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Item 3 (c) of the provisional agenda*

Recommendation for funds to cover overexpenditures for completed projects financed by other resources**

Summary

The present report summarizes expenditures in excess of commitments for completed projects financed by other resources for which no additional support has been forthcoming. UNICEF recommends that the Executive Board approve an amount of \$7,137,112 from regular resources to cover these overexpenditures.

A. Background

1. In 1988 the Executive Board, in its decision 1988/11 H (E/ICEF/1988/13), established the following policy on expenditures in excess of commitments:

The financial implementation of supplementary-funded programmes should remain within the funded amounts. However, during the implementation, because of exchange rate fluctuations or other price increases that are out of UNICEF control, the resource needs may exceed those of the original project budget. In such cases, the donor(s) will be approached for additional support. If the additional support is not forthcoming, the project will be phased out and any overexpenditures will be allocated from general resources. The secretariat will report all such cases to the Executive Board specifying the amount in United States dollars, the assisted country to which it relates, and the explanation of overexpenditures.

* E/ICEF/2007/13.

** The submission of this document was delayed because of the need for internal consultations.



2. An analysis of expenditures in excess of commitments, totalling \$7,137,112, by area or country programme, is provided in paragraph 5. Allocation of regular resources by the Executive Board will allow UNICEF to finalize the accounting for other resources for the period to 31 December 2003.

3. Of the total \$7.1 million, \$2.8 million relates to supplementary-funded programmes and \$4.3 million to emergency relief and rehabilitation operations. A total of \$4.4 million is attributable to contributions that have been reduced, cancelled or deemed non-collectible or which have decreased in value between pledge and payment dates, and \$2.7 million is attributable to price increases out of UNICEF control and to other issues.

4. UNICEF is cognizant of its financial management imperative to ensure effective, efficient and economic use of the resources contributed by its donors and has ensured that financial management policy, procedures and, since early 2000, systems minimize the risk that expenditures will be incurred in excess of commitments. In recent years, accountabilities for implementation have been clearly communicated, responsibility for monitoring has been delegated, and financial reporting has been enhanced and made more widely available through the use of technology. UNICEF makes every effort to avoid expending in excess of commitments and approaches donors for additional support when such cases arise as a result of the variable environments in which UNICEF operates. Nevertheless, as noted by the Executive Board, there will always be implementation issues outside of UNICEF control which give rise to overexpenditures. UNICEF will continue actively to seek to minimize these overexpenditures.

B. Draft decision

5. In accordance with the policy stated in paragraph 1 above, the Executive Board is requested to approve regular resource funding to cover expenditures in excess of commitments, totalling \$7,137,112, for the following programmes:

(In United States dollars)

<i>Area/country of assistance/programme</i>	<i>Overexpenditure</i>
	<i>Total</i>
Albania	7 538
Angola	197 616
Afghanistan rehabilitation programmes	276 541
Pacific Island Countries	29 687
Bangladesh	148 533
Benin	25 877
Botswana	51 478
Bolivia	41 681
Burundi	568 345
Cambodia	295 375
Chile	1 860

<i>Area/country of assistance/programme</i>	<i>Overexpenditure</i>
	<i>Total</i>
Colombia	20 583
Congo	195 349
Costa Rica	62 155
Côte d'Ivoire	7 220
Cuba	4 585
Democratic Republic of the Congo	110 008
Eritrea	28 065
Ghana	44 277
Guatemala	1 314
Haiti	111 359
Honduras	13 093
India	191 730
Indonesia	3 275
Iran, Islamic Republic of	2 275
Iraq	115 869
Kenya	6 424
Democratic People's Republic of Korea	180 576
Kosovo (Federal Republic of Yugoslavia)	18 486
Lao People's Democratic Republic	82 944
Liberia	50 989
Malawi	5 953
Mauritania	94 588
Mauritius	3 009
Moldova	45 651
Mozambique	213 071
Myanmar	500 000
Namibia	23 606
Nicaragua	20 996
Niger	51 776
Occupied Palestinian Territory	10 772
Panama	22 075
Philippines	11 007
Romania	8 268
Russian Federation	69 520
Senegal	8 782
Serbia and Montenegro	662 706
Sierra Leone	1 614
Somalia	256 601
Sri Lanka	9 577

<i>Area/country of assistance/programme</i>	<i>Overexpenditure</i>
	<i>Total</i>
Northern Sudan Area Programme	125 670
Southern Sudan Area Programme	636 278
Swaziland	72 217
United Republic of Tanzania	135 322
Turkey	24 269
Uganda	561 447
UNICEF Office of Emergency Programmes	34 965
UNICEF Programme Division	76 323
Viet Nam	24 375
Yemen	50 761
Zimbabwe	210 222
Regional Office for Eastern and Southern Africa	74 801
Regional Office for West and Central Africa	73 822
Regional Office for South Asia	116 891
Regional Office for Central and Eastern Europe/Commonwealth of Independent States	5 070
Total	7 137 112