

**FUND OF THE
UNITED NATIONS ENVIRONMENT PROGRAMME**

**FINANCIAL REPORT
and
AUDITED FINANCIAL STATEMENTS
for the biennium ended 31 December 1981
and
REPORT OF THE BOARD OF AUDITORS**

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-SEVENTH SESSION

SUPPLEMENT No. 5F (A/37/5/Add.6)



UNITED NATIONS

New York, 1982

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.

[28 July 1982]

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LETTERS OF TRANSMITTAL

31 March 1982

Sir,

Pursuant to financial regulation 11.4 as amended by General Assembly resolution 3192 (XXVIII) of 18 December 1973, I have the honour to transmit the financial report and accounts of the Fund of the United Nations Environmental Programme for the biennium 1980-1981 ended 31 December 1981, which I hereby approve.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

Accept, Sir, the assurances of my highest consideration.

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

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

16 June 1982

Sir,

I have the honour to transmit to you the financial statements of the Fund of the United Nations Environment Programme for the biennium ended 31 December 1981, which were submitted by the Executive Director. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition to the above, I have the honour to present the report of the Board with respect to the accounts of the Fund of the United Nations Environment Programme for the biennium ended 31 December 1981.

Accept, Sir, the assurances of my highest consideration.

(Signed) H. VREBOS

Senior President of the Court of
Accounts of Belgium

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 ENDED 31 DECEMBER 1981

Introduction

1. The Assistant Executive Director of the Bureau of the Fund and Administration of the United Nations Environment Programme (UNEP) has the honour to submit herewith the financial report and accounts of the Fund of UNEP for the biennium 1980-1981 ended 31 December 1981. The accounts consist of nine statements supported by five schedules and notes to the financial statements. They were transmitted to the Board of Auditors on 31 March 1982 in accordance with financial rule 11.4.
2. At its twenty-ninth session, the General Assembly decided, on the recommendation of the Advisory Committee on Administrative and Budgetary Questions, 1/ that there was no need for the Board of Auditors to submit a formal audit report to the Assembly to cover the first year of a biennium; instead, the financial report and accounts for the first year of a biennium would be submitted to the Advisory Committee and, if the Board's work in auditing transactions in the first year and certifying the interim accounts revealed situations which should be brought to the attention of Member States, the Board would report them to the Advisory Committee, which, if need be, would apprise the General Assembly. 2/ The interim accounts for the first year of the biennium 1980-1981 were presented to the Governing Council at its ninth session (UNEP/GC.9/L.4). The Board of Auditors has conducted an interim audit of the accounts and has not reported to the Advisory Committee any situations which should be brought to the attention of Member States.
3. The inter-agency harmonization of financial statements agreed upon by the General Assembly at its thirty-fifth session continues to be implemented in phases. This involves titles, the consolidation of statements, contents and the sequence of presentation of information. Comparative figures of the biennium 1980-1981 as against biennium 1978-1979 have been reflected in the financial statements.
4. The following paragraphs highlight financial developments and draw attention to significant items reflected in the statements and schedules. The financial statements and schedules, as well as the notes thereon, are to be considered as an integral part of the financial report.

Levels of appropriations and commitments

5. The Governing Council, in decision 8/18 of 29 April 1980, approved an increase in the level of appropriations for Fund programme activities in 1980-1981 by \$6,650,000, from \$61,200,000 to \$67,850,000, and a level of \$2,000,000 for the Fund programme reserve for the biennium 1980-1981.
6. The appropriations by the Governing Council for the biennium 1980-1981 were utilized as follows:

	<u>Appropriations</u>	<u>Obligated appropriations</u>	<u>Unobligated appropriations</u>
	(United States dollars)		
Fund programme activities	67 850 000	49 754 222	18 095 778
Fund programme reserve	2 000 000	282 831	1 717 169
Programme and programme support costs	19 800 000	19 032 985	767 015
	<u>89 650 000</u>	<u>69 070 038</u>	<u>20 579 962</u>

7. The balance of obligated appropriations for the biennium 1980-1981 amounts to \$69,070,038 and is determined by the financial resources of \$66,116,618 available to the Executive Director for same period.

8. The balance of commitments as at 31 December 1981 was \$34,741,955, consisting of \$7,638,950 as unexpended balance of commitments for current and prior years and \$27,103,005 for future years. The sum of \$34,741,955 constitutes contingent liabilities on the resources of the Fund within the levels approved by the Governing Council.

United Nations accommodation at Nairobi

9. In its resolution 32/208 of 21 December 1977, the General Assembly approved the construction of permanent headquarters facilities for UNEP and accommodation for the other United Nations offices at Nairobi. An amount of \$23,547,000 was approved for the basic construction project. In its resolution 34/233, section XI, of 20 December 1979, the Assembly approved the construction of additional accommodation for the United Nations Centre for Human Settlements (Habitat) and approved \$8,360,200 which was added to the basic project authorized by resolution 32/208 (A/C.5/34/43, para. 46).

10. In resolution 35/222 of 17 December 1980, the General Assembly approved a revision of the entire construction project, as recommended in the report of the Executive Director of UNEP (A/C.5/35/35/Add.1), with the provision that the over-all cost of the construction project should not exceed the \$31,907,200 appropriation already authorized by it in resolutions 32/208 and 34/233.

11. In resolution 36/235, section IX, of 18 December 1981, the General Assembly approved the revised construction project submitted by the Secretary-General (A/36/7/Add.14), appropriated an amount of \$19,135,000 under section 32 of the programme budget for the biennium 1982-1983 for construction at Nairobi and requested the Secretary-General to report to the Advisory Committee on Administrative and Budgetary Questions, as soon as possible, on the results of the tendering and make recommendations based on those results. The tendering took place in January 1982.

12. On 19 March 1982, the Executive Director of UNEP informed the Under-Secretary-General of the Department of Administration, Finance and Management that he had approved the recommendation of the Nairobi Committee on Contracts (Building), awarding the contract to Messrs. Mohammed A. Kharafi of Kuwait, who submitted the fourth lowest bid of 179,263,462 Kenyan shillings. The accepted bid will enable the construction to be carried out within the total approved appropriation in accordance with resolution 35/222. Construction will commence on site in mid-April 1982 and is expected to be completed in two years.

13. The allotments and expenditures of the funds are recorded in a set of construction accounts and any fund balance at the end of each financial period is carried forward until the completion of the project. The allotment for the biennia 1978-1979 and 1980-1981 amounted to \$7,942,400, against which expenditures of \$6,515,686 were incurred.

14. Preliminary site works, which include site clearing, roads, parking, sewers, fencing, oxidation ponds, etc., have been completed. It is anticipated that by early 1984 the main construction project will be completed in accordance with the architect's preliminary schedule.

15. The financial position of the United Nations accommodation at Nairobi under the regular budget of the United Nations, as reflected in the report and accounts of the United Nations under sections 18 and 32 (statement II), as at 31 December 1981 is as follows:

	<u>US dollars</u>	<u>Kenyan shillings</u>
<u>Assets</u>		
Cash at banks	30 611.28	315 717.68
Construction in progress	6 515 686.29	53 464 793.74
Due from United Nations General Fund	1 887 439.50	14 061 424.59
	<hr/>	<hr/>
Total assets	8 433 737.07	67 841 936.01
	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities</u>		
Accounts payable	854.70	8 803.40
Unliquidated obligations	144 430.17	1 482 903.14
	<hr/>	<hr/>
Total liabilities	145 284.87	1 491 706.54
	<hr/> <hr/>	<hr/> <hr/>
<u>Fund balance</u>		
1978-1981 allotments	7 942 400.00	63 618 692.00
Miscellaneous income	346 052.20	2 731 537.47
	<hr/>	<hr/>
Fund balance as at 31 December 1981	8 288 452.20	66 350 229.47
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and fund balance	8 433 737.07	67 841 936.01
	<hr/> <hr/>	<hr/> <hr/>

Regular budget of the United Nations

16. The final revised appropriations for the biennium 1980-1981 from the regular budget of the United Nations to meet the costs of the secretariat established under resolution 2997 (XXVII), as approved by the General Assembly in its resolution 36/234 of 18 December 1981, amounted to \$11,165,400. Total expenditure incurred for the biennium 1980-1981 was \$10,906,947 leaving an unobligated balance of \$258,453 as at 31 December 1981.

17. The report and accounts for the regular budget of the United Nations are contained in the report and accounts of the United Nations for the biennium 1980-1981 under section 18 (statement I and supporting schedules).

18. The over-all view of the organization's income and expenditures in figure I of the following page is primarily presented for information purposes.

Financial statements

Statement I: Environment Fund: statement of income and expenditure for the biennium 1980-1981 ended 31 December 1981

19. The total income for the biennium 1980-1981 amounted to \$66,116,618 and the total expenditure to \$69,070,038, leaving an excess of expenditure over income of \$2,953,420 as at 31 December 1981.

20. The expenditures for the years 1973 to 1981, representing the financial implementation of Fund programme and Fund programme reserve activities, are as follows:

<u>Year</u>	<u>Expenditure</u>
1973	3 264 485
1974	4 015 676
1975	13 146 540
1976	15 596 098
1977	21 666 410
1978	22 902 469
1979	27 036 306
1980	26 830 093
1981	23 206 960

Figure 1

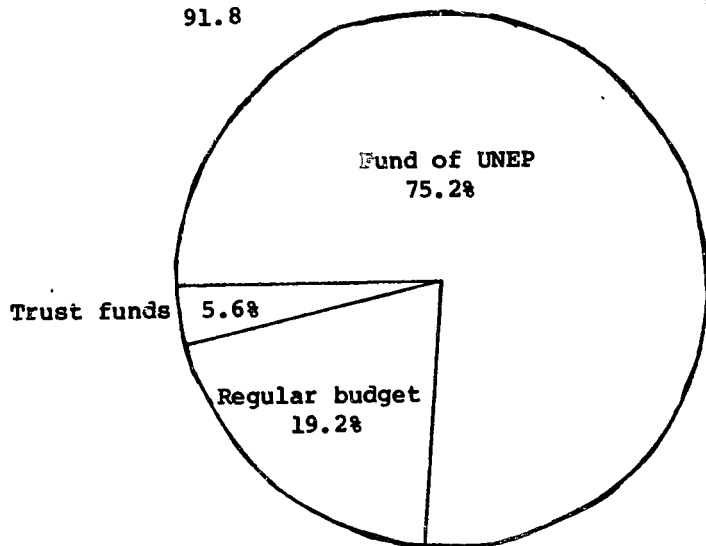
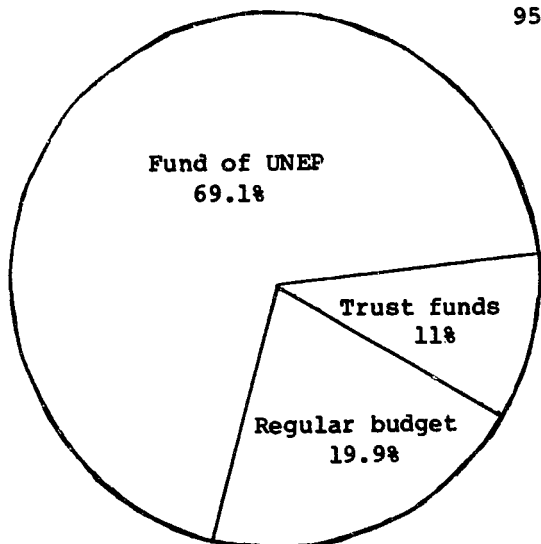
Fund of the United Nations Environment Programme, United Nations regular budget and UNEP trust funds activities

Income and expenditure
(Millions of US dollars)

Income
(percentage of total)

66.1	Fund of UNEP	69.1
10.5	Trust funds*	5.1
19.2	Regular budget**	17.6
95.8		91.8

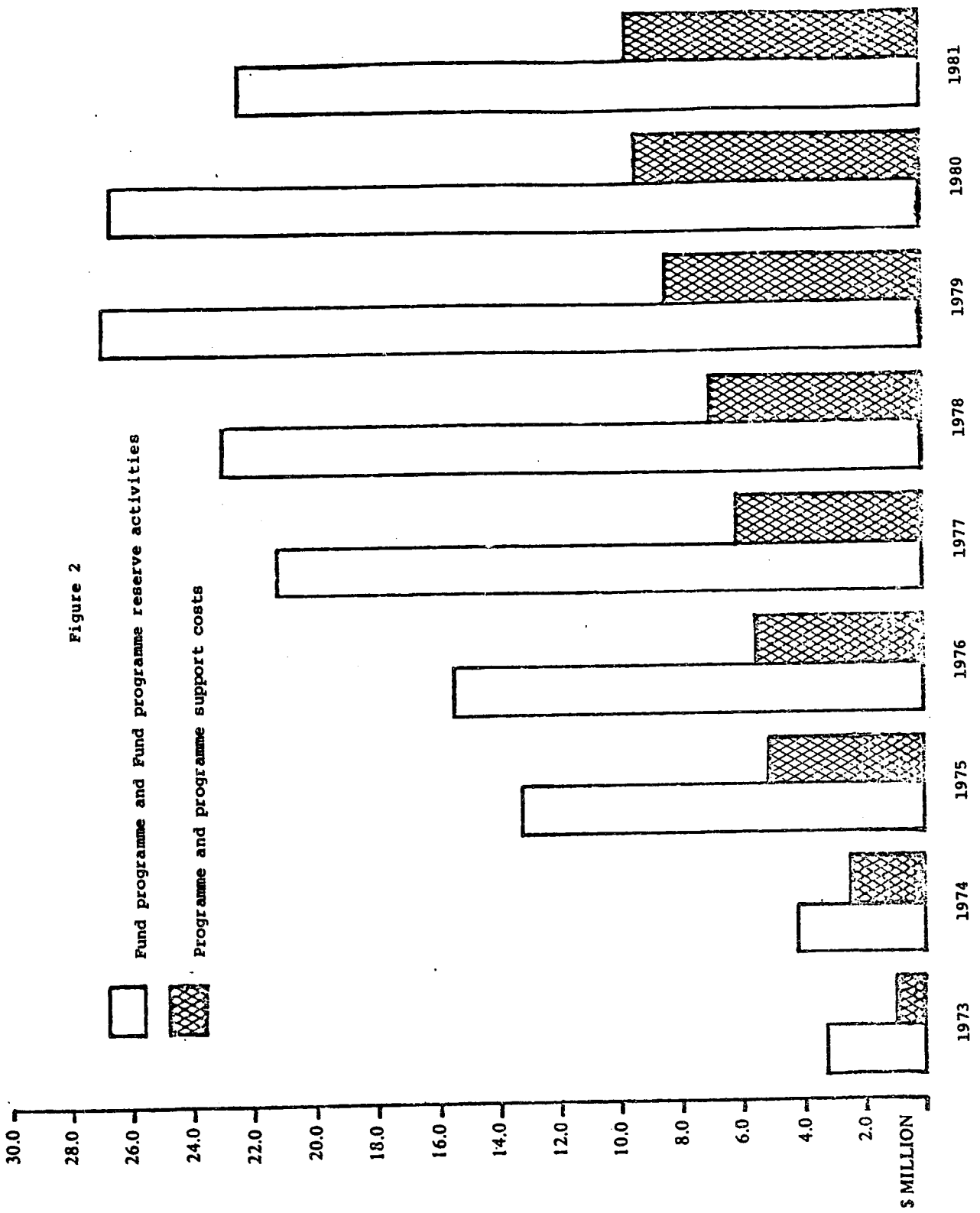
Expenditure
(percentage of total)



* Includes \$138,021 income and \$103,741 expenditure for the Junior Professional Officers Programme trust fund.

** Includes \$7,942,400 income and \$6,515,686 expenditure for United Nations accommodation at Nairobi.

Figure 2



21. The following is the summary of expenditure incurred during the biennium 1980-1981 expressed by object of expenditure for the Fund programme and Fund programme reserve activities:

	<u>1980</u>	<u>1981</u>	<u>Unliquidated obligations</u>	<u>Total</u>
Project personnel (excluding consultants)	8 358 970	6 241 631	114 142	14 714 743
Consultants	1 737 278	1 632 862	520 677	3 890 817
Administrative support personnel	2 785 109	2 556 696	27 575	5 369 380
Travel	1 417 514	1 150 930	160 845	2 729 289
Subcontracts	1 989 071	1 714 245	286 796	3 990 112
Fellowships	430 760	444 369	-	875 129
Group training and meetings	5 682 311	3 821 675	255 317	9 759 303
Expendable equipment	467 764	323 148	4 627	795 539
Non-expendable equipment	689 849	672 146	110 680	1 472 675
Rental of premises	130 316	74 183	-	204 499
Operation and maintenance of equipment	625 660	392 679	20 559	1 038 898
Reporting costs	1 174 723	1 087 924	182 470	2 445 117
Sundry	866 732	599 483	16 792	1 483 007
UNEP participation costs	474 036	665 219	129 290	1 268 545
Total	<u><u>26 830 093</u></u>	<u><u>21 377 190</u></u>	<u><u>1 829 770</u></u>	<u><u>50 037 053</u></u>

22. The expenditures for programme and programme support costs for the years 1973 to 1981 are as follows:

<u>Year</u>	<u>Expenditure</u>
1973	926 985
1974	2 550 095
1975	5 083 009
1976	5 404 167
1977	6 070 770
1978	6 953 728
1979	8 236 721
1980	9 467 382*
1981	9 565 603**

* Includes \$793,738 as unliquidated obligations.

** Includes \$366,220 as unliquidated obligations.

23. The total expenditures on Fund programme and Fund programme reserve activities and programme and programme support costs for the years 1973 to 1981 are presented in graphic form for information purposes in figure 2.

Statement II: Statement of fund balance as at 31 December 1981

24. The Environment Fund had a fund balance of \$24,567,851 as at 31 December 1981, after setting aside \$4,400,000 for the financial reserve (statement III).

Statement III: Statement of assets and liabilities and fund balance as at 31 December 1981

25. The assets of the Environment Fund increased from \$55.6 million as at 31 December 1979 to \$57.9 million as at 31 December 1981. The liabilities of the Environment Fund increased from \$24.4 million as at 31 December 1979 to \$28.9 million as at 31 December 1981. The Fund balance decreased from \$31.1 million to \$29.0 million inclusive of the financial reserve.

1. Write-off losses of cash and receivables

26. In accordance with financial rule 110.14, and after a full investigation, the writing off of two balances amounting to \$121.89 was approved by the Assistant Secretary-General, Office of Financial Services, for the biennium 1980-1981. 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 the United Nations Environment Programme, (b) every effort had been made to collect the amount and (c) further collection efforts were fruitless.

2. Write-off of losses of property

27. During the biennium 1980-1981 property losses amounting to \$11,738.13 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 and represent 0.01 per cent of the total balance of non-expendable property as at 31 December 1981.

Statement IV: Capital Asset Fund: statement of assets and liabilities as at 31 December 1981

28. The Capital Asset Fund account shows the total cost of construction for the temporary office premises of the United Nations Environment Programme at Gigiri, in the amount of \$1,895,812, when the premises were completed at the end of 1976, together with the sources of financing. These comprise the sum donated by the Government of Kenya and annual appropriations from the United Nations regular budget and from the programme and programme support costs budget of the Environment Fund. These appropriations are offset against the temporary loan made available by the Fund in 1976 (\$1,150,000), which has been fully amortized as at 31 December 1981, bringing the Capital Asset Fund account to zero balance.

Statement V: Revolving Fund (Information): statement of income and expenditures and statement of assets and liabilities as at 31 December 1981

29. The Governing Council, by decision 42 (III), section III, of 30 April and 2 May 1975, established this fund for the purpose of financing, as a self-supporting operation, the preparation, production and distribution of information materials by UNEP. Income during the biennium 1980-1981 amounted to \$68,824 and expenditures to \$125,844, leaving an uncommitted balance of \$134,465 at 31 December 1981.

Statement VI: Environment Fund: UNEP Trust Fund for International Prize in the Field of Environment: statement of income and expenditure and statement of assets and liabilities as at 31 December 1981

30. The General Assembly, under resolution 3003 (XXVII) of 15 December 1972, established an international prize in the field of environment which was awarded in amounts of \$50,000 each in 1976, 1977 and 1978. The balance available under this trust fund as at 31 December 1981 of \$3,984 is invested in a 5 per cent interest-bearing account.

Statement VII: UNEP General Trust Funds: combined statement of income and expenditures for the biennium 1980-1981 ended 31 December 1981 and combined statement of assets and liabilities as at 31 December 1981

31. In accordance with the interagency harmonization of financial statements, the five main UNEP trust funds described below have been included in one statement and one schedule. Their cash funds are at present jointly operated through one United States dollar bank account kept in New York at a minimum for working capital, and the balances are invested in interest-bearing time deposits.

1. Trust Fund for the Protection of the Mediterranean Sea against Pollution

32. By decision 7/14 D of 3 May 1979, the Governing Council approved, under chapter II, article V, of the general procedures governing the operations of the Fund of UNEP, the establishment of the Regional Trust Fund for the protection of the Mediterranean Sea against Pollution.

33. When the Governing Council approved, by decision 9/26, paragraph 1 (b), the continuation of this trust fund until 31 December 1982, it was expected that by then the parties to the Barcelona Convention would have established and themselves be managing a fund to finance the Mediterranean Action Plan. The Co-ordination Unit of the Action Plan is expected to move shortly from Geneva to Athens under an agreement signed between the United Nations and the Government of Greece.

2. Trust Fund for the Protection and Development of the Marine Environment and the Coastal Areas of Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates

34. By decision 6/13 D, paragraph 9, of 24 May 1978, the Governing Council approved, under chapter II, article V, of the general procedures governing the operations of the Fund of UNEP, the establishment of the Regional Trust Fund for the Protection and Development of the Marine Environment and the Coastal Areas of Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

35. When, by decision 9/26, paragraph 1 (a), the Governing Council approved the continuation of this trust fund until 31 December 1981, it was expected that, by that time, the regional organization would have established its own trust fund and that any residual assets in the United Nations Trust Fund would have been transferred to the new fund. However, in October 1981, the Chairman of the Executive Committee of the parties to the Convention requested the Executive Director to continue to provide technical support to the new regional organization for a further two years, and, after consultation with the Office of Financial Services, the Trust Fund was extended for a further two years until 31 December 1983. Funds held by UNEP in the Trust Fund which were not required for this support project have been paid to the new regional organization in accordance with a request from its Executive Committee.

3. Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora

36. By decision 7/14 E of 3 May 1979, the Governing Council approved, under chapter II, article V, of the general procedures governing the operations of the Fund of UNEP, the establishment of the Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora. By decision 9/26, paragraph 1 (c), the Governing Council approved the extension of this trust fund until 31 December 1983.

4. Trust Fund for Regional Training Workshops on Environmental Management

37. At its ninth session, the Governing Council noted that the Secretary-General had given his consent to the establishment of a special-purpose Trust Fund for Regional Training Workshops on Environmental Management, with particular reference to the pulp and paper industry (decision 9/26, eighth preambular para.). The income of the Trust Fund was to be derived entirely from contributions made by the Swedish International Development Authority. The first such contribution, totalling \$160,356, was received in October 1981, and planning was thus able to go ahead for the first workshops, which were held at New Delhi in February 1982 and at Manila in March 1982.

5. Special Account for Financing the Implementation of the Plan of Action to Combat Desertification

38. The Special Account for Financing the Implementation of the Plan of Action to Combat Desertification was established by the General Assembly in December 1978 by resolution 33/116 C, section IX. The Executive Director was authorized by the Secretary-General to accept pledges of contributions to the account, to review and approve cost plans and to allocate and allot funds.

Statement VIII: UNEP Junior Professional Officers Programme financed by the Governments of Denmark and Norway: combined statement of income and expenditure for the biennium 1980-1981 ended 31 December 1981 and combined statement of assets and liabilities as at 31 December 1981

39. During 1981, UNEP entered into an agreement with the Danish International Development Agency (DANIDA) under which DANIDA provides funds for a trust fund approved by the Secretary-General to finance the appointment by UNEP of Danish junior professional officers. The administration of the trust fund was delegated by the Secretary-General to the Executive Director by a memorandum dated 24 November 1981 from the Assistant Secretary-General of the Office of Financial Services. A similar arrangement also exists with the Government of Norway, and the Secretary-General has formally delegated his responsibility for administering the scheme to the Executive Director by a memorandum dated 29 January 1982 from the Assistant Secretary-General of the Office of Financial Services.

Statement IX: Special accounts for programme support costs: statement of income and expenditure for the biennium 1980-1981 ended 31 December 1981 and statement of assets and liabilities as at 31 December 1981

40. To reflect programme support costs and the corresponding income received thereon, 13 per cent was charged to each of the five trust funds and 12 per cent to the UNEP Junior Professional Officers Programme trust fund. Total income for the biennium 1980-1981 amounted to \$640,778 and expenditures to \$357,671, resulting in an excess of income over expenditure of \$283,107.

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. As required by General Assembly resolution 74 (I) 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 1981.
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, 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 continuous dialogue with the Administration and is consistent with the Board's approach of applying systems-based auditing to all the organizations in the United Nations system for which the Board has audit responsibility.
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 referred to as appropriate.

Capital expenditure

5. On the basis of our review of the contract files related to the construction of the new permanent headquarters at Gigiri, Nairobi, we recommended that:
 - (a) Any extension of time provided for the execution of the work, as well as any major modification to the plans or work, required a written justification which should be duly proved and kept in the file.
 - (b) Procedures should be established to enable the Planning Unit and the architect to authorize minor variations without delay and to ensure that the Executive Director obtained as early as possible advice from the Committee on Contracts in order to approve major modifications.
6. The Administration agreed to implement our recommendations.
7. We furthermore accepted the Administrations's request to assist in the preparation of contracts and were pleased to state that most of the clauses which we recommended to protect the United Nations interests have been inserted in the bills of quantities. These clauses concern the responsibility of the contractors towards discrepancies between drawings and bills of quantities, fairness of unit prices, possible collusion distorting the competitive conditions, corrections in tender documents, modifications of tender terms proposed by bidders, conformity of work and material to the contractual requirements and the responsibility for serious latent defects once the work is finished.

Electronic data processing (EDP)

8. Our review of the EDP system of UNEP disclosed several weaknesses, mostly in the automatic data processing control. We recommended that the Administration should take steps to improve the control procedures.

9. The Administration indicated that it was well aware of these weaknesses which it attributed to the understaffing of the EDP Unit, since it had no posts for a computer assistant, a supplementary programmer and administrative assistants. Steps were, however, being taken to improve the existing system.

Budgetary control

10. Although the over-all expenditure for programme and programme support was within the ambit of the appropriations approved for the biennium, our review revealed substantial excess expenditures for certain sub-allotments.

11. The Administration indicated that it had directed its staff to minimize expenditures in order to keep expenditures within allotment levels.

Non-convertible currencies

12. We noted that the balance of accumulated non-convertible currencies showed a significant decrease. The equivalent value in United States dollars has been reduced from \$16,768,490 at the end of the biennium 1978-1979 to \$13,047,030 at the end of 1981. This resulted partly from the Administration's efforts to utilize these currencies and partly from the increased value of the dollar.

Expendable and non-expendable property

13. Our examination disclosed weaknesses in the inventory system. The stocktaking was carried out by staff members responsible for the recording and custody of the items without the participation of any third party; discrepancies were not reported promptly to the Property Survey Board for investigation; equipment had been issued to individuals without personal property receipts and no action had been taken towards the disposal of items recommended by the Property Survey Board.

14. The Administration indicated that it would take measures to improve the inventory system.

Comments on matters dealt with in the report of the biennium 1978-1979 3/

15. Except for the late submission of financial statements by implementing agencies or organizations, the Administration has either provided satisfactory explanations or taken appropriate action on the matters raised in the report for the biennium 1978-1979.

Acknowledgement

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

(Signed) H. VREBOS
Senior President of the Court of
Accounts of Belgium

(Signed) Osman Ghani KHAN
Comptroller and Auditor General
of Bangladesh

(Signed) J. B. H. COLEMAN
Auditor General of Ghana

III. AUDIT OPINION

We have examined the following appended financial statements, numbered I to IX, properly identified, and relevant schedules of the Fund of the United Nations Environment Programme for the biennium 1980-1981 ended 31 December 1981. 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 properly reflect the recorded financial transactions for the biennium, which transactions were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position as at 31 December 1981.

(Signed) H. VREBOS
Senior President of the Court of
Accounts of Belgium

(Signed) Osman Ghani KHAN
Comptroller and Auditor General
of Bangladesh

(Signed) J. B. H. COLEMAN
Auditor General of Ghana

June 1982

IV. ACCOUNTS FOR THE BIENNIUM ENDED 31 DECEMBER 1981

STATEMENT I

STATEMENT OF INCOME AND EXPENDITURE FOR THE
BIENNIUM 1980-1981 ENDED 31 DECEMBER 1981
 (United States dollars)

<u>Income</u>	<u>1980-1981</u>	<u>1978-1979</u>
Contributions from Governments (Schedule 1.1)	62 415 566	61 436 725
Public donations	80	3 603
Interest income	4 536 259	3 360 234
Refund of prior years' expenditures	(8 366)	303 447
Rental income	43 816	52 762
Other income	180 791	70 081
Gain/loss on exchange	<u>(1 051 528)</u>	<u>1 112 780</u>
	<u>66 116 618</u>	<u>66 339 632</u>
 <u>Expenditures</u>		
Fund programme activities (Schedule 1.2)	49 754 222	49 812 926
Fund programme reserve activities (Schedule 1.2)	282 831	125 845
Programme and programme support costs (Schedule 1.3)	<u>19 032 985</u>	<u>15 190 449</u>
	<u>69 070 038</u>	<u>65 129 220</u>
Excess of income over expenditure (Schedule 1.3)	<u>(2 953 420)</u>	<u>1 210 412</u>

CERTIFIED CORRECT

(Signed) R. SCHMIDT

Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1982

STATUS OF PLEDGES UNPAID AS AT 31 DECEMBER 1981
(United States dollars)

Countries	Unpaid pledges as at 1 January 1980	Pledges and adjustments		Pledges for future years	Collections and adjustments		Unpaid pledges for 1981 and prior years	Unpaid pledges for future years
		for 1980	for 1981		during 1980	during 1981		
Algeria	10 000	10 000	10 000	11 000	10 000	10 000	10 000	11 000
Argentina	-	70 000	70 000	70 000	60 000	72 926	7 074	70 000
Australia	9 047	500 000	500 000	-	506 487	502 560	-	-
Austria	-	300 000	300 000	300 000	300 000	300 000	-	300 000
Bahamas	-	500	-	-	-	-	500	-
Bangladesh	3 000	11 000	-	-	14 000	-	-	-
Barbados	-	1 000	1 000	2 000	1 000	1 000	-	2 000
Belgium	300 000	300 000	-	-	600 000	-	-	-
Benin	2 000	2 000	-	2 000	-	-	4 000	2 000
Bhutan	-	1 000	-	-	-	-	1 000	-
Botswana	1 266	1 266	1 337	1 543	1 266	4 146	-	-
Brazil	-	20 000	20 000	20 000	20 000	20 000	-	20 000
Bulgaria	-	5 869	5 869	-	5 869	5 869	-	-
Burundi	-	5 486	5 589	-	5 486	5 589	-	-
Byelorussian Soviet Socialist Republic	-	19 757	18 336	36 466 a/	19 757	18 336	-	36 466
Canada	-	700 000	805 000	-	700 000	805 000	-	-
Cape Verde	-	2 000	-	-	-	-	2 000	-
Chile	-	3 000	5 000	-	3 000	5 000	-	-
China	312 500	20 833	114 779	115 607 a/	333 333	114 779	-	115 607
Colombia	5 000	4 767	40 234	35 000	9 767	21 336	18 898	35 000
Congo	-	-	14 429	-	-	14 429	-	-
Cyprus	1 000	2 000	2 000	4 000	-	4 000	1 000	4 000
Czechoslovakia	-	28 736	23 320	25 773 a/	-	52 056	-	25 773
Democratic Yemen	-	1 323	2 779	1 456	1 323	2 779	-	1 456
Denmark	-	400 000	335 032	-	400 000	335 032	-	-
Dominican Republic	2 000	1 000	-	-	2 000	-	1 000	-
Egypt	-	9 854	10 000	15 000	9 854	10 000	-	15 000
Finland	-	300 000	350 000	350 000	300 000	350 000	-	350 000
France	-	1 428 571	1 071 429	973 451 a/	1 428 571	1 071 429	1 034	973 451
Gabon	-	1 034	-	-	-	-	-	-
German Democratic Republic	-	214 127	179 654	170 455 a/	214 127	179 654	-	170 455
Germany, Federal Republic of	-	2 395 675	1 956 522	-	2 395 675	1 956 522	-	-
Ghana	31 300	19 000	(24 200)	-	-	26 100	-	-
Greece	-	7 000	19 608	-	-	26 608	-	-
Guinea-Bissau	4 000	2 000	2 000	-	-	-	8 000	-

STATUS OF PLEDGES UNPAID AS AT 31 DECEMBER 1981
(United States dollars)

Countries	Unpaid pledges as at 1 January 1980	Pledges and adjustments		Pledges for future years	Collections and adjustments		Unpaid pledges for prior years	Unpaid pledges for future years
		for 1980	for 1981		during 1980	during 1981		
Hungary	-	24 618	20 024	21 429	24 618	20 024	-	21 429
Iceland	-	6 000	6 600	-	-	12 600	-	-
Ivory Coast	-	-	45 675	-	-	45 675	-	-
India	50 261	101 211	100 000	-	151 211	50 000	50 261	-
Indonesia	-	12 000	12 000	12 000	12 000	12 000	-	12 000
Iran	200 000	100 000	-	-	-	-	300 000	-
Iraq	-	150 286	76 271	76 000	150 286	-	76 271	76 000
Ireland	-	26 923	20 735	-	26 923	20 735	-	-
Israel	-	15 000	-	-	-	-	15 000	-
Italy	-	400 000	800 000	400 000	-	400 000	800 000	400 000
Jamaica	-	4 000	3 745	-	4 000	3 745	-	-
Japan	-	3 600 000	4 000 000	-	3 600 000	4 000 000	-	-
Kenya	-	85 046	40 000	34 951	45 046	40 000	-	34 951
Kuwait	100 000	200 000	200 000	-	100 000	400 000	-	-
Leo People's Democratic Republic	-	4 000	-	-	-	-	4 000	-
Lesotho	-	1 000	-	-	-	-	1 000	-
Liberia	-	1 500	-	-	1 500	-	-	-
Libyan Arab Jamahiriya	400 000	(400 000)	-	-	-	-	-	-
Luxembourg	-	10 000	10 000	-	10 000	10 000	-	-
Malawi	1 439	2 439	1 013	-	2 487	2 404	-	-
Malaysia	-	10 000	10 000	10 000	-	20 000	-	10 000
Malta	-	2 020	1 842	-	2 020	1 842	-	-
Mauritania	-	4 040	-	-	4 040	-	-	-
Mauritius	2 000	1 004	-	-	3 004	-	-	-
Mexico	-	150 000	150 000	-	99 957	198 036	2 007	-
Netherlands	-	456 972	390 011	445 833	456 972	390 011	-	445 833
New Zealand	-	80 287	88 038	-	80 287	88 038	-	-
Nigeria	-	32 000	64 000	32 000	-	119 612	-	8 388
Norway	-	1 021 673	986 311	947 368	1 021 673	986 311	-	947 368
Oman	-	3 333	3 333	-	3 333	-	3 333	-
Pakistan	3 000	7 000	5 000	-	10 000	5 000	-	-
Panama	4 000	4 000	4 000	-	4 000	8 000	-	-
Peru	2 000	2 000	2 000	-	2 000	4 000	-	-
Philippines	15 000	16 000	18 000	20 000	5 000	10 000	34 000	20 000
Poland	-	45 181	45 181	90 362	45 181	45 181	-	90 362

STATUS OF PLEDGES UNEPAID AS AT 31 DECEMBER 1981
(United States dollars)

Countries	Unpaid pledges as at 1 January 1980	Pledges and adjustments		Pledges for future years	Collections and adjustments		Unpaid pledges for 1981 and prior years	Unpaid pledges for future years
		for 1980	for 1981		during 1980	during 1981		
Portugal	3 000	3 000	3 000	3 000	3 000	6 000	-	3 000
Republic of Korea	10 000	10 000	10 000	10 000	20 000	10 000	-	10 000
Romania	-	5 000	-	-	5 000	-	-	-
Saudi Arabia	-	250 000	250 000	-	250 000	250 000	20 000	-
Senegal	10 000	5 000	-	100	-	100	-	-
Seychelles	-	-	-	-	-	-	-	-
Singapore	-	1 000	1 000	1 000	1 000	1 000	-	1 000
Somalia	-	1 605	3 210	-	1 605	3 210	-	-
Spain	1 000	200 000	200 000	-	200 000	-	200 000	-
Sri Lanka	-	500	2 000	-	500	-	3 000	-
Sudan	-	1 500	1 500	1 500	1 500	-	1 500	1 500
Sweden	-	1 875 000	1 875 000	5 000 000 a/	1 875 000	1 875 000	-	5 000 000
Switzerland	-	637 707	513 507	536 932	637 707	513 507	-	536 932
Syrian Arab Republic	-	3 006	1 000	-	3 006	1 000	-	-
Thailand	-	10 000	10 000	-	10 000	10 000	-	-
Togo	-	922	-	707	-	1 807	37	707
Tunisia	-	-	19 620	-	-	19 620	-	-
Turkey	11 722	6 000	6 000	-	12 114	6 000	5 608	-
Uganda	1 326	1 263	(2 208)	-	-	-	381	-
Ukrainian Soviet Socialist Republic	-	48 632	45 134	89 762 a/	48 632	45 134	-	89 762
Union of Soviet Socialist Republics	-	3 984 803	3 698 166	7 354 839 a/	3 984 803	3 698 166	-	7 354 839
United Kingdom of Great Britain and Northern Ireland	-	1 428 571	1 100 917	1 181 102 a/	1 428 571	1 100 917	-	1 181 102
United Republic of Cameroon	631	8 670	-	7 813 a/	9 301	-	-	7 813
United Republic of Tanzania	10 610	5 305	258	-	-	16 173	-	-
United States of America	-	10 000 000	9 981 000	-	5 000 000	14 981 000	2 000	-
Upper Volta	1 000	1 000	-	-	-	-	-	-
Venezuela	-	100 000	100 000	100 000	100 000	100 000	-	100 000
Yugoslavia	36 011	35 000	71 151	-	35 411	106 751	-	-
Zaire	-	25 000	-	-	-	-	25 000	-
Zambia	-	-	-	11 500	-	-	-	11 500
TOTAL	1 545 035	31 576 815	30 838 751	18 521 949	26 834 203 b/	35 553 749 b/	1 597 904	18 496 694

a/ Converted United Nations rate of exchange as at December 1981.

b/ Out of which a sum of \$4 696 570 was received in non-convertible currency for 1980 and \$4 178 243 for 1981.

SUMMARY OF APPROPRIATIONS, ALLOTMENTS ISSUED, EXPENDITURES INCURRED AND UNOBLIGATED BALANCE OF ALLOTMENTS FOR PROGRAMME AND PROGRAMME SUPPORT COSTS AS AT 31 DECEMBER 1981

(United States dollars)

	Appropriations 1980-1981	Allotments ^{a/} issued 1980-1981	Expenditures incurred 1980-1981		Unobligated balance of appropriations	Unobligated balance of allotments
			Disbursements 1980	Unliquidated obligations 1980-1981		
Established posts	9 095 100	8 788 500	4 341 197	4 297 022	40 746	8 678 965
General temporary assistance	263 700	263 700	112 279	168 148	29 358	309 785
Consultants (including travel)	756 900	718 400	208 230	314 650	198 579	721 459
Overtime and night differential	98 500	-	44 502	57 350	-	101 852
Ad hoc expert group	196 300	136 500	74 141	35 469	25 838	135 448
Language training	44 300	44 300	20 149	28 554	4 040	52 743
Common staff costs	4 330 700	4 190 000	2 002 933	1 803 288	299 175	4 105 396
Travel on official business	1 237 500	1 093 900	507 653	435 042	134 489	1 077 184
Contractual services	229 200	169 100	74 173	58 281	41 222	173 676
General operating expenses	1 788 000	1 788 000	874 993	848 789	246 510	1 970 292
Supplies and materials	646 100	646 100	240 573	306 023	116 267	662 863
Acquisition of furniture and equipment	183 100	171 900	59 821	73 467	23 734	157 022
Amortization of loan temporary headquarters building	239 400	226 000	113 000	87 800	-	200 800
Fellowships, grants and contributions	5 700	5 700	-	-	-	5 700
Contributions to joint administrative activities within the United Nations	685 500	685 500	-	685 500	-	685 500
	19 800 000	19 026 100	8 673 644	9 199 383	1 159 958	19 032 985
						767 015

^{a/} Allotments issued for 1980-1981 are based on allocations approved by the Executive Director in the amount of \$19 800 000.

STATEMENT II

STATEMENT OF FUND BALANCE AS AT 31 DECEMBER 1981
(United States dollars)

	<u>1981</u>	<u>1979</u>
Balance available at 1 January 1980 and 1978 respectively	26 952 428	26 339 363
Add: Excess of income over expenditure (Statement I)	(2 953 420)	1 210 412
Savings effected in liquidating prior years' obligations	<u>768 843</u>	<u>139 036</u>
Subtotal	24 767 851	27 688 811
Less: Transfer to financial reserve	200 000	600 000
Adjustment of opening balance 1 January 1979 of Revolving Fund (Information)	-	32 378
Allocation in 1979 to Revolving Fund (Information)	<u>-</u>	<u>104 005</u>
Balance available at 31 December (Statement III)	<u><u>24 567 851</u></u>	<u><u>26 952 428</u></u>

CERTIFIED CORRECT

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

Nairobi, 31 March 1982

STATEMENT III

STATEMENT OF ASSETS AND LIABILITIES AND FUND BALANCE
AS AT 31 DECEMBER 1981

(United States dollars)

<u>Assets</u>	<u>1981</u>	<u>1979</u>
Cash at banks		
Convertible currency a/	17 918 863	15 646 710
Non-convertible currency	13 047 030	16 768 490
Advances to co-operating agencies and supporting organizations	2 710 466	3 405 862
Pledged contributions receivable from Governments (Schedule 1.1)	20 094 598	16 586 348
Accrued interest receivable	-	276 336
Accounts receivable	1 472 756	472 101
Deferred charges (Note 6)	1 701 650	1 426 243
Loan to Capital Asset Fund - UNEP temporary building at Gigiri (Statement IV)	-	370 800
Due from United Nations funds and interfund accounts (Note 7)	<u>941 632</u>	<u>649 128</u>
Total assets	<u><u>57 886 995</u></u>	<u><u>55 602 018</u></u>
 <u>Liabilities</u>		
Accounts payable (Note 5)	3 243 830	778 341
Advances by co-operating agencies and supporting organizations	3 817 709	3 266 252
Unliquidated obligations (Schedules 1.2 and 1.3)	2 989 728	4 455 193
Deferred contributions (Schedule 1.1)	18 521 949	15 041 313
Due to United Nations funds and interfund accounts (Note 7)	<u>345 928</u>	<u>908 491</u>
Total liabilities	<u><u>28 919 144</u></u>	<u><u>24 449 590</u></u>

STATEMENT III (concluded)

Fund balance

Fund balance available at 31 December (Statement II)	24 567 851	26 952 428
Financial reserve	<u>4 400 000</u>	<u>4 200 000</u>
Total fund balance	<u>28 967 851</u>	<u>31 152 428</u>
Total liabilities and fund balance	<u><u>57 886 995</u></u>	<u><u>55 602 018</u></u>

a/ Includes \$14,926,103 in interest-bearing bank deposits for 1979 and \$17,721,600.19 for 1981 as per schedule 3.1.

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

Nairobi, 31 March 1982

CASH AND INTEREST-BEARING BANK DEPOSITS AS AT
31 DECEMBER 1981

(United States dollars)

	<u>Book value</u>
<u>Fund of UNEP</u>	
Cash at banks (current accounts	197 263.09
Morgan Guaranty Trust Co., Nassau	
12 5/8 per cent call account	1 820 000.00
Manufacturers Hanover Trust Co.,	
12 1/2 per cent due 28 May 1982	2 500 000.00
Midland Bank London	
17 1/4 per cent due 23 March 1982	1 106 520.00
Mitsubishi Bank Akasaka Branch	
16 3/4 per cent due 12 February 1982	2 250 000.00
Mitsubishi Bank Akasaka Branch	
18 1/16 per cent due 18 January 1982	2 001 102.87
Mitsubishi Bank, Akasaka	
13 1/16 per cent due 13 March 1982	2 084 541.66
Mitsubishi Bank, Akasaka	
16 3/4 per cent due 13 April 1982	2 000 000.00
Mitsubishi Bank, Akasaka	
12 7/8 per cent due 8 June 1982	2 009 435.66
Mitsubishi Bank, Akasaka	
14 7/8 per cent due 27 July 1982	<u>1 950 000.00</u>
	<u>17 918 863.28</u>
 <u>United Nations Environment Programme - trust funds</u>	
Cash at bank (current account)	355 324.32
Morgan Guaranty Trust Co. Nassau	
12 5/8 per cent 24 hours call	250 000.00
Mitsubishi Bank, Akasaka	
13 1/4 per cent due 29 January 1982	2 553 250.87
Mitsubishi Bank, Akasaka	
16 5/16 per cent due 29 January 1982	<u>1 000 000.00</u>
	<u>4 158 575.19 a/</u>

a/ Of which:

Kuwait Action Plan	1 686 662.53
Mediterranean Action Plan	2 218 535.42
Endangered Species Convention	72 727.03
Desertification	20 293.86
Regional Workshops	160 356.35

STATEMENT IV

CAPITAL ASSET FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 1981

(United States dollars)

<u>Capital asset</u>	<u>1981</u>	<u>1979</u>
UNEP temporary building at Gigiri at original cost	<u>1 895 812</u>	<u>1 895 812</u>
Total	<u><u>1 895 812</u></u>	<u><u>1 895 812</u></u>
 <u>Liabilities</u>		
Long-term liability:		
Loan from Fund of UNEP (Statement III)	-	370 800
 <u>Capital asset fund balance</u>		
Appropriations from regular budget	500 000	330 000
Appropriations from programme and programme support costs of Fund of UNEP	656 896	456 096
Donated funds	<u>738 916</u>	<u>738 916</u>
Total	<u><u>1 895 812</u></u>	<u><u>1 895 812</u></u>

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

Nairobi, 31 March 1982

STATEMENT V

REVOLVING FUND (INFORMATION)
(United States dollars)I. STATEMENT OF INCOME AND EXPENDITURE FOR THE
BIENNIUM 1980-1981 ENDED 31 DECEMBER 1981

	<u>1980-1981</u>	<u>1978-1979</u>
<u>Income</u>		
Sale of publications	49 586	13 958
Other sales	19 238	-
Total income	<u>68 824</u>	<u>13 958</u>
<u>Expenditure</u>		
Consultants (including travel)	45 929	-
Contractual services	50 453	14 385
General operating expenses	1 356	-
Supplies and materials	11 310	-
Sundry	<u>16 796</u>	<u>1 210</u>
Total expenditure	125 844	15 595
Excess of expenditure over income	<u>57 020</u>	<u>1 637</u>

II. STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 1981

	<u>1981</u>	<u>1979</u>
<u>Assets</u>		
Due from Fund of UNEP (Note 7)	134 465	191 485
Total assets	<u>134 465</u>	<u>191 485</u>
<u>Liabilities</u>		
<u>Fund balance</u>		
Balance available at 1 January 1980 and 1978 respectively	191 485	63 617
Adjustment pertaining to 1977	-	25 500
Adjusted balance at 1 January	191 485	89 117
Add: Allocation from Fund of UNEP	-	104 005
Less: Excess of expenditure over income	<u>57 020</u>	<u>1 637</u>
Balance available at 31 December	<u>134 465</u>	<u>191 485</u>
Total liabilities and fund balance	<u>134 465</u>	<u>191 485</u>

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(Signed) R. SCHMIDT

Assistant Executive Director

Office of the Environment Fund and Administration

Nairobi, 31 March 1982

STATEMENT VI

UNEP TRUST FUND FOR INTERNATIONAL PRIZE
IN THE FIELD OF ENVIRONMENT
(United States dollars)

I. STATEMENT OF INCOME AND EXPENDITURE FOR THE BIENNIUM
1980-1981 ENDED 31 DECEMBER 1981

	<u>1980-1981</u>	<u>1978-1979</u>
<u>Income</u>		
Contribution from Government	-	75 000
Interest income	<u>390</u>	<u>602</u>
Total	<u>390</u>	<u>75 602</u>
<u>Expenditure</u>		
Prize	-	50 000
Other	<u>-</u>	<u>24 093</u>
Total	<u>-</u>	<u>74 093</u>
Excess of income over expenditure	<u>390</u>	<u>1 509</u>

II. STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 1981

	<u>1981</u>	<u>1979</u>
<u>Assets</u>		
Due from Fund of UNEP (Note 7)	3 984	3 594
Accounts receivable		
Total assets	<u>3 984</u>	<u>3 594</u>
<u>Liabilities</u>		
<u>Fund balance</u>		
Balance available at 1 January 1980 and 1978 respectively	3 594	1 930
<u>Add:</u> Excess of income over expenditure	390	1 509
Savings effected in liquidating prior years' obligations	<u>-</u>	<u>155</u>
Balance available at 31 December	<u>3 984</u>	<u>3 594</u>
Total liabilities and fund balance	<u>3 984</u>	<u>3 594</u>

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

Nairobi, 31 March 1982

STATEMENT VII (concluded)

Liabilities

Accounts payable		170			170		
Unliquidated obligations Due to special accounts	64 489	107 205	-	5 532	177 226	-	87 575
for programme support costs	158 355	34 950	23 993	9 264	226 562	-	-
Deferred contributions	2 575 466	-	982 405	-	3 557 871	-	-
Due to Fund of UNEP (Note 7)	791 958	-	-	65 732	857 690	-	155 904
Advances by co-operating agencies and supporting organizations	1 276	45 648	-	-	46 924	-	-
Total liabilities	<u>3 591 544</u>	<u>187 973</u>	<u>1 006 398</u>	<u>80 528</u>	<u>4 866 443</u>	<u>46 924</u>	<u>243 479</u>

Fund balance

Balance available 1 January	921 064	2 089 576	-	-	3 010 640	-	-
Add: Excess of income over expenditure	1 437 630	3 371 693	318 788	81 581	5 249 688	39 996	3 010 640
Savings effected in liquidating prior years' obligations	547	66 643	-	-	67 190	-	-
Sub-total	<u>2 359 241</u>	<u>5 527 912</u>	<u>318 788</u>	<u>81 581</u>	<u>8 327 518</u>	<u>39 996</u>	<u>3 010 640</u>
Less: Remittance to new secretariat in Kuwait	-	2 300 000	-	-	2 300 000	-	-
Balance available 31 December	<u>2 359 241</u>	<u>3 227 912</u>	<u>318 788</u>	<u>81 581</u>	<u>6 027 518</u>	<u>39 996</u>	<u>3 010 640</u>
Total liabilities and fund Balance	<u>5 950 785</u>	<u>3 415 885</u>	<u>1 325 186</u>	<u>162 109</u>	<u>10 893 961</u>	<u>39 996</u>	<u>3 254 119</u>

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

Nairobi, 31 March 1982

UNEP GENERAL TRUST FUNDS
 COMBINED STATUS OF PLEDGES UNPAID AS AT 31 DECEMBER 1981
 (United States dollars)

COUNTRIES/TRUST FUNDS	Unpaid pledges as at 1 January 1980	Pledges and adjustments for 1980 and 1981	Pledges for future years	Collection and adjustments during 1980 and 1981	Unpaid pledges for 1981 and prior years	Unpaid pledges for future years
<u>Trust Fund for the Protection of the Mediterranean Sea against Pollution</u>						
Albania	2 690	1 472	1 692	-	4 162	1 692
Algeria	26 920	14 720	16 920	56 532	-	2 028
Cyprus	-	1 472	1 692	3 164	-	-
Egypt	21 530	11 776	13 536	21 530	11 776	13 536
France	715 738	713 232	983 052	1 428 970	-	983 052
Greece	-	51 520	59 220	80 000	-	30 740
Israel	46 910	33 856	38 916	66 910	13 856	38 916
Italy	744 610	497 536	571 896	728 976	513 170	571 896
Lebanon	8 070	4 416	5 076	-	12 486	5 076
Libyan Arab Jamahiriya	32 720	-23 552	27 072	32 720	23 552	27 072
Malta	-	1 877	2 158	4 035	-	-
Monaco	1 345	1 472	1 692	2 817	-	1 692
Morocco	10 277	7 360	8 460	10 277	7 360	8 460
Spain	412 200	225 216	258 876	412 000	225 416	258 876
Syrian Arab Republic	5 380	2 944	3 384	10 760	-	948
Tunisia	5 380	2 944	3 384	8 473	-	3 235
Turkey	80 760	44 160	50 760	124 895	25	50 760
Yugoslavia	107 680	58 880	67 680	106 828	59 732	67 680
European Economic Community	80 000	50 000	460 000	180 000	-	410 000
Subtotal	2 302 210 a/	1 748 405	2 575 466	3 278 887	871 535	2 475 659

COUNTRIES/TRUST FUNDS	Unpaid	Pledges and	Pledges	Collection and	Unpaid	Unpaid
	pledges	adjustments	for	adjustments	pledges	pledges
	as at	for	future	during	for 1981	for
	1 January 1980	1980 and 1981	years	1980 and 1981	and	future
					prior years	years
<u>Trust Fund for the Protection and Development of the Marine Environment and the Coastal Areas of Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates</u>						
Bahrain	58 200	-	-	58 200	-	-
Iran	1 223 946	-	-	-	1 223 946	-
Iraq	736 812	-	-	368 406	368 406	-
Kuwait	449 889	-	-	449 889	-	-
Oman	58 200	-	-	58 200	-	-
Qatar	129 932	-	-	129 932	-	-
Saudi Arabia	558 138	-	-	558 138	-	-
United Arab Emirates	682 685	1	-	682 686	-	-
Subtotal	3 897 802 b/	1	-	2 305 451	1 592 352	-

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

Argentina	-	-	8 849.88	-	-	8 849.88
Australia	-	18 021.84	20 763.18	18 021.84	-	20 763.18
Bahamas	-	98.48	113.46	98.48	-	113.46
Bolivia	-	98.48	113.46	-	98.48	113.46
Botswana	-	196.96	113.46	196.96	-	113.46
Brazil	-	12 506.96	14 409.42	12 506.96	-	14 409.42
Canada	-	32 341.00	37 214.88	32 341.00	-	37 214.88
Central African Republic	-	-	113.46	-	-	113.46
Chile	-	690.00	794.22	690.00	-	794.22
China	-	-	18 380.52	-	-	18 380.52
Colombia	-	-	1 248.06	-	-	1 248.06
Costa Rica	-	196.96	226.92	-	196.96	226.92
Cyprus	-	98.48	113.46	98.48	-	113.46
Denmark	-	7 287.52	8 396.04	7 287.52	-	8 396.04
Ecuador	-	197.35	226.92	197.35	-	226.92

Schedule 7.1 (continued)

	Unpaid pledges as at 1 January 1980	Pledges and adjustments for 1980 and 1981	Pledges for future years	Collection and adjustments during 1980 and 1981	Unpaid pledges for 1981 and prior years	Unpaid pledges for future years
<u>COUNTRIES/TRUST FUNDS</u>						
Egypt	-	689.36	794.22	689.36	-	794.22
Finland	-	4 727.04	5 446.08	4 727.04	-	5 446.08
France	-	61 648.48	71 025.96	61 648.48	-	71 025.96
Gambia	-	98.48	113.46	-	98.48	113.46
German Democratic Republic	-	13 688.72	15 770.94	-	13 688.72	15 770.94
Germany, Federal Republic of	-	81 836.88	94 285.26	81 836.88	-	94 285.26
Ghana	-	295.44	340.38	-	295.44	340.38
Guatemala	-	196.96	226.92	196.96	-	226.92
Guinea	-	-	113.46	-	-	113.46
Guyana	-	98.48	113.46	-	98.48	113.46
India	-	5 908.80	6 807.60	5 908.80	-	6 807.60
Indonesia	-	1 575.68	1 815.36	1 575.68	-	1 815.36
Iran	-	6 401.20	7 374.90	-	6 401.20	7 374.90
Israel	-	2 642.00	2 836.50	2 642.00	-	2 836.50
Italy	-	33 975.60	39 143.70	-	33 975.60	39 143.70
Japan	-	92 987.00	108 694.68	92 987.00	-	108 694.68
Jordan	-	100.00	113.46	100.00	-	113.46
Kenya	-	98.48	113.46	98.48	-	113.46
Liberia	-	-	113.46	-	-	113.46
Liechtenstein	-	98.48	113.46	113.46	-	98.48
Madagascar	-	98.48	113.46	98.48	-	113.46
Malaysia	-	886.32	1 021.14	-	886.32	1 021.14
Mauritius	-	98.48	113.46	98.48	-	113.46
Monaco	-	98.48	113.46	98.48	-	113.46
Morocco	-	492.40	567.30	-	492.40	567.30

COUNTRIES/TRUST FUNDS	Unpaid	Pledges and	Pledges	Collection and	Unpaid	Unpaid
	pledges	adjustments	for	adjustments	pledges	pledges
	as at	for	future	during	for 1981	for
	1 January 1980	1980 and 1981	years	1980 and 1981	and	future
					prior	years
					years	years
Mozambique	-	-	113.46	-	-	113.46
Nepal	-	98.80	113.46	98.80	-	113.46
Nicaragua	-	98.48	113.46	211.94	-	-
Niger	-	98.48	113.46	-	98.48	113.46
Nigeria	-	1 575.68	1 815.36	-	1 575.68	1 815.36
Norway	-	4 924.00	5 673.00	4 924.00	-	5 673.00
Pakistan	-	688.68	794.22	688.68	-	794.22
Panama	-	197.48	295.00	492.48	-	-
Papua New Guinea	-	98.48	113.46	98.48	-	113.46
Paraguay	-	98.45	113.46	98.45	-	113.46
Peru	-	590.88	680.76	590.88	-	680.76
Philippines	-	-	1 134.60	-	-	1 134.60
Portugal	-	-	2 155.74	-	-	2 155.74
Rwanda	-	-	113.46	-	-	113.46
Senegal	-	98.48	113.46	-	98.48	113.46
Seychelles	-	98.48	113.46	98.48	-	113.46
South Africa	-	4 136.16	4 765.32	6 313.75	-	2 587.73
Sri Lanka	-	196.96	226.92	196.96	-	226.92
Suriname	-	-	113.46	-	-	113.46
Sweden	-	12 900.88	14 863.26	12 900.88	-	14 863.26
Switzerland	-	10 340.40	11 913.30	10 340.40	-	11 913.30
Togo	-	98.48	113.46	70.94	27.54	113.46
Tunisia	-	295.44	340.38	295.44	-	340.38
Union of Soviet Socialist Republics	-	109 312.80	125 940.60	-	109 312.80	125 940.60
United Arab Emirates	-	984.80	1 134.60	-	984.80	1 134.60

COUNTRIES/TRUST FUNDS	Unpaid pledges as at 1 January 1980	Pledges and adjustments for 1980 and 1981	Pledges for future years	Collection and adjustments during 1980 and 1981	Unpaid pledges for 1981 and prior years	Unpaid pledges for future years
United Kingdom of Great Britain and Northern Ireland	-	43 922.08	50 603.16	43 922.08	-	50 603.16
United Republic of Cameroon	-	-	113.46	-	-	113.46
United Republic of Tanzania	-	98.48	113.46	170.19	-	41.75
United States of America	-	238 275.00	283 650.00	238 275.00	-	283 650.00
Uruguay	-	393.92	453.84	393.92	-	453.84
Venezuela	-	4 924.00	5 673.00	4 924.00	-	5 673.00
Zaire	-	196.96	226.92	196.96	-	226.92
Zambia	-	98.48	226.92	180.51	-	144.89
Subtotal	-	815 316.48 c/	982 404.76	649 741.39	168 329.86	979 649.99

Trust Fund for Regional Training Workshops on Environmental Management

Sweden	-	160 356.00	-	160 356.00	-	-
Subtotal	-	160 356.00	-	160 356.00	-	-

Special account for financing the implementation of the Plan of Action to Combat Desertification

Chile	-	10 000	-	10 000	-	-
Mexico	-	5 000	-	5 000	-	-
Panama	-	4 000	-	4 000	-	-
Sierra Leone	-	9 524	-	9 524	-	-
Sudan	-	10 000	-	10 000	-	-
Subtotal	-	38 524	-	38 524	-	-
Grand total	6 200 012	2 762 602.48	3 557 870.76	6 432 959.39	2 632 216.86	3 455 308.99

a/ The amount pledged was \$3,422,000, of which \$1,119,790 was reported as income and collected in 1979.

b/ The total amount pledged was \$5,820,000, of which \$224,943 and \$1,697,255 were reported as income and collected in 1978 and 1979 respectively.

c/ The figures for the Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora are the actual figures and not rounded off.

STATEMENT VIII

UNEP JUNIOR PROFESSIONAL OFFICERS PROGRAMME
FINANCED BY
THE GOVERNMENTS OF DENMARK AND NORWAY
(United States dollars)

I. COMBINED STATEMENT OF INCOME AND EXPENDITURE FOR THE BIENNIUM
1980-1981 ENDED 31 DECEMBER 1981

<u>Income</u>	<u>1980-1981</u>		<u>Total</u>	<u>Total</u>
	<u>Denmark</u>	<u>Norway</u>	<u>1981</u>	<u>1979</u>
Contributions from Government	59 167	77 334	136 501	-
Interest income	<u>1 369</u>	<u>151</u>	<u>1 520</u>	-
Total income	<u>60 536</u>	<u>77 485</u>	<u>138 021</u>	<u>-</u>
 <u>Expenditures</u>				
Salaries and common staff costs	31 266	56 014	87 280	-
Travel on official business	3 130	2 217	5 347	-
Programme support costs	<u>4 127</u>	<u>6 987</u>	<u>11 114</u>	-
Total expenditure	<u>38 523</u>	<u>65 218</u>	<u>103 741</u>	<u>-</u>
Excess of income over expenditure	<u>22 013</u>	<u>12 267</u>	<u>34 280</u>	<u>-</u>

II. COMBINED STATEMENT OF ASSETS AND LIABILITIES AS AT
31 DECEMBER 1981

<u>Assets</u>				
Cash at bank	60 536	77 485	138 021	-
Accounts receivable	<u>-</u>	<u>1 669</u>	<u>1 669</u>	-
Total assets	<u>60 536</u>	<u>79 154</u>	<u>139 690</u>	<u>-</u>
 <u>Liabilities</u>				
Accounts payable	-	1 424	1 424	-
Due to special accounts for programme support costs	4 127	6 987	11 114	-
Due to Fund of UNEP (Note 7)	31 828	52 114	83 942	-
Unliquidated obligations	<u>2 568</u>	<u>6 362</u>	<u>8 930</u>	-
Total liabilities	<u>38 523</u>	<u>66 887</u>	<u>105 410</u>	<u>-</u>
 <u>Fund balance</u>				
Balance available 1 January	-	-	-	-
Add: Excess of income over expenditure	<u>22 013</u>	<u>12 267</u>	<u>34 280</u>	-
Balance available 31 December	<u>22 013</u>	<u>12 267</u>	<u>34 280</u>	<u>-</u>
Total liabilities and fund balance	<u>60 536</u>	<u>79 154</u>	<u>139 690</u>	<u>-</u>

CERTIFIED CORRECT

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

Nairobi, 31 March 1982

STATEMENT IX

SPECIAL ACCOUNTS FOR PROGRAMME SUPPORT COSTS
(United States dollars)

I. STATEMENT OF INCOME AND EXPENDITURE FOR THE
BIENNIUM 1980-1981 ENDED 31 DECEMBER 1981

<u>Income</u>	<u>1980-1981</u>	<u>1978-1979</u>
Programme support costs -		
Endangered Species Convention (Statement 7)	59 096	-
Programme support costs -		
Kuwait Action Plan (Statement 7)	154 178	-
Programme support costs -		
Mediterranean Action Plan (Statement 7)	407 126	-
Programme support costs -		
Regional Workshops (Statement 7)	9 264	-
Programme support costs -		
Junior Professional Officers: Denmark (Statement 8)	4 127	-
Programme support costs -		
Junior Professional Officers: Norway (Statement 8)	6 987	-
Total income	<u>640 778</u>	<u>-</u>
 <u>Expenditure</u>		
Established posts	247 951	-
General temporary assistance	28 126	-
Overtime and night differential	2 536	-
Common staff costs	62 107	-
Travel on official business	16 951	-
	<u>357 671</u>	<u>-</u>
	<u>283 107</u>	<u>-</u>
Excess of income over expenditure		

STATEMENT IX (concluded)

II. STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 1981Assets

Accounts receivable		237 677	-
Due from Fund of UNEP (Note 7)		<u>63 301</u>	<u>-</u>
	Total assets	<u>300 978</u>	<u>-</u>

Liabilities

Unliquidated obligations		<u>17 871</u>	<u>-</u>
	Total liabilities	<u>17 871</u>	<u>-</u>

Fund balance

Balance available 1 January		-	-
<u>Add:</u> Excess of income over expenditure		<u>283 107</u>	<u>-</u>
Balance available 31 December		283 107	-
Total liabilities and fund balance		<u>300 978</u>	<u>-</u>

CERTIFIED CORRECT

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

Nairobi, 31 March 1982

Notes

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

2/ Ibid., Supplement No. 8 (A/9608 and Add.1-23), document A/9608/Add.1, para. 14.

3/ Ibid., Thirty-fifth Session, Supplement No. 5F (A/35/5/Add.6), sect. II.

ANNEX

Notes to the Financial Statements

Note 1. Summary of significant accounting policies

The following are some of the significant accounting policies of the United Nations and the United Nations Environment Programme:

(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 UNEP, specific decisions of the Governing Council of UNEP and administrative instructions and in conformity with generally accepted government accounting principles.

(b) The financial period is a biennium and consists of two consecutive calendar years.

(c) The assets and liabilities and income and expenditure are recorded on the accrual basis of accounting.

(d) 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 remitted to them by 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.

(e) The accounts are presented in United States dollars. Transactions in currencies other than United States dollars are recorded at the United Nations rates of exchange prevailing at the time of the transaction. Differences arising from the conversion of currencies at the United Nations rate of exchange are accounted for as gain or loss on exchange. At year-end, cash, unpaid pledges other than pledges for future years, and accounts receivable and payable in currencies other than United States dollars are reconverted at the applicable United Nations rates of exchange.

(f) 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.

(g) Capital assets. The UNEP temporary building is reported at cost. No depreciation is provided for. Maintenance and repairs are charged against the appropriate budget accounts.

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

(i) Contingencies. Provision to meet contingent liabilities for compensation payments under Appendix D of the Staff Rules of the United Nations for personnel financed under UNEP trust funds and the Fund of UNEP is calculated on the basis of 1 per cent of net base pay.

Note 2. Capital assets: UNEP temporary office premises at Gigiri

The capital asset fund account in statement IV shows the total cost of construction in the amount of \$1,895,812 when the premises were completed at the end of 1976, together with the sources of financing. These comprise the sum donated by the Government of Kenya and annual appropriations from the United Nations regular budget and from the programme and programme support costs of the Fund of UNEP. These appropriations are offset against the temporary loan made available by the Fund in 1976 (\$1,150,000), which has been fully amortized as at 31 December 1981 bringing the Capital Asset Fund account to zero balance.

Note 3. Utilization of non-convertible currencies

Expenditures on Fund programme activities during the biennium 1980-1981 (schedule 1.2) included expenditures of \$10.6 million in non-convertible currencies made up of:

	Equivalent in millions of United States dollars		
	<u>1981</u>	<u>1980</u>	<u>Total</u>
Expenditures reported by supporting organizations	3.6	4.2	7.8
Expenditures undertaken through co-operating agencies	0.8	0.9	1.7
Payments to project staff, reimbursable	<u>0.6</u>	<u>0.5</u>	<u>1.1</u>
Total	<u>5.0</u>	<u>5.6</u>	<u>10.6</u>

In addition, there were expenditures in non-convertible currency in connexion with programme and programme support costs staff equivalent to \$0.5 million (1980 - \$0.3 million; 1981 - \$0.2 million). The total use of non-convertible currencies was therefore the equivalent of \$11.1 million. The currencies involved were USSR roubles, Hungarian forints, Polish zlotys, Czechoslovakian korunas, Bulgarian levass, German Democratic Republic marks and Chinese yuans.

As at 31 December 1981, the non-convertible currencies cash balance held in banks for account of UNEP amounted to \$13,047,030 (statement III).

Note 4. Financial reporting by co-operating agencies and supporting organizations

One co-operating agency (UNICEF) holding a cash balance of \$11,817.15 and five supporting organizations (non-governmental organizations and Government institutions) holding a cash advance of \$142,505 in total did not report their fourth quarter expenditures as at 31 December 1981.

The five supporting organizations are as follows:

United States dollars

Arab League Educational, Cultural and Scientific Organization	82 783
Ceylon Electricity Board, Colombo	2 682
Indonesian Commission on the Environment	16 078
Human Settlements Commission, Philippines	24 962
Faculty of Engineering, Somalia National University, Mogadishu	<u>16 000</u>
Total	<u><u>142 505</u></u>

Note 5. Accounts payable and unliquidated obligations

Among the liabilities of the Environment Fund (statement III) at 31 December 1981 are \$3,243,830 for accounts payable and \$2,989,728 for unliquidated obligations. The following table is an analysis of the accounts payable:

	<u>United States dollars</u>
Staff members	133 844
Vendors	420
Expected credit interoffice vouchers from UNDP headquarters	983 379
Expected credit interoffice vouchers from United Nations headquarters	2 114 640
Others	<u>11 547</u>
Total	<u><u>3 243 830</u></u>

Note 6. Deferred charges

The table below provides an analysis of the amount shown on statement III as deferred charges as at 31 December 1981:

	<u>United States dollars</u>
Education grant advances	113 851
Prepaid expenses	11 974
Charges in transit from offices away from Headquarters (interoffice voucher)	<u>1 575 825</u>
Total	<u><u>1 701 650</u></u>

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

Note 7. Interfund balances

The following is the breakdown of interfund balances as at 31 December 1981 appearing in statement III:

United States dollars

Due from United Nations funds and interfund accounts

UNEP general trust funds:		
Danish Junior Professional Trust Fund	31 828	
Norwegian Junior Professional Trust Fund	52 114	
Mediterranean Trust Fund	791 958	
Regional Training Workshops	<u>65 732</u>	<u>941 632</u>
Total		<u>941 632</u>

Due to United Nations funds and interfund accounts

United Nations General Fund		35 849
Programme support costs (Statement IX)		63 301
UNEP Trust Fund for International Prize in the Field of Environment (Statement VI)		3 984
Revolving Fund (Information) (Statement V)		134 465
UNEP general trust funds:		
Desertification	14 524	
Kuwait Action Plan	<u>93 805</u>	<u>108 329</u>
Total		<u>345 928</u>