Due from Fund of UNEP (note 7)	-	-	-	-	18 428	-	-	-	-	18 428	102
<b>Total assets</b>	<b>7 961 294</b>	<b>637 064</b>	<b>2 561 385</b>	<b>-</b>	<b>268 973</b>	<b>2 453 118</b>	<b>2 462 389</b>	<b>338 172</b>	<b>-</b>	<b>16 682 395</b>	<b>20 500 457</b>
<b>Liabilities</b>											
Accounts payable	277 336	15 875	53 492	-	262	19 685	1 706	24 488	-	392 844	233 623
Unliquidated obligations	361 914	5 240	7 752	-	-	1 721	-	42 120	-	418 747	128 977
Deferred contributions (schedule 3.1)	-	-	1 472 948	-	-	-	-	-	-	1 472 948	7 325 084
Due to Fund of UNEP (note 6)	962 553	146 359	85 419	-	-	145 956	12 964	30 464	-	1 383 715	301 132
Other payables	157 717	-	-	-	-	-	-	-	-	157 717	-
Due to other funds (note 8)	253 840	-	-	-	-	-	-	-	-	253 840	268 579
Advances by co-operating agencies and supporting organizations	129 457	-	75 789	-	4 407	-	-	23 896	-	233 657	2 013 025
<b>Total liabilities</b>	<b>2 142 817</b>	<b>167 474</b>	<b>1 695 508</b>	<b>-</b>	<b>4 669</b>	<b>167 362</b>	<b>14 670</b>	<b>120 968</b>	<b>-</b>	<b>4 213 468</b>	<b>10 270 420</b>

## STATEMENT III (concluded)

	Mediterranean Trust Fund	Kuwait Action Plan	CITES	Regional Workshop Trust Fund	East Asian Seas	Caribbean Trust Fund	West and Central African Region	Environment Conservation Stamp	Special commission for year 2000	Total	
										1985	1983
<u>Fund balance</u>											
Balance available 1 January	4 237 736	1 070 059	619 274	139 806	140 807	1 315 023	2 507 332	-	-	10 030 037	5 987 522
<u>Add:</u> Excess of income over expenditure	1 631 224	(600 469)	270 831	(23 150)	123 497	965 232	33 387	217 204	-	2 617 756	5 577 588
Adjustment of prior years' expenditure	(50 483)	-	(24 228)	-	-	-	(93 000)	-	-	(167 711)	4 802
Savings effected from liquidat- ing prior years' obliga- tions	-	-	-	-	-	5 501	-	-	-	5 501	-
<u>Less:</u> Adjustment of prior years' pledges	-	-	-	-	-	-	-	-	-	-	1 539 875
Transferred to Industrial, Environmental and Raw Material Management Trust Fund (statement IV.1)	-	-	-	(116 656)	-	-	-	-	-	(116 656)	-
Balance available 31 December	5 818 477	469 590	865 877	-	264 304	2 285 756	2 447 719	217 204	-	12 368 927	10 030 037
Total liabilities and Fund balance	7 961 294	637 064	2 561 385	-	268 973	2 453 118	2 462 389	338 172	-	16 682 395	20 300 457

a/ Represents half share of the total net revenues from the sale of special issues of postage stamps on conservation and protection of nature, allocated to UNEP by General Assembly resolution 38/228 of 20 December 1983.

b/ Net contribution from the Government of Norway.

CERTIFIED CORRECT

(Signed) Rudolf SCHMIDT  
Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1986

SCHEDULE 3.1

UNEP GENERAL TRUST FUNDS

Combined status of contributions as at 31 December 1985

(United States dollars)

<u>Countries</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Adjustments to prior years' pledges</u>	<u>Pledges and adjustments for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections during 1983 for 1984 &amp;/</u>	<u>Collections during 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
<u>Regional Trust Fund for the Protection of the Mediterranean Sea against Pollution</u>								
Algeria	26 643.00	-	48 196.00	-	-	48 649.00	26 190.00	-
Cyprus	-	-	4 246.00	-	-	4 246.00	-	-
Egypt	-	-	28 221.00	-	-	13 814.00	14 407.00	-
France	-	-	2 217 023.00	-	-	2 217 023.00	-	-
Greece	92 895.00	-	141 370.00	-	-	161 881.00	72 384.00	-
Israel	47 000.00	-	95 799.00	-	-	97 000.00	45 799.00	-
Italy	270 895.00	(51 031.00)	1 386 978.00	-	-	1 416 410.00	190 432.00	-
Lebanon	5 750.00	-	11 991.00	-	-	9 136.00	8 605.00	-
Libyan Arab Jamahiriya	9 305.00	-	92 357.00	-	-	100 448.00	1 214.00	-
Malta	-	-	3 858.00	-	-	4 246.00	(388.00)	-
Monaco	-	-	4 246.00	-	-	3 858.00	388.00	-
Morocco	9 077.00	-	20 229.00	-	-	10 277.00	19 029.00	-
Spain	-	-	656 825.00	-	-	656 825.00	-	-
Syrian Arab Republic	7 231.00	-	12 272.00	-	-	15 410.00	4 093.00	-
Tunisia	7 082.00	-	12 272.00	-	-	10 720.00	8 634.00	-
Turkey	5 253.00	-	119 750.00	-	-	121 223.07	3 779.93	-
Yugoslavia	77 691.00	-	168 845.00	-	-	155 802.00	90 734.00	-
European Economic Community	-	-	955 781.00	-	-	955 781.00	-	-
Subtotal	<u>558 822.00</u>	<u>(51 031.00)</u>	<u>5 980 259.00</u>	<u>-</u>	<u>-</u>	<u>6 002 749.07</u>	<u>485 300.93</u>	<u>-</u>

Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

Algeria	-	-	1 764.00	2 108.00	-	962.00	802.00	2 108.00
Argentina	5 009.88	3 840.00	10 506.00	11 512.00	-	-	19 355.88	11 512.00
Australia	-	-	23 230.00	25 460.00	-	23 230.00	-	25 460.00
Austria	-	-	11 098.00	12 162.00	-	11 098.00	-	12 162.00
Bahamas	-	-	148.00	164.00	-	230.00	-	82.00

SCHEDULE 3.1 (continued)

<u>Countries</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Adjustments to prior years' pledges</u>	<u>Pledges and adjustments for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections during 1983 for 1984 a/</u>	<u>Collections during 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
<u>Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (continued)</u>								
Bangladesh	-	416.02	444.00	486.00	-	-	860.02	486.00
Belgium	-	-	18 938.00	20 756.00	-	18 938.00	-	20 756.00
Benin	-	-	117.00	164.00	-	-	117.00	164.00
Bolivia	-	-	148.00	164.00	-	-	148.00	164.00
Botswana	-	-	148.00	164.00	-	148.00	-	164.00
Brazil	7 204.71	-	20 566.00	22 542.00	-	27 770.71	-	22 542.00
Cameroon	-	-	148.00	164.00	-	191.71	-	120.29
Canada	-	-	45 572.00	49 944.00	-	42 463.23	3 108.77	49 944.00
Central African Republic	56.73	-	148.00	1 .00	-	312.00	-	56.73
Chile	-	-	1 118.00	1 134.00	-	1 118.00	-	1 134.00
China	-	-	13 022.00	14 272.00	-	6 511.00	6 511.00	14 272.00
Colombia	624.03	-	1 628.00	1 784.00	-	2 252.03	-	1 784.00
Congo	-	37.82	148.00	164.00	-	275.35	-	74.49
Costa Rica	-	-	296.00	324.00	58.93	-	237.07	324.00
Cyprus	-	-	148.00	164.00	-	148.00	-	164.00
Denmark	-	-	11 098.00	12 162.00	-	11 098.00	-	12 162.00
Ecuador	226.92	-	296.00	324.00	-	849.35	-	(2.43)
Egypt	-	-	1 036.00	1 134.00	-	1 603.00	-	567.00
Finland	-	-	7 102.00	7 782.00	-	7 102.00	-	7 782.00
France	-	-	96 320.00	105 566.00	-	96 320.00	-	105 566.00
Gambia	211.94	-	148.00	164.00	-	365.59	-	158.35
German Democratic Republic	29 459.66	(29 459.66)	50 025.66	22 542.00	-	-	50 025.66	22 542.00
Germany, Federal Republic of	-	-	126 356.00	138 486.00	-	126 356.00	-	138 486.00
Ghana	635.82	-	296.00	324.00	-	635.82	296.00	324.00
Guatemala	226.92	-	296.00	324.00	-	522.92	-	324.00
Guinea	-	113.46	34.54	164.00	-	-	148.00	164.00
Guyana	-	-	148.00	164.00	-	312.00	-	-
Honduras	-	-	43.00	164.00	-	-	43.00	164.00
Hungary	-	-	568.00	3 728.00	-	-	568.00	3 728.00
India	-	-	5 328.00	5 836.00	-	2 664.00	2 664.00	5 836.00

SCHEDULE 3.1 (continued)

Countries	Unpaid pledges as at 1 January 1984	Adjustments to prior years' pledges	Pledges and adjustments for 1984 and 1985	Pledges for future years	Collections during 1983 for 1984 a/	Collections during 1984 and 1985	Unpaid pledges for 1985 and prior years	Unpaid pledges for future years
<u>Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (continued)</u>								
Indonesia	-	-	1 924.00	2 108.00	-	1 924.00	-	2 108.00
Iran (Islamic) Republic of	973.90	-	8 582.00	9 404.00	-	8 267.00	1 288.90	9 404.00
Israel	-	-	3 404.00	3 728.00	-	1 702.00	1 702.00	3 728.00
Italy	11 694.34	-	55 336.00	60 646.00	-	65 820.34	1 210.00	60 646.00
Japan	-	-	152 692.00	167 348.00	-	152 692.00	-	167 348.00
Jordan	-	-	148.00	164.00	-	312.00	-	-
Kenya	56.73	-	148.00	164.00	-	204.73	-	164.00
Liberia	-	-	148.00	164.00	-	-	148.00	164.00
Liechtenstein	-	-	148.00	164.00	-	148.00	-	164.00
Luxembourg	-	-	814.00	972.00	-	1 258.00	-	528.00
Madagascar	113.46	(2.04)	148.00	164.00	-	185.42	74.00	164.00
Malawi	-	99.28	148.00	164.00	-	247.28	-	164.00
Malaysia	-	-	1 332.00	1 458.00	-	1 332.00	-	1 458.00
Mauritius	-	-	148.00	164.00	-	74.00	74.00	164.00
Monaco	-	-	148.00	164.00	-	148.00	-	164.00
Morocco	1 059.70	-	740.00	808.00	-	776.05	1 023.65	808.00
Mozambique	-	-	148.00	164.00	-	-	148.00	164.00
Nepal	-	-	148.00	164.00	-	74.00	74.00	164.00
Netherlands	-	-	18 655.00	28 864.00	-	18 655.00	-	28 864.00
Nicaragua	-	-	148.00	164.00	-	-	148.00	164.00
Niger	211.94	-	148.00	164.00	-	-	359.94	164.00
Nigeria	3 391.04	-	2 812.00	3 080.00	-	6 203.04	-	3 080.00
Norway	-	-	7 546.00	8 270.00	-	7 546.00	-	8 270.00
Pakistan	-	-	888.00	972.00	444.00	444.00	-	972.00
Panama	-	-	296.00	324.00	695.00	400.00	-	(475.00)
Papua New Guinea	56.73	-	148.00	164.00	-	368.17	-	0.56
Paraguay	113.46	-	148.00	164.00	-	-	261.46	164.00
Peru	680.76	-	1 036.00	1 134.00	-	340.38	1 376.38	1 134.00
Philippines	567.30	-	1 332.00	1 458.00	-	1 998.00	-	1 359.30
Portugal	-	-	2 664.00	2 18.00	-	2 664.00	-	2 918.00
Rwanda	113.46	45.14	148.00	164.00	-	-	306.60	164.00
Saint Lucia	-	-	148.00	164.00	74.00	74.00	-	164.00
Senegal	106.91	-	148.00	164.00	-	-	254.91	164.00
Seychelles	-	-	148.00	164.00	-	74.00	74.00	164.00
South Africa	419.98	-	6 068.00	6 648.00	-	8 551.09	-	4 584.89



## SCHEDULE 3.1 (continued)

<u>Countries</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Adjustments to prior years' pledges</u>	<u>Pledges and adjustments for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections during 1983 for 1984 a/</u>	<u>Collections during 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
<u>Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)</u> (continued)								
Sri Lanka	-	-	148.00	164.00	-	148.00	-	164.00
Sudan	-	52.00	148.00	164.00	-	131.20	68.80	164.00
Suriname	-	-	148.00	164.00	-	74.00	74.00	164.00
Sweden	-	-	19 532.00	21 404.00	-	19 532.00	-	21 404.00
Switzerland	-	-	15 536.00	17 838.00	-	15 536.00	-	17 838.00
Thailand	-	378.20	1 184.00	1 296.00	-	-	1 562.20	1 296.00
Togo	74.47	-	148.00	164.00	-	134.65	87.82	164.00
Trinidad and Tobago	-	-	370.00	486.00	-	-	370.00	486.00
Tunisia	-	-	444.00	486.00	-	484.38	-	445.62
Union of Soviet Socialist Republics	235 253.40	-	155 948.00	170 918.00	-	-	391 201.40	170 918.00
United Arab Emirates	2 119.40	-	2 368.00	2 594.00	-	-	4 487.40	2 594.00
United Kingdom of Great Britain and Northern Ireland	-	-	69 096.00	75 726.00	-	69 096.00	-	75 726.00
United Republic of Tanzania	41.75	(8.21)	148.00	164.00	-	355.54	-	(10.00)
United States of America	7 650.00	-	369 892.00	405 410.00	-	346 098.00	31 444.00	405 410.00
Uruguay	453.84	-	592.00	648.00	-	-	1 045.84	648.00
Venezuela	-	-	8 138.00	8 918.00	-	8 359.30	-	8 696.70
Zaire	226.92	-	148.00	164.00	-	374.92	-	164.00
Zambia	-	-	148.00	164.00	113.46	-	34.54	164.00
Zimbabwe	-	259.75	296.00	324.00	-	408.00	147.75	324.00
Subtotal	<u>309 036.10</u>	<u>(24 228.24)</u>	<u>1 361 647.20</u>	<u>1 472 948.00</u>	<u>1 385.39</u>	<u>1 126 691.18</u>	<u>523 931.99</u>	<u>1 467 394.50</u>
<u>East Asian Seas Trust Fund</u>								
Indonesia	-	-	66 000.00	-	-	66 000.00	-	-
Malaysia	-	-	35 700.00	-	-	35 700.00	-	-
Philippines	19 000.00	-	38 000.00	-	-	19 000.00	38 000.00	-
Singapore	-	-	2 000.00	-	-	2 000.00	-	-
Thailand	-	-	39 900.00	-	-	39 900.00	-	-
Subtotal	<u>19 000.00</u>	<u>-</u>	<u>181 600.00</u>	<u>-</u>	<u>-</u>	<u>162 600.00</u>	<u>38 000.00</u>	<u>-</u>

SCHEDULE 3.1 (continued)

<u>Countries</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Adjustments to prior years' pledges</u>	<u>Pledges and adjustments for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections during 1983 for 1984 a/</u>	<u>Collections during 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
<u>Regional Trust Fund for the Implementation of the Action Plan for the Caribbean Environment Programme</u>								
Bahamas	4 661.00	-	16 450.00	-	-	21 111.00	-	-
Barbados	-	-	16 450.00	-	-	16 558.28	(108.28)	-
Belize	7 500.00	-	15 000.00	-	-	-	22 500.00	-
British Virgin Islands	-	5 500.00	5 500.00	-	-	11 000.00	-	-
Colombia	-	-	78 442.00	-	-	30 908.00	47 534.00	-
Costa Rica	17 898.00	-	17 898.00	-	-	-	35 796.00	-
Cuba	17 399.00	-	30 940.00	-	-	15 400.58	32 938.42	-
Dominican Republic	19 347.00	-	19 347.00	-	-	-	38 694.00	-
France	125 000	-	375 000.00	-	-	500 000.00	-	-
Grenada	12 33	-	16 450.00	-	-	1 888.00	26 900.00	-
Guatemala	17 898.00	-	17 898.00	-	-	-	35 796.00	-
Guyana	16 450.00	-	16 450.00	-	-	-	32 900.00	-
Haiti	16 450.00	-	16 450.00	-	-	-	32 900.00	-
Honduras	16 450.00	-	16 450.00	-	-	16 450.00	16 450.00	-
Jamaica	12 500.00	-	25 000.00	-	-	12 500.00	25 000.00	-
Mexico	-	-	250 000.00	-	-	5 218.64	244 781.36	-
Montserrat	5 000.00	-	5 000.00	-	-	-	10 000.00	-
Netherlands Antilles	15 000.00	-	30 000.00	-	-	-	45 000.00	-
Nicaragua	16 450.00	-	16 450.00	-	-	-	32 900.00	-
Panama	-	-	17 898.00	-	1 193.00	-	16 705.00	-
Saint Lucia	-	-	15 000.00	-	-	-	15 000.00	-
Saint Vincent and the Grenadines	-	-	15 000.00	-	-	8 500.00	6 500.00	-
Suriname	-	-	23 582.00	-	-	8 226.00	15 356.00	-
Trinidad and Tobago	-	-	19 347.00	-	-	19 347.00	-	-
United Kingdom/ Turks and Caicos Islands	-	-	6 732.00	-	-	-	6 732.00	-
United Kingdom/ British Virgin Islands	-	-	5 500.00	-	-	5 500.00	-	-
United Kingdom/ Saint Christopher and Nevis	-	-	5 000.00	-	-	1 840.33	3 159.67	-
Venezuela	130 000.00	-	230 000.00	-	-	360 000.00	-	-
Subtotal	450 341.00	5 500.00	1 323 234.00	-	1 193.00	1 034 447.83	743 434.17	-

## SCHEDULE 3.1 (concluded)

<u>Countries</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Adjustments to prior years' pledges</u>	<u>Pledges and adjustments for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections during 1983 for 1984 a/</u>	<u>Collections during 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
<u>Trust Fund for the Protection and Development of the Marine Environment and the Coastal Areas of the West and Central African Region</u>								
Angola	93 000.00	-	-	-	-	-	93 000.00	-
Benin	93 000.00	-	-	-	-	55 800.00	37 200.00	-
Cameroon	93 000.00	-	-	-	-	-	93 000.00	-
Cape Verde	93 000.00	-	-	-	-	-	93 000.00	-
Congo	93 000.00	-	-	-	-	31 975.42	61 024.58	-
Côte d'Ivoire	154 000.00	-	-	-	-	174 272.51	(20 272.51)	-
Equatorial Guinea	93 000.00	-	-	-	-	-	93 000.00	-
Gabon	123 500.00	-	-	-	-	74 791.75	48 708.25	-
Gambia	77 590.00	-	-	-	-	-	77 590.00	-
Ghana	154 000.00	-	-	-	-	62 718.00	91 282.00	-
Guinea	93 000.00	-	-	-	-	-	93 000.00	-
Guinea-Bissau	93 000.00	-	-	-	-	-	93 000.00	-
Liberia	93 000.00	-	-	-	-	-	93 000.00	-
Mauritania	93 000.00	-	-	-	-	-	93 000.00	-
Nigeria	550 250.00	-	-	-	-	-	550 250.00	-
Sao Tome and Principe	93 000.00	(93 000.00)	-	-	-	-	-	-
Sierra Leone	93 000.00	-	-	-	-	-	93 000.00	-
Senegal	52 107.00	-	-	-	-	42 931.27	9 175.73	-
Togo	93 000.00	-	-	-	-	-	93 000.00	-
Zaire	123 500.00	-	-	-	-	-	123 500.00	-
Subtotal	<u>2 443 947.00</u>	<u>(93 000.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442 488.95</u>	<u>1 908 458.05</u>	<u>-</u>
Grand total	<u>3 781 146.10</u>	<u>(162 759.24)</u>	<u>8 846 740.20</u>	<u>1 472 948.00</u>	<u>2 578.39</u>	<u>8 768 977.03</u>	<u>3 699 125.14</u>	<u>1 467 394.50</u>

a/ Amounts reported in 1983 are shown here for information purposes only.

## STATEMENT IV.1

## UNEP TECHNICAL CO-OPERATION TRUST FUNDS

I. Combined statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985

(United States dollars)

	Provision of Short-term Experts to Developing Countries	Environmental Management and the Protection of Andean Ecosystems	Industrial, Environmental and Raw Material Management	Support to Clearing House Mechanism	<u>Total</u> 1984/1985	<u>Total</u> 1982/1983
<u>Income</u>						
Contributions from Governments	50 796	496 374	136 009	75 000	758 179	-
Interest income	7 014	26 255	12 290	-	45 559	-
<b>Total income</b>	<u>57 810</u>	<u>522 629</u>	<u>148 299</u>	<u>75 000</u>	<u>803 738</u>	<u>-</u>
<u>Expenditure</u>						
Staff and other personnel costs	-	-	2 602	-	2 602	-
Consultants	36 275	-	72 477	-	108 752	-
Travel	-	-	2 309	-	2 309	-
Acquisition of equipment	-	28 319	-	-	28 319	-
Operating expenses	-	2 556	171	-	2 727	-
UNEP participation	-	139 455	-	-	139 455	-
Sundry	349	2 125	1 784	-	4 258	-
Programme support costs (statement V.1)	4 761	22 419	10 315	-	37 495	-
<b>Total expenditure</b>	<u>41 385</u>	<u>194 874</u>	<u>89 658</u>	<u>-</u>	<u>325 917</u>	<u>-</u>
<b>Excess of income over expenditure</b>	<u>16 425</u>	<u>327 755</u>	<u>58 641</u>	<u>75 000</u>	<u>477 821</u>	<u>-</u>

II. Combined statement of assets and liabilities as at 31 December 1985

	<u>Provision of Short-term Experts to Developing Countries</u>	<u>Environmental Management and the Protection of Andean Ecosystems</u>	<u>Industrial, Environmental and Raw Material Management</u>	<u>Support to Clearing House Mechanisms</u>	<u>Total 1985</u>	<u>Total 1983</u>
<u>Assets</u>						
Cash at banks (schedule 2.1)	40 766	361 375	134 895	75 000	612 036	-
Pledged contribution	-	600 000	-	-	600 000	-
Accrued interest receivable	619	5 586	2 057	-	8 262	-
Accounts receivable	-	1 247	1 339	-	2 586	-
Advances to supporting organization	-	40 765	-	-	40 765	-
<b>Total assets</b>	<b>41 385</b>	<b>1 008 973</b>	<b>138 291</b>	<b>75 000</b>	<b>1 263 649</b>	<b>-</b>
<u>Liabilities</u>						
Accounts payable	4 761	4 954	457	-	10 172	-
Deferred contribution	-	600 000	-	-	600 000	-
Unliquidated obligations	10 961	52 625	2 799	-	66 385	-
Due to Fund of UNEP (note 6)	9 238	23 639	76 394	-	109 271	-
<b>Total liabilities</b>	<b>24 960</b>	<b>681 218</b>	<b>79 650</b>	<b>-</b>	<b>785 828</b>	<b>-</b>
<u>Fund balance</u>						
Balance available 1 January	-	-	-	-	-	-
Add: Excess of income over expenditure	16 425	327 755	58 641	75 000	477 821	-
<b>Balance available 31 December</b>	<b>16 425</b>	<b>327 755</b>	<b>58 641</b>	<b>75 000</b>	<b>477 821</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>41 385</b>	<b>1 008 973</b>	<b>138 291</b>	<b>75 000</b>	<b>1 263 649</b>	<b>-</b>

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(Signed) Rudolf SCHMIDT

Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1986

## STATEMENT IV.2

OTHER TRUST FUNDS: UNEP JUNIOR PROFESSIONAL OFFICERS PROGRAMME FINANCED BY THE GOVERNMENTS OF DENMARK, FEDERAL REPUBLIC OF GERMANY, JAPAN AND NORWAY

(United States dollars)

I. Combined statement of income and expenditure for the biennium 1984-1985 ended 31 December 1985

	<u>Denmark</u>	<u>Norway</u>	<u>Germany, Federal Republic of</u>	<u>Japan</u>	<u>Total 1984/1985</u>	<u>Total 1982/1983</u>
<u>Income</u>						
Contributions from Governments	144 105	-	123 232	46 086	313 423	117 580
Interest income	15 133	1 059	7 558	1 446	25 196	6 616
<b>Total income</b>	<b>159 238</b>	<b>1 059</b>	<b>130 790</b>	<b>47 532</b>	<b>338 619</b>	<b>124 196</b>
<u>Expenditure</u>						
Staff and other personnel costs	141 835	-	62 008	11 116	214 979	96 818
Travel	-	-	-	-	-	614
Sundry	382	-	-	-	382	-
Programme support costs (statement V.1)	17 068	-	7 441	1 334	25 843	11 693
<b>Total expenditure</b>	<b>159 305</b>	<b>-</b>	<b>69 449</b>	<b>12 450</b>	<b>241 204</b>	<b>109 125</b>
<b>Excess of income over expenditure</b>	<b>(67)</b>	<b>1 059</b>	<b>61 341</b>	<b>35 082</b>	<b>97 415</b>	<b>15 071</b>

II. Combined statement of assets and liabilities as at 31 December 1985

	<u>Denmark</u>	<u>Norway</u>	<u>Germany, Federal Republic of</u>	<u>Japan</u>	<u>Total 1985</u>	<u>Total 1983</u>
<u>Assets</u>						
Cash at banks (schedule 2.1)	39 368	9 846	93 812	46 080	189 106	69 155
Accrued interest	127	126	1 162	1 111	2 526	-
Accounts receivable	2 297	-	11	4 500	6 808	3 502
Due from Fund of UNEP	-	-	-	-	-	2 060
Deferred charges	2 214	-	-	-	2 214	-
<b>Total assets</b>	<b>44 006</b>	<b>9 972</b>	<b>94 985</b>	<b>51 691</b>	<b>200 654</b>	<b>74 717</b>

## STATEMENT IV.2 (concluded)

	<u>Denmark</u>	<u>Norway</u>	<u>Germany, Federal Republic of</u>	<u>Japan</u>	<u>Total 1985</u>	<u>Total 1983</u>
<u>Liabilities</u>						
Accounts payable	8 700	-	606	993	10 302	-
Due to special account for Programme support costs	-	-	-	-	-	392
Due to Fund of UNEP (note 6)	4 299	-	1 904	15 616	21 819	6 415
Unliquidated obligations	3 206	-	-	-	3 206	9 630
<b>Total liabilities</b>	<u>16 208</u>	<u>-</u>	<u>2 510</u>	<u>16 609</u>	<u>35 327</u>	<u>16 437</u>
<u>Fund balance</u>						
Balance available 1 January	24 492	6 190	27 598	-	58 280	34 280
<u>Add: Excess of income over expenditure</u>	(67)	1 059	61 341	35 082	97 415	15 071
Savings on liquidating prior years' obligations	3 373	2 723	3 536	-	9 632	8 929
<b>Balance available 31 December</b>	<u>27 798</u>	<u>9 972</u>	<u>92 475</u>	<u>35 082</u>	<u>165 327</u>	<u>58 280</u>
<b>Total liabilities and fund balance</b>	<u>44 006</u>	<u>9 972</u>	<u>94 985</u>	<u>51 691</u>	<u>200 654</u>	<u>74 717</u>

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(Signed) Rudolf SCHMIDT  
Assistant Executive Director  
Office of the Environment Fund and Administration

Nairobi, 31 March 1986

## STATEMENT IV.3

OTHER TRUST FUNDS: INTERNATIONAL PRIZES IN THE  
FIELD OF THE ENVIRONMENT

(United States dollars)

I. Statement of income and expenditure for the biennium 1984-1985  
ended 31 December 1985

	<u>Total</u> <u>1984-1985</u>	<u>Total</u> <u>1982-1983</u>
<u>Income</u>		
Interest income	239 973	71 849
Total income	<u>239 973</u>	<u>71 849</u>
<u>Expenditure</u>		
Administrative support personnel	1 547	-
Travel	24 064	-
Group meetings	23 438	-
Sundry	6 719	-
Programme support costs (statement V.1)	7 249	-
Prize award	<u>100 000</u>	-
Total expenditure	<u>163 017</u>	-
Excess of income over expenditure	<u>76 956</u>	<u>71 849</u>

II. Statement of assets and liabilities as at 31 December 1985

	<u>1985</u>	<u>1983</u>
<u>Assets</u>		
Cash at banks (schedule 2.1)	77 794	1 048 808
Investments (schedule 2.1)	1 005 000	-
Accrued interest receivable	73 257	22 855
Accounts receivable	771	-
Due from Fund of UNEP	-	5 186
Total assets	<u>1 156 822</u>	<u>1 076 849</u>
<u>Liabilities</u>		
Due to Fund of UNEP (note 6)	2 455	-
Unliquidated obligations	<u>562</u>	-
Total liabilities	<u>3 017</u>	-



STATEMENT IV.3 (concluded)

	<u>1985</u>	<u>1983</u>
<u>Fund balance</u>		
Balance available 1 January	1 076 849	1 005 000
Add: Excess of income over expenditure	76 956	71 849
Balance available 31 December	<u>1 153 805</u>	<u>1 076 849</u>
Total liabilities and Fund balance	<u><u>1 156 822</u></u>	<u><u>1 076 849</u></u>

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(Signed) Rudolf SCHMIDT

Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1986

## STATEMENT V.1

## SPECIAL ACCOUNT FOR PROGRAMME SUPPORT COSTS

(United States dollars)

I. Statement of income and expenditure for the biennium  
1984-1985 ended 31 December 1985

	<u>1984/1985</u>	<u>1982/1983</u>
<u>Income</u>		
Interest income	92 050	45 790
Programme support costs: UNEP General Trust Fund (statement III)	1 028 416	757 935
Programme support costs: UNEP technical co-operation trust funds (statement IV.1)	37 495	-
Programme support costs: UNEP Junior Professional Officers Programme (statement IV.2)	25 843	11 693
Programme support costs: International Prizes in the Field of the Environment (statement IV.3)	7 249	-
Total income	<u>1 191 053</u>	<u>815 418</u>
<u>Expenditure</u>		
Established posts	279 928	245 649
General temporary assistance	100 235	77 479
Overtime and night differential	20 762	20 072
Staff and other personnel costs	183 873	92 012
Travel on official business	48 486	34 386
Supplies and materials	611	5 408
Fellowships, grants and contributions	99 877	46 416
Furniture and equipment	187 218	10 180
Loss on exchange	-	4 807
Total expenditure	<u>920 990</u>	<u>536 409</u>
Excess of income over expenditure	<u>270 063</u>	<u>279 009</u>

II. Statement of assets and liabilities as at 31 December 1985

	<u>1985</u>	<u>1983</u>
<u>Assets</u>		
Cash at banks (schedule 2.1)	902 803	408 972
Accrued interest receivable	6 948	5 005
Accounts receivable	364 534	226 290
Total assets	<u>1 274 285</u>	<u>640 267</u>
<u>Liabilities</u>		
Accounts payable	539	4 741
Unliquidated obligations	152 039	21 489
Due to Fund of UNEP (note 6)	265 212	34 050
Total liabilities	<u>417 789</u>	<u>60 280</u>

## STATEMENT V.1 (concluded)

	<u>1985</u>	<u>1983</u>
<u>Fund balance</u>		
Balance available 1 January	579 987	283 107
Add: Excess of income over expenditure	270 063	279 009
Savings effected in liquidating prior years' obligations	<u>6 446</u>	<u>17 871</u>
Balance available 31 December	<u>856 496</u>	<u>579 987</u>
Total liabilities and Fund balance	<u>1 274 285</u>	<u>640 267</u>

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(Signed) Rudolf SCHMIDT

Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1986

## STATEMENT V.2

## SPECIAL ACCOUNT FOR THE PLAN OF ACTION TO COMBAT DESERTIFICATION

(United States dollars)

I. Statement of income and expenditure for the biennium  
1984-1985 ended 31 December 1985

	<u>1984/1985</u>	<u>1982/1983</u>
<u>Income</u>		
Income from pledged contributions	25 000	98 362
Interest income	33 647	12 157
Total income	<u>58 647</u>	<u>110 519</u>
<u>Expenditure</u>		
Loss on exchange	-	28
Total expenditure	-	28
Excess of income over expenditure	<u>58 647</u>	<u>110 491</u>

II. Statement of assets and liabilities as at 31 December 1985

	<u>1985</u>	<u>1983</u>
<u>Assets</u>		
Cash at banks (schedule 2.1)	190 990	147 437
Fledged contributions receivable	15 000	-
Accrued interest receivable	2 938	2 961
Due from Fund of UNEP (note 7)	206	89
Total assets	<u>209 134</u>	<u>150 487</u>
<u>Liabilities</u>		
Total liabilities	-	-
<u>Fund balance</u>		
Balance available 1 January	150 487	39 996
Add: Excess of income over expenditure	58 647	110 491
Balance available 31 December	<u>209 134</u>	<u>150 487</u>
Total liabilities and Fund balance	<u>209 134</u>	<u>150 487</u>

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(Signed) Rudolf SCHMIDT  
Assistant Executive Director  
Office of the Environment Fund and Administration

Nairobi, 31 March 1986

## COUNTERPART CONTRIBUTIONS

(United States dollars)

I. Statement of income and expenditure for the biennium  
1984-1985 ended 31 December 1985

	<u>1984/1985</u>	<u>1982/1983</u>
<u>Income</u>		
Income from pledged contributions (schedule 6.1)	3 163 543	6 575 836
Interest income	156 894	159 972
Miscellaneous income	245	-
Total income	<u>3 320 682</u>	<u>6 735 808</u>
<u>Expenditure</u>		
Staff and other personnel costs	446 734	447 488
Consultants	207 651	-
Contractual services	52 200	120 000
Travel	30 475	-
Meetings	136 896	135 274
Fellowships	4 875	170 880
Acquisition of equipment	350 891	326 892
Operating expenses	109 436	93 039
UNEP participation costs	141 187	37 076
Sundry	65 760	19 179
Reporting costs	29 924	-
Loss on exchange	718	7 696
Total expenditure	<u>1 576 747</u>	<u>1 357 524</u>
Excess of income over expenditure	<u>1 743 935</u>	<u>5 378 284</u>

II. Statement of assets and liabilities as at 31 December 1985

	<u>1985</u>	<u>1983</u>
<u>Assets</u>		
Cash at banks (schedule 2.1)	347 085	1 407 823
Pledged contributions receivable (schedule 6.1)	6 257 048	4 798 400
Accrued interest receivable	5 151	12 408
Advances to co-operating agencies and supporting organizations	821 909	-
Total assets	<u>7 431 193</u>	<u>6 218 631</u>
<u>Liabilities</u>		
Advances by co-operating agencies	-	214 601
Accounts payable	1 070	100
Unliquidated obligations	132 848	227 637
Deferred contributions (schedule 6.1)	81 932	-
Due to Fund of UNEP (note 6)	163 923	398 009
Due to other funds (note 8)	112	-
Total liabilities	<u>379 885</u>	<u>840 347</u>

## STATEMENT VI.1 (concluded)

<u>Fund balance</u>	<u>1985</u>	<u>1983</u>
Balance available 1 January	5 378 284	-
Adjustment to prior years' contribution	(71 390)	-
<u>Add:</u> Excess of income over expenditure	1 743 935	5 378 284
Savings from cancellation of prior years' obligations	<u>479</u>	-
Balance available 31 December	<u>7 051 308</u>	<u>5 378 284</u>
Total liabilities and Fund balance	<u>7 431 193</u>	<u>6 218 631</u>

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(Signed) Rudolf SCHMIDT

Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1986

Status of counterpart contributions as at 31 December 1985

(United States dollars)

<u>Donors</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Pledges for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections in 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
<u>Arab Gulf programme for United Nations Development Organizations</u>						
AGFUND	4 298 400.00	2 300 000.00	-	354 000.00	6 244 400.00	-
<u>Formulation, monitoring and evaluation of priority programmes and projects for meeting the most serious environmental problems of developing countries</u>						
Sweden	500 000.00	-	-	500 000.00	-	-
<u>Meeting of the Ad Hoc Working Group of Legal and Technical Experts for the Elaboration of the Global Framework Convention of the Protection of the Ozone Layer</u>						
Canada	-	33 400.00	-	33 400.00	-	-
Austria	-	49 000.00	-	49 000.00	-	-
Finland	-	5 000.00	-	5 000.00	-	-
Norway	-	10 000.00	-	10 000.00	-	-
	-	97 400.00	-	97 400.00	-	-
<u>Meeting of the Ad Hoc Working Group of Experts for the Exchange of Information on Potentially Harmful Chemicals (in particular pesticides) in International Trade</u>						
The Netherlands	-	16 327.00	-	15 679.00	648.00	-
<u>World Industry Conference on Environment Management</u>						
	-	128 218.58	-	128 218.58	-	-
<u>Ongoing consultative relationship with specific industries</u>						
Nippon Light Metal Co.	-	75 000.00	-	75 000.00	-	-
Three M Corporation United Kingdom Public Limited Co.	-	55 000.00	-	53 000.00	12 000.00	-
France	-	5 680.47	-	5 680.47	-	-
ALCAN Aluminium Ltd.	-	8 750.00	-	8 750.00	-	-
International Primary Aluminium Institute	-	20 000.00	-	20 000.00	-	-
	-	174 430.47	-	162 450.47	12 000.00	-
<u>International Register for Potentially Toxic Chemicals</u>						
The Netherlands	-	50 000.00	-	50 000.00	-	-
European Atomic Energy Community	-	2 834.07	-	2 834.07	-	-
European Economic Community	-	32 729.80	-	32 729.80	-	-
	-	85 563.87	-	85 563.87	-	-

SCHEDULE 6.1 (continued)

<u>Donors</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Pledges for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections in 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
<u>Conservation of the migratory species of wildlife</u>						
Federal Republic of Germany	-	66 400.00	-	66 400.00	-	-
<u>International symposium on clean technologies</u>						
Federal Republic of Germany	-	100 000.00	-	100 000.00	-	-
<u>International symposium of soil management</u>						
Federal Republic of Germany	-	1 917.00	-	1 917.00	-	-
<u>African Conference on the Environment</u>						
Egypt	-	36 510.00	-	36 510.00	-	-
<u>Ivory project</u>						
European Economic Community	-	24 326.32	-	24 326.32	-	-
World Wildlife Fund, Japan	-	13 483.00	17 867.00	31 350.00	-	-
Friendlien	-	2 866.03	-	2 866.03	-	-
	-	40 675.35	17 867.00	58 542.35	-	-
<u>Re-forestation projects in developing countries</u>						
National Federation of UNESCO Associations in Japan	-	45 000.00	-	45 000.00	-	-
<u>5th Meeting of the Conference of the parties in Buenos Aires</u>						
World Wildlife Fund, USA	-	9 082.00	-	9 082.00	-	-
Papua New Guinea	-	3 000.00	-	3 000.00	-	-
Environment Education Centre, United States of America	-	3 000.00	-	3 000.00	-	-
	-	15 082.00	-	15 082.00	-	-
<u>Establishment of a network of environmental training institutions for Latin America and the Caribbean</u>						
Spain	-	33 000.00	-	33 000.00	-	-
Chile	-	5 000.00	-	5 000.00	-	-
	-	38 000.00	-	38 000.00	-	-



SCHEDULE 6.1 (concluded)

<u>Donors</u>	<u>Unpaid pledges as at 1 January 1984</u>	<u>Pledges for 1984 and 1985</u>	<u>Pledges for future years</u>	<u>Collections in 1984 and 1985</u>	<u>Unpaid pledges for 1985 and prior years</u>	<u>Unpaid pledges for future years</u>
<u>CAIBMAN Project</u>						
World Wildlife Fund, Japan	-	-	10 000.00	10 000.00	-	-
Italrettile	-	-	5 000.00	5 000.00	-	-
Trading - Sociedad Responsabilidad Limitada - Federal Republic of Germany (FRG)	-	-	3 300.00	3 300.00	-	-
Syndicat national des tanneurs de reptile, France	-	-	3 000.00	3 000.00	-	-
Environment Liaison Centre, United States	-	-	2 500.00	2 500.00	-	-
Tanneries et cuire d'Indochine	-	-	5 000.00	5 000.00	-	-
Stadtsparkasse - FRG	-	-	3 333.00	3 333.00	-	-
"	-	-	1 666.00	1 666.00	-	-
"	-	-	2 000.00	2 000.00	-	-
"	-	-	1 600.00	1 600.00	-	-
W. Muller - FRG	-	-	1 666.00	1 666.00	-	-
	<u>-</u>	<u>-</u>	<u>39 065.00</u>	<u>39 065.00</u>	<u>-</u>	<u>-</u>
<u>Special project unit</u>						
International fur Trade Federation	-	-	25 000.00	25 000.00	-	-
<u>Fourth ordinary meeting of the contracting parties to the Barcelona convention</u>						
Italy	-	18 018.62	-	18 018.62	-	-
Grand total	<u>4 798 400.00</u>	<u>3 163 542.89</u>	<u>81 932.00</u>	<u>1 786 826.89</u>	<u>6 257 048.00</u>	<u>-</u>

## STATEMENT VI.2

NON-CONVERTIBLE CURRENCY COUNTERPART CONTRIBUTION  
TO THE MEDITERRANEAN TRUST FUND

(United States dollars)

I. Statement of income and expenditure for the  
biennium 1984-1985 ended 31 December 1985

	<u>1984/1985</u>	<u>1982/1983</u>
<u>Income</u>		
Income from pledged contributions	800 000	850 000
Total income	<u>800 000</u>	<u>850 000</u>
<u>Expenditure</u>		
Staff and other personnel costs	391 340	161 859
Consultants	5 850	-
Travel	4 746	13 646
Contractual services	10 725	22 510
Operating expenses	55 276	24 561
Acquisitions of equipment	159 000	161 456
Fellowships	23 624	-
Reporting costs	7 190	281
Group training and meetings	59 578	-
Rentals	119 972	-
Sundry	68 510	15 687
Loss on exchange	50 977	60 491
Total expenditure	<u>956 788</u>	<u>460 491</u>
Excess of income over expenditure	<u>(156 788)</u>	<u>389 509</u>

II. Statement of assets and liabilities as at 31 December 1985

	<u>1985</u>	<u>1983</u>
<u>Assets</u>		
Cash at bank	24 997	7 544
Pledged contribution receivable	-	450 000
Accounts receivable	20 800	14 650
Due from other funds (note 8)	253 952	-
Due from Fund of UNEP (note 7)	6 000	-
Other receivables	201 483	-
Total assets	<u>507 232</u>	<u>472 194</u>

## Statement VI.2 (concluded)

19851983Liabilities

Due to Fund of UNEP (note 6)	196 286	46 271
Due to other funds	-	16 797
Accounts payable	49 990	18 131
Unliquidated obligations	27 364	1 486
Advances by co-operating agencies	871	-
Total liabilities	<u>274 511</u>	<u>82 685</u>

Fund balance

Balance available 1 January	389 509	-
Add: Excess of income over expenditure	(156 788)	389 509
Balance available 31 December	<u>232 721</u>	<u>389 509</u>
Total liabilities and fund balance	<u>507 232</u>	<u>472 194</u>

CERTIFIED CORRECT

(Signed) Rudolf SCHMIDT

Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1986

## REVOLVING FUND (INFORMATION)

(United States dollars)

I. Statement of income and expenditure for the  
biennium 1984-1985 ended 31 December 1985

	<u>1984/1985</u>	<u>1982/1983</u>
<u>Income</u>		
Sale of publications and royalties	49 217	53 501
Other sales	<u>6 503</u>	<u>6 658</u>
Total income	<u>55 720</u>	<u>60 159</u>
<u>Expenditure</u>		
Publications	36 000	68 149
Contractual services	7 197	(4 720)
Sundry	-	98
Total expenditure	<u>43 197</u>	<u>63 527</u>
Excess of income over expenditure	<u>12 523</u>	<u>(3 368)</u>

II. Statement of assets and liabilities as at 31 December 1985

	<u>1985</u>	<u>1983</u>
<u>Assets</u>		
Accounts receivable	7 890	18 572
Due from Fund of UNEP (note 7)	<u>135 730</u>	<u>112 525</u>
Total assets	<u>143 620</u>	<u>131 097</u>
<u>Liabilities</u>		
Total liabilities	<u>-</u>	<u>-</u>
<u>Fund balance</u>		
Balance available 1 January	131 097	134 465
Add: Excess of income over expenditure	<u>12 523</u>	<u>(3 368)</u>
Balance available 31 December	<u>143 620</u>	<u>131 097</u>
Total liabilities and fund balance	<u>143 620</u>	<u>131 097</u>

CERTIFIED CORRECT

(Signed) Rudolf SCHMIDT

Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1986

ANNEX

Notes to the financial statements

Note 1. Summary of significant accounting policies

The following are the significant accounting policies of the United Nations and the United Nations Environment Programme (UNEP):

(a) The accounts are maintained in accordance with the Financial Regulations of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations, including the Financial Rules of the Fund of the United Nations Environment Programme, specific decisions of the Governing Council of UNEP and administrative issuances, and in conformity with generally accepted accounting principles.

The United Nations and the United Nations Environment Fund follow the International Accounting Standard 1 on the disclosure of accounting policies, as modified and adopted by the Consultative Committee on Administrative Questions at its fifty-fourth session;

(b) The financial statements are prepared on the historical cost basis of accounting and have not been adjusted to reflect the effects of changing prices for goods and services;

(c) Fund accounting: the accounts are maintained on a "fund accounting" basis and each fund is maintained as a distinct financial and accounting entity with a separate self-balancing double-entry group of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature;

(d) The financial period of the Organization is a biennium and consists of two consecutive calendar years;

(e) The income and expenditure and assets and liabilities are recognized on the accrual basis of accounting;

(f) Project expenditures with respect to UNEP projects undertaken by co-operating agencies and supporting organizations are recorded in the UNEP accounts on the basis of actual expenditure of funds reported by them to UNEP. Since 1979, UNEP also recognizes as expenditures the unliquidated obligations of co-operating agencies. The unspent balances of the remittances held by agencies and organizations are recorded as advances in the UNEP accounts;

(g) Translation of currencies: the accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transaction at rates of exchange established by the Controller of the United Nations. In respect of such currencies, the financial statements reflect the cash, investments, unpaid pledges (other than pledges for future years) and current accounts receivable and payable in currencies other than United States dollars, translated at the applicable United Nations rates of exchange in effect as at the date of the statements. Differences arising from the conversion of currencies at the United Nations rate of exchange are accounted for as gain or loss on exchange. In accordance with rule 205.2 of the Financial Rules of the Fund, losses and gains on exchange arising from the

payment of voluntary contributions from Governments are recorded as a credit or debit to such contributions;

(h) Contributions: pledges are recorded as income on the basis of a written commitment by prospective donors to pay monetary contributions at a specified time or times. Pledges received for future years are recorded as deferred income;

(i) Investments: funds on deposit in interest-bearing bank accounts, certificates of deposit, time deposits and call accounts are shown in the statements of assets and liabilities as cash;

(j) Deferred charges: deferred charges comprise expenditure items that are not properly chargeable in the current financial period and that will be charged as expenditure in a subsequent financial period. For balance sheet statement purposes, only that portion of the education grant advance which is assumed to pertain to the scholastic year completed as at the date of the financial statement is shown under deferred charges. The full amount of the advance is maintained in the accounts receivable from staff members until such time as the staff member produces the required proof of entitlement to the education grant, at which time the budgetary account is charged and the advance recovered;

(k) Fixed assets: furniture, equipment and other non-expendables are not included in the assets of UNEP. Acquisitions are charged against the appropriate budget accounts in the year of purchase;

(l) Contingencies: no provision is made in the Environment Fund for repatriation grant entitlements as funds are provided for in the budget appropriations. However, provision to meet contingent liabilities for compensation payments under appendix D to the Staff Rules of the United Nations for personnel financed under trust funds and the Environment Fund has been made and is calculated on the basis of 1 per cent of net base pay;

(m) Miscellaneous income:

- (i) Refunds of expenditures charged to prior financial periods are credited to miscellaneous income;
- (ii) Monies accepted in respect of which no purpose is specified are treated as miscellaneous income;
- (iii) Uncashed cheques one year from their date of issuance are credited to miscellaneous income;
- (iv) The proceeds from the sale of surplus property are credited to the miscellaneous income of the respective funds;
- (v) The refunds from United Nations Joint Staff Pension Fund (UNJSPF) in respect of pension contributions (7 per cent of pensionable remuneration) of participants entering the Fund on or after 1 January 1967 but withdrawing within five years are credited to miscellaneous income when relating to staff separating before 31 December 1982. The UNJSPF will retain these refunds effective with the credits of staff separating thereafter; however, refunds will continue to be received until contributions of all staff separated before 31 December 1982 are processed by the UNJSPF secretariat;

(n) Trust Funds: the Environment Fund follows the general provisions of the Secretary-General's bulletin on the establishment and management of trust funds (ST/SGB/188) and also its supporting administrative instructions contained in documents ST/AI/285 and ST/AI/286, although as indicated in paragraph 3 of document ST/SGB/188, that bulletin does not apply to such funds as the Fund of UNEP, which are subject to the administrative authority of their executive heads.

Note 2. Utilization of non-convertible currencies

Expenditures on Fund programme activities during the biennium 1984-1985 (schedule 1.2), amounting to \$39.5 million, include \$7.9 million in non-convertible currencies consisting of:

	<u>Equivalent in millions of United States dollars</u>
Expenditures reported by supporting organizations	6.5
Expenditures undertaken through co-operating agencies	0.6
Payments to project staff, reimbursable	<u>0.8</u>
Total	<u>7.9</u>

In addition, there were expenditures in non-convertible currencies in connection with programme and programme support staff costs equivalent to \$0.4 million. Total use of non-convertible currencies was therefore the equivalent of \$8.3 million. The currencies involved were Bulgarian leva, Chinese yuan, Czechoslovak koruny, German Democratic Republic marks, Hungarian forint, USSR roubles and Yugoslav new dinars.

As at 31 December 1985, the non-convertible currencies held in banks for account of UNEP amounted to \$7.8 million (statement II).

Note 3. Financial reporting by co-operating agencies and supporting organizations

All co-operating agencies and supporting organizations (non-governmental organizations and government institutions) having UNEP ongoing projects reported their expenditures as at 31 December 1985.

Note 4. Accounts payable

The accounts payable balance is comprised of the following:

	<u>United States dollars</u>
Staff members	108 603
Vendors	30 929
UNDP field offices	471 058
Others	<u>91 897</u>
Total (statement II)	<u>702 487</u>

Note 5. Deferred charges:

(a) The table below provides an analysis of the amount shown on statement I as deferred charges as at 31 December 1985:

	<u>United States dollars</u>
Education grant advances	80 722
Prepaid expenses	237 368
Charges in transit from offices away from Headquarters (inter-office vouchers)	730 779
Total (statement II)	<u>1 048 869</u>

The portion of education grant advances which is assumed to pertain to the scholastic year completed as at the date of the financial statement is shown for balance sheet purposes only;

(b) The deferred charges shown on statement III in the amount of \$2,833 represent the portion of education grant advances pertaining to the scholastic year completed as at 31 December 1985, and expenditures that are not properly chargeable in the current financial period and that will be charged as expenditure in the subsequent financial period.

Note 6. Inter-fund balances

The following is the breakdown of inter-fund balances as at 31 December 1985 appearing in statement II.

<u>Due from United Nations funds and inter-fund accounts</u>	<u>United States dollars</u>
<u>UNEP general trust funds (statement III):</u>	
Mediterranean Trust Fund	962 553
West and central African region	12 964
Kuwait Action Plan	146 359
CITES	85 419
Environment Conservation Stamp Fund	30 464
Caribbean Trust Fund	145 956
Subtotal	<u>1 383 715</u>
<u>UNEP technical co-operation trust funds (statement IV.1)</u>	
Provision of short-term experts to developing countries	9 238
Environmental Management and Protection of Andean Ecosystems	23 639
Industrial, Environmental and Raw Material Management	76 394
Subtotal	<u>109 271</u>



<u>Junior Professional Officers Programme (statement IV.2)</u>	
Denmark	4 299
Federal Republic of Germany	1 904
Japan	<u>15 616</u>
Subtotal	<u>21 819</u>
 <u>International Prizes in the Field of the Environment (statement IV.3)</u>	
	<u>2 455</u>
 <u>Special account for programme support costs (statement V.1)</u>	
	<u>265 212</u>
 <u>Counterpart contributions (statement VI.1)</u>	
	<u>163 923</u>
 <u>Counterpart contributions (non-convertible currencies) (statement VI.2)</u>	
	<u>196 286</u>
 <u>United Nations General Fund</u>	
	<u>767 390</u>
Total (statement II)	<u>2 910 071</u>

Note 7. Due to United Nations funds and inter-fund accounts

	<u>United States dollars</u>
UNEP general trust fund (statement III)	18 428
Non-convertible currency counterpart contribution to the Mediterranean Trust Fund (statement VI.2)	6 000
Special Account for the Plan of Action to Combat Desertification (statement V.2)	206
Revolving Fund (information) (statement VII)	<u>135 730</u>
Total (statement II)	<u>160 364</u>

The inter-fund balances between the United Nations General Fund, the Fund of UNEP, UNEP general and technical co-operation trust funds and other funds are settled on a periodic basis.

Note 8. Due from other funds

The total due from other funds to counterpart non-convertible currency funds consists of the following:

	<u>United States dollars</u>
Due from Mediterranean Trust Fund (statement III)	253 840
Due from Counterpart Fund (statement VI.1)	<u>112</u>
Total (statement VI.2)	<u>253 952</u>

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