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Report on funds allocated from regular resources to cover overexpenditures for completed projects financed from other resources*

Summary

The present report summarizes expenditures in excess of commitments for completed projects financed from other resources for which no additional support has been forthcoming. An amount of \$5,891,211 from regular resources will be used to cover these overexpenditures.

* Submission of this document was delayed because of the need for internal consultation.



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 each case to the Executive Board specifying the amount in United States dollars, the assisted country to which it relates, and the explanation of overexpenditures.

2. An analysis of expenditures in excess of commitments, totalling \$5,891,211, by area or country programme, is provided in paragraph 5. The allocation of regular resources for this amount will allow UNICEF to finalize the accounting for other resources for the period to 31 December 2005.

3. Of the total \$5.9 million, \$5.4 million relates to supplementary-funded programmes and \$0.5 million to emergency relief and rehabilitation operations. A total of \$5.7 million is attributable to contributions that have been reduced or cancelled or that have decreased in value due to exchange rate fluctuations between pledge and payment dates, and \$0.2 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 that give rise to overexpenditures. UNICEF will continue actively to seek to minimize these overexpenditures.

5. The table below indicates the regular resource funding needed to cover expenditures in excess of commitments, totalling \$5,891,211, for the following programmes:

<i>Area/country of assistance/programme</i>	<i>Overexpenditures Total (In United States dollars)</i>
Afghanistan Rehabilitation Programme	177 153
Algeria	15 558
Angola	48 798
Armenia	146 767
Azerbaijan	32 733
Benin	77 981
Botswana	40 599
Burkina Faso	77 013
Burundi	36 388
Cameroon	6 875
Cape Verde	57 709
Caribbean Regional	13 544
Chad	12 047
Chile	1 727
China	1 710
Comoros	27 763
Democratic People's Republic of Korea	86 307
Ethiopia	1 835 752
Gambia	76 873
Georgia	115 498
Ghana	4 569
Guatemala	8 197
Guyana	19 422
Indonesia	40 176
Kenya	93 828
Lesotho	32 193
Liberia	19 515
Madagascar	8 327
Malawi	1 087 575
Mauritania	31 396
Moldova	103 036
Mongolia	18 114
Mozambique	30 470
Multi-country programmes, CEE/CIS	12 065
Namibia	52 129
Pakistan	10 224
Paraguay	1 706
Rwanda	43 953
Sierra Leone	7 040

<i>Area/country of assistance/programme</i>	<i>Overexpenditures Total (In United States dollars)</i>
Somalia	191 275
South Africa	18 458
Southern Sudan area programme	95 607
Swaziland	73 062
Togo	40 116
United Republic of Tanzania	60 358
Yemen	458 226
Zimbabwe	68 397
UNICEF Programme Division	130 966
Regional Office for Eastern and Southern Africa	49 504
Regional Office for West and Central Africa	62 888
Regional Office for East Asia and the Pacific	7 704
Regional Office for the Middle East and North Africa	19 864
Regional Office for South Asia	102 056
Total	5 891 211
