



UNITED NATIONS DEVELOPMENT PROGRAMME

FINANCIAL REPORT AND ACCOUNTS
for the year ended 31 December 1976
and
REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-SECOND SESSION

SUPPLEMENT No. 7A (A/32/7/Add.1)

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New York, 1977

NOTE

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LETTERS OF TRANSMITTAL

29 April 1977

Sir,

Pursuant to financial regulation 15.1, I have the honour to submit the annual accounts of the United Nations Development Programme as at 31 December 1976, 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) Bradford MORSE
Administrator of the
United Nations Development Programme

The Chairman of the Board of Auditors
United Nations
New York

24 June 1977

Sir,

I have the honour to transmit to you the financial statements of the United Nations Development Programme as at 31 December 1976, which were submitted by the Administrator. 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 United Nations Development Programme accounts for the year 1976.

Accept, Sir, the assurances of my highest consideration.

(Signed) J. J. MACDONELL
Auditor General of Canada
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 YEAR ENDED 31 DECEMBER 1976

1. The Administrator has the honour to submit herewith his financial report for the year ended 31 December 1976, together with the audited accounts of the United Nations Development Programme (UNDP) for the year ended 31 December 1976 and the report of the Board of Auditors. The accounts consist of 10 statements and 16 schedules and also cover the trust funds for which the Administrator has been assigned responsibility.
2. This submission is made in conformity with the decision of the General Assembly 1/ to accept the recommendation of the Fifth Committee 2/ and in conformity with the Financial Regulations and Rules of the United Nations Development Programme, approved by the Governing Council at its thirteenth session (E/5092), and as amended by the Governing Council at its nineteenth session (E/5646) and twenty-first session (E/5779).
3. The UNDP financial statements incorporate in the relevant figures data obtained from the annual accounts of the participating and executing agencies, thus enabling the Administrator to submit a consolidated statement for 1976 in accordance with the practice commenced in 1973. As of the date of preparation of the UNDP accounts and statements, the following agencies have provided audited statements:

World Health Organization
Universal Postal Union
International Atomic Energy Agency
Asian Development Bank

4. The following agencies have provided their statements as submitted for audit:

International Labour Organisation
Food and Agriculture Organization of the United Nations
United Nations Educational, Scientific and Cultural Organization
International Civil Aviation Organization
World Bank
International Telecommunication Union
World Meteorological Organization
Inter-Governmental Maritime Consultative Organization
Inter-American Development Bank
United Nations Development Programme
(as an executing agency for its projects)

5. As a further implementation of the biennial concept, the Board of Auditors has discontinued the certification of the interim United Nations accounts as at the end of the first year of the biennium and the accounts will be closed only on a biennial basis. In respect of the following agencies therefore, the UNDP

1/ Official Records of the General Assembly, Twenty-first Session, Supplement No. 16 (A/6316), p. 94, item 78.

2/ Ibid., Twenty-first Session, Annexes, agenda item 78, document A/6598.

financial statements incorporate the information contained in the interim financial statements for the 12-month period of the biennium 1976-1977 ended 31 December 1976:

United Nations
United Nations Industrial Development Organization
United Nations Conference on Trade and Development

6. As stated in previous years' financial reports, if there should be subsequent amendments reported after the completion of the audit of the accounts of these participating and executing agencies, they will be reported to the General Assembly and to the UNDP Governing Council at subsequent sessions. Similarly, the Administrator will transmit to subsequent sessions of the General Assembly and the Governing Council copies of any relevant resolutions adopted by the legislative or governing bodies of the participating and executing agencies dealing with the audited accounts, as required under UNDP financial regulation 15.2.

7. Changes in the 1975 accounts reported by the agencies after the date of submission of the Administrator's 1975 financial report are as follows:

(a) A difference of \$12,705 in the Variance Account for Experts and Fellowships relating to International Atomic Energy Agency;

(b) A difference of \$12,000 in respect of Unspent Allocations relating to Inter-American Development Bank; and

(c) A difference of \$2,056,846 in the total of Operating Funds of Agencies resulting from an increase in the Standard Costs of Experts to \$3,500 per expert-month but which was reported in 1975 by the World Health Organization at \$3,000 per expert-month in their year-end financial statements.

Adjustments for the above three items have been made in the UNDP 1976 financial statements.

Changes in accounting practices and policies in 1976

Presentation of accounts

8. The 1976 accounts are being presented in essentially the same format as used in previous years. However, as a continuing process of improving the presentation of the accounts in order to provide full disclosure of all relevant information concerning the financial status of the Programme, the following changes have been made in 1976:

(a) A separate statement containing only revenue and operational reserves has been eliminated as redundant now that prior years' adjustments are shown in the income and expenditure statement as recommended by the Board of Auditors;

(b) Two new schedules have been included in the 1976 accounts which show the statement of account for government cost-sharing contributions and the statement of account for government cash counterpart contributions (schedules 12 and 13 respectively);

(c) The status of funds for the Special Measures Fund for the Least Developed Countries, which was presented in the 1975 accounts as a statement, has been

presented in the 1976 accounts as a schedule (schedule 11) to provide consistency of treatment with other similar resources;

(d) It has been agreed between UNDP and the United Nations Fund for Population Activities that UNFPA-financed projects formerly regarded as being executed by UNDP should henceforth be regarded as being executed by UNFPA itself. Accordingly the statement included in the 1975 accounts showing the status of funds for UNDP as an executing agency for the UNFPA has been eliminated;

(e) Financial statements for trust funds which were previously presented in a combined statement covering all trust funds have been subdivided to show the larger and more active trust funds in separate statements (statements V to IX) along with comparisons with the previous year. The other smaller and less active trust funds have been combined in a single statement (statement X);

(f) UNDP investments, and the loans made to finance housing in recipient countries have been presented in two separate schedules with comparative figures shown for 1975 (schedules 8 and 9);

(g) The schedule contained in the 1975 accounts showing agencies' planned targets of expenditure and actual expenditure for the year has been eliminated since the introduction at the end of 1976 of a change in accounting for expenditure (described in para. 10 below) meant that these two sets of figures were no longer comparable.

9. As a result of the introduction of separate schedules covering cost-sharing arrangements and government cash counterpart contributions plus the inclusion of prior years' adjustments in the income and expenditure statement, it was necessary to revise the comparative figures shown for 1975. (These adjustments are explained in the notes forming an integral part of the financial statements.)

Accrual accounting

10. In accordance with an agreement reached between UNDP and the executing agencies in 1976, an important change in accounting practice was introduced whereby the executing agencies were requested to include in their expenditures for the year the value of unliquidated obligations for goods and services delivered but not paid for at 31 December 1976 to the extent that this was possible under their own financial rules and regulations. This change from a cash to an accrual basis for expenditures conforms to generally accepted accounting principles and standards for reporting expenditures. The accrual method has also been used in accounting for expenditures covering programme support and administrative costs as was the practice in previous years. The Board of Auditors recommended this change which was also endorsed by the Advisory Committee on Administrative and Budgetary Questions. The responsibility for ensuring that unliquidated obligations are correctly established rests with the executing agencies in accordance with UNDP financial regulation 1.6. At the time this report was prepared, and based upon information received from executing agencies, the amount of such unliquidated obligations at the year-end was \$35.9 million. As a result of including unliquidated obligations in 1976 expenditures, the balances shown in the Balance Sheet (statement II) as the operating funds provided to agencies show that the net total of all operating funds is an amount of \$295,752 due to the agencies. If the unliquidated obligations at the end of 1976 were excluded from the operating fund

balances, the net amount advanced by UNDP to the agencies would amount to approximately \$35.6 million, which would be comparable with \$29.9 million at the end of 1975.

11. UNDP has endeavoured to obtain uniform and consistent practices with regard to the treatment of unliquidated obligations at year-end. Guidelines were developed indicating the conditions under which expenditure accruals could be made for each project budget component. However, a few agencies have indicated that they are following different criteria in establishing unliquidated obligations at the end of 1976 in conformity with their own financial rules. UNDP is continuing to seek uniform agreement on this matter with all agencies.

Changes to financial rules

12. Modifications and amendments to some of the financial rules were promulgated by the Administrator in 1976 and circulated to the Governing Council as required under UNDP financial regulation 1.4. The revised rules became effective in December 1976 as of the date of circulation of the document.

UNDP finances

13. As a result of the operating deficit incurred in 1975, the operational reserve at the established level of \$150 million was offset by a deficit in the revenue reserve of \$86,995,279, leaving an over-all reserve of only \$63,004,721 in respect of the main programme resources.

14. In order to prevent a recurrence of the liquidity difficulties which arose in 1975, the Council requested the Administrator to ensure that 1976 expenditures were maintained within the expected level of resources. To meet the Council's concern, individual country expenditure ceilings were established for 1976 aggregating \$370 million for IPFs and the Programme Reserve. The Governing Council also requested the Administrator to contact Governments on an urgent basis in order to obtain the necessary financial resources to ensure not only the minimum level of programme expenditure for the present cycle but also so that the originally planned level of programme activities for this cycle might be achieved. The Council appealed strongly to Governments to make additional voluntary contributions to UNDP in 1976.

15. In establishing the \$370 million expenditure target for 1976, a cash deficit of \$40 million was anticipated. However, the \$40 million cash deficit forecast for 1976 did not materialize principally owing to the following factors: additional pledges of \$26.1 million for the IPFs, Programme Reserve and the least developed countries were received; deferred payment arrangements amounting to \$13.9 million were made with the World Bank, the Arab Fund for Economic and Social Development, the Asian Development Bank; the Inter-American Development Bank and other agencies; and cash disbursements in respect of the IPFs and Programme Reserve fell substantially short of the authorized target of \$370 million.

16. The statement of income and expenditure for the year ended 31 December 1976 contained in statement I shows the 1976 surplus as \$35.9 million. Statement II shows the reserves of UNDP available at the end of 1976 for its main programmes as \$84.1 million and those in respect of unexpended contributions for Special Measures

Fund, government cost-sharing contributions and government cash counterpart contributions as \$39.2 million. Since part of the reserves of UNDP of \$84.1 million is represented by accumulated non-convertible currencies of \$35.6 million at the end of 1976, the available reserves amount to \$48.5 million, from which a reasonable amount must be used for UNDP day-to-day cash requirements. Given the fact that UNDP annual expenditures are in excess of one-half billion dollars, reserves of about \$48 million do not represent a prudent level and efforts should be made to improve this situation.

Operational Reserve

17. In January 1976, the Council recognized that the Operational Reserve should be replenished to a \$150 million level on a funded, fully liquid basis as soon as possible. In June 1976, the Council decided that the funded level of the Operational Reserve should be built up during the second cycle to a minimum of \$15 million in 1977 and thereafter progressively built up each year to reach \$150 million by the end of 1980. In January 1977, the Council approved the Administrator's proposed schedule of instalments for progressive restoration of the Operational Reserve in the amounts of \$15 million in 1977, \$35 million in 1978 and \$50 million each year in 1979 and 1980. The 1977 instalment of \$15 million has already been made.

UNDP borrowing authority

18. At its thirty-first session in September-December 1976, the General Assembly authorized the Governing Council (A/RES/31/165) to approve temporary borrowing authority for the Administrator in 1977. At the date of preparing this report, the Administrator has not utilized the newly authorized borrowing authority and it is not known whether it will be necessary to make use of the temporary borrowing authority in 1977.

Accumulated non-convertible currencies

19. The Administrator continues to face the problem of accumulated non-convertible currencies held in the accounts of UNDP. The unutilized accumulated currencies have increased from \$27.9 million at the end of 1975 to \$35.6 million at 31 December 1976. The Governing Council considered the question in January and June 1976 and urged Governments to contribute to UNDP in currencies readily usable or convertible in accordance with financial regulation 6.4 of UNDP's financial regulations and rules. The Governing Council further requested the Administrator to continue his efforts in co-operation with Governments and specialized agencies to find practical methods to employ all financial resources with due regard to the need for speedy utilization of the non-convertible currencies so far unutilized while adhering strictly to financial regulation 6.5. This financial regulation provides that voluntary contributions shall be made without limitation as to use by a specific participating and executing agency, in a specific recipient country or for a specific project and that no contributing Government shall receive special treatment with respect to its voluntary contribution nor shall negotiation for the use of currencies contributed to UNDP take place between contributing and recipient Governments. The Administrator is continuing efforts designed to utilize more of the accumulated non-convertible currencies.

Government contributions

20. As at 1 January 1976, the arrears of government contributions for 1975 and prior years amounted to \$41.6 million. The comparative figure at 31 December 1976 was \$36.9 million. Although the balance of \$36.9 million is a significant amount in view of the fact that UNDP must mobilize all possible resources in order to maintain the level of programme delivery at the highest possible level during the present cycle, 1977 to 1981, it still represents a distinct improvement over the position in recent years. Governments have been urged to pay all amounts as soon as possible and as at 31 March 1977 the balance outstanding amounted to \$30.1 million. As at 31 December 1976 the amounts pledged for 1977 and future years covering all categories of funds amounted to \$483.1 million.

Property written off, ex-gratia payments and write-offs of cash and receivables

21. During the year ended 31 December 1976 the value of UNDP property written off amounted to \$65,053. In accordance with UNDP financial rule 113.20, paragraph (c), write-offs of property are considered by the UNDP Headquarters Property Survey Board and are subsequently approved by the Assistant Administrator, Bureau of Administration. Of the total amount written off in 1976, approximately \$56,000 covers the loss of property in two countries where the UNDP offices were temporarily closed at the request of the Governments concerned. Unpaid voluntary pledges covering the years 1965 through 1974 amounting to \$206,213 were withdrawn upon receipt of an official request from the Government concerned. An ex-gratia payment of \$1,046 was made to a former staff member under UNDP financial regulation 14.5. Details of this payment have been provided to the Board of Auditors. In addition, losses and write-offs of cash and other accounts receivable amounted to \$19,968 in 1976 and were written off in accordance with UNDP financial regulation 14.6.

UNDP finances during the first cycle 1972-1976

22. The summary table of income and expenditure for the years 1972-1976 (the 1976 figures are unaudited) reproduced below gives the details of income and expenditure by main category. Total income from all sources amounted to \$2,062.2 million while total expenditure amounted to \$2,191.7 million thereby incurring a total deficit in income of \$129.5 million over the five years 1972-1976. It should be noted that the deficit arising on revenue reserve during this period was \$168.8 million, but that this was offset by a balance of available resources at 31 December 1971 of \$103 million, leaving a deficit of \$65.8 at 31 December 1976 as shown in statement II.

Financial reporting and information

23. In February 1976 consultations were held between UNDP and executing agencies in order to develop an improved system of financial reporting including agency expenditure forecasts. Agreed reporting formats and the timing of reports UNDP would receive from, and provide to, agencies were developed. The system has operated very smoothly in 1976 and UNDP now receives greatly improved data on a regular basis.

UNITED NATIONS DEVELOPMENT PROGRAMME

Summary of income and expenditure
for the years 1972 to 1976

(in \$US millions)

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>Total</u>
<u>Income</u>						
Contributions from Governments						
Voluntary pledges	267.9	312.6	327.6	418.8	468.6	1 795.5
Assessed programme costs	10.8	13.2	11.5	13.4	18.1	67.0
Field office costs	3.6	5.9	5.3	5.6	6.0	26.4
Special Measures Fund	-	8.0	8.9	14.7	8.0	39.6
Cash counterpart contributions	3.4	5.6	7.9	6.0	7.9	30.8
Cost-sharing contributions	-	0.9	5.5	14.1	47.8	68.3
	<u>285.7</u>	<u>346.2</u>	<u>366.7</u>	<u>472.6</u>	<u>556.4</u>	<u>2 027.6</u>
Other	13.1	17.6	8.7	(8.1)	3.3	34.6
TOTAL INCOME	<u>298.8</u>	<u>363.8</u>	<u>375.4</u>	<u>464.5</u>	<u>559.7</u>	<u>2 062.2</u>
<u>Expenditure</u>						
From IPFs	267.6	263.1	272.8	390.4	340.6	1 534.5
Programme reserve	6.4	3.8	5.5	10.3	11.8	37.8
Special Measures Fund	-	1.0	5.3	8.3	12.6	27.2
GCCC	3.3	5.4	6.9	6.3	6.5	28.4
Government cost-sharing	-	1.4	4.0	10.7	28.9	45.0
	<u>277.3</u>	<u>274.7</u>	<u>294.5</u>	<u>426.0</u>	<u>400.4</u>	<u>1 672.9</u>
Expert variance account	(7.7)	11.2	33.7	10.4	4.5	52.1
Agency overhead costs	34.7	34.0	41.2	57.8	55.3	223.0
Adjustments to prior years expenditure	0.7	-	(7.1)	0.6	0.3	(5.5)
	<u>305.0</u>	<u>319.9</u>	<u>362.3</u>	<u>494.8</u>	<u>460.5</u>	<u>1 942.5</u>
UNDP programme support and administrative costs	33.0	36.4	43.8	52.4	57.2	222.8
Field office costs	3.6	5.9	5.3	5.6	6.0	26.4
TOTAL EXPENDITURE	<u>341.6</u>	<u>362.2</u>	<u>411.4</u>	<u>552.8</u>	<u>523.7</u>	<u>2 191.7</u>
EXCESS (DEFICIT) OF INCOME OVER EXPENDITURE	<u>(42.8)</u>	<u>1.6</u>	<u>(36.0)</u>	<u>(88.3)</u>	<u>36.0</u>	<u>(129.5)</u>
<u>Transferred to:</u>						
Revenue Reserve	(42.8)	(7.2)	(42.6)	(97.4)	21.2	(168.8)
Special Measures Fund	-	8.8	6.6	9.1	(4.6)	19.9
GCCC Account	-	-	-	-	2.4	2.4
Government Cost-Sharing Account	-	-	-	-	17.0	17.0
TOTAL APPROPRIATIONS	<u>(42.8)</u>	<u>1.6</u>	<u>(36.0)</u>	<u>(88.3)</u>	<u>36.0</u>	<u>(129.5)</u>

Programme Reserve

24. Expenditure incurred from the Programme Reserve in 1976 amounted to \$11,806,508 as shown in schedule 6. At its fourteenth session, the Governing Council decided to transfer \$3 million each year during the period 1973-1976 from the Programme Reserve to the Special Measures Fund for the Least Developed Countries and these transfers were made up to and including 1975. With respect to the 1976 transfer the Council agreed at its twenty-second session to the deferment of the \$3 million transfer in the light of the resources then available in the Special Measures Fund, which had exceeded the level envisaged. The Council was also aware that additional funds were required in the Programme Reserve in order to finance existing obligations. The Council decided that the \$3 million transfer should be made to the Special Measures Fund as soon as possible in the years 1977-1981. At the same session in 1976, the Council endorsed the provision of \$3.5 million for projects in Cuba from the Programme Reserve with regard to 1976, and further authorized the carryover of \$1.6 million in Programme Reserve expenditure from 1975 to 1976.

25. At its twenty-third session in January 1977 the Governing Council decided to close the Programme Reserve account at the end of 1976 and to open a new account for the second IPF cycle, with the understanding that unliquidated commitments for ongoing projects at the end of 1976 would be charged against the resources in the Programme Reserve during 1977-1981.

Special Measures Fund for the Least Developed Countries

26. This Fund was established by the Governing Council at its fourteenth session in order to provide assistance to the least developed countries. The Council decision authorized the transfer of \$12 million from the Programme Reserve over the period 1973-1976 at the rate of \$3 million per year. In accordance with this decision \$9 million was transferred in the years 1973, 1974 and 1975. As indicated in paragraph 25 above relating to the Programme Reserve, the \$3 million for 1976 was not transferred to the Special Measures Fund. As shown in schedule 11 the balance available in the Special Measures Fund at 31 December 1976 for further programming was \$9,438,162.

Administrative and programme support cost budget

27. The administrative and programme support budget for the year 1976 was first submitted to the Governing Council in June 1975 in document DP/125 for an amount of \$69,939,700 (gross) which after deducting estimated income of \$10,068,200 resulted in net 1976 budget estimates of \$59,871,500. However, the Council decided to reduce the 1976 budget request by \$343,700 (gross) and approved a budget of \$69,596,000 (gross) which after deducting estimated income of \$9,977,200 resulted in a net 1976 approved budget of \$59,618,800. At its twenty-first session in January 1976 the Council requested the Administrator to submit to its twenty-second session in June 1976 proposals for further reductions in the 1976 budget for administrative and programme support services, taking into account the views and observations expressed during the twenty-first session. Subsequently, the Administrator proposed additional reductions of \$2,682,700 in the gross budget and \$2,039,900 in the net budget for 1976 which represented an unprecedented level of budget reductions for UNDP. The final budget for 1976 thus amounted to \$66,973,300

gross and \$57,638,900 net after \$60,000 in additional appropriations was approved by the Council for preparatory work for the United Nations Conference on Technical Co-operation among Developing Countries.

28. Expenditures on administrative and programme support costs were controlled very carefully in 1976. Every effort was made to save on salary and related common staff costs, travel and transportation, permanent equipment, other general and special expenses. Schedule 7 contains the final results for 1976 and reveals that in addition to the more than \$2.0 million initial reduction made in the 1976 net budget, the Administrator has been able to save an additional amount of \$478,841 in the financial year 1976. This saving of \$478,841 was made even though small over-expenditures were incurred in two budget sections (salaries and wages \$63,012 and special expenses of \$52,831).

29. The Administrator will seek the concurrence of the Advisory Committee on Administrative and Budgetary Questions during 1977 in order to transfer budget credits between appropriation sections of the 1976 budget as agreed to by the Governing Council at its twenty-second session 3/ in order to compensate for the over-expenditures mentioned above in paragraph 29.

UNDP as an executing agency for its projects

30. The 1976 financial situation affected the activities of the Office of Projects Execution (OPE). As shown in statement IV total expenditure in 1976 amounted to \$22.7 million as compared with \$30.6 million in 1975. A similar decline might also be noted in the net allocations issued to OPE during 1976 which amounted to \$24.4 million as compared with \$44.3 million in 1975.

31. During 1976, projects financed from the United Nations Fund for Population Activities (UNFPA) were shifted from being executed by OPE and such projects are now executed by UNFPA itself. As a result of this change the separate statement provided on UNDP as an executing agency for UNFPA activities has been discontinued.

Trust funds administered by the Administrator

32. Statements V to X and supporting schedules 10, 11 and 12 provide the financial data on income and expenditure for the year ended 31 December 1976 and the assets and liabilities as at 31 December 1976 pertaining to these trust funds. For the first time separate statements are presented for the larger trust funds since their resources have grown and activities financed from these funds now form a significant part of UNDP's total operations. The balance in the trust fund for Junior Professional Officers has been included in schedule 10 of the UNDP accounts since these funds are integrated within the regular accounts of UNDP.

Trust Fund for Assistance to Colonial Countries and Peoples

33. The Trust Fund was established following the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in accordance with General Assembly resolution 1515 (XV) and 3118 (XXVIII).

3/ Official Records of the Economic and Social Council, Sixty-first Session, Supplement No. 2A (E/5846/Rev.1), para. 427 (c).

34. Statement V shows the financial position of this Trust Fund at 31 December 1976. Expenditure during the year amounted to \$1.0 million and exceeded income by \$0.8 million. The balance of the Fund at year-end was \$1.2 million and commitments in respect of unspent allocations amounted to \$1.9 million.

35. At its twenty-second session, the Governing Council decided that in order to ensure implementation of programmes of assistance to African liberation movements recognized by OAU, the Administrator should use, in addition to the resources of the liberation movements Trust Funds, funds available in respect of undistributed indicative planning figures provided for future participants during the period 1977-1981, and not exceeding \$6 million. 4/

United Nations Capital Development Fund

36. The Fund was established by General Assembly resolution 2186 (XXI) and placed under the authority of the Administrator of UNDP and the Governing Council by resolution 2321 (XXII). At its twenty-second session, the Governing Council discussed the activities of the Fund and took note of the annual report of the Fund for 1975 (DP/182 and Corr.1).

37. As shown in statement VI, total income to the Fund in 1976 amounted to \$15.1 million and expenditures to \$5.9 million. At the end of 1976 the Fund had a reserve of \$29.0 million and commitments in respect of unspent allocations amounted to \$26.6 million.

United Nations Revolving Fund for Natural Resources Exploration

38. This Trust Fund was established by General Assembly resolution 3167 (XXVIII) of 17 December 1973 recognizing the need to extend and intensify the activity of the United Nations system to meet the need for natural resources in developing countries to accelerate their economic development. The Fund is stressing the importance of selecting projects with high potential and requests the co-operation and assistance of the industrialized countries whose advanced technology might assist in identifying worth-while projects. The activities of the Fund were considered by the Governing Council at its twenty-second session.

39. As shown in statement VII, total income to the Fund in 1976 amounted to \$6.1 million and expenditures to \$0.8 million. At the end of 1976 the balance of the Fund was \$10.7 million and commitments in respect of unspent allocations amounted to \$7.8 million.

United Nations Trust Fund for Sudano-Sahelian Activities

40. This Trust Fund was established pursuant to General Assembly resolution 3252 (XXIX) of 18 December 1974 and Economic and Social Council resolution 1918 (LVIII) of 9 May 1975. Funds received by the United Nations from donor

4/ Ibid., para. 228 (f).

countries and organizations for the purpose of being applied towards the medium- and long-term development problems of the Sahelian countries constitute the United Nations Trust Fund for Sudano-Sahelian Activities. This Trust Fund was operated under the authority of the Secretary-General who in October 1976 delegated to the Administrator of UNDP the full responsibility for the administration, control and operation of this Trust Fund including the administration and direction of the United Nations Sudano-Sahelian Office (UNSO) at Headquarters and in the field, except that custodianship of the Fund remains with the Secretary-General of the United Nations. Although the accounting responsibilities were transferred to UNDP effective 1 October 1976 it was agreed with the United Nations that the financial accounts of the Fund, as well as the audit statements relating thereto shall be included in the financial report and accounts of UNDP with effect from 1 January 1976.

41. UNSO is the primary United Nations contact with the Permanent Interstate Committee for Drought Control in the Sahel (called CILSS). CILSS is concerned with the medium- and long-term recovery and rehabilitation programme in general in the development and implementation of the projects contained in the CILSS programme of priority projects. The methodology and rules which UNDP applies in assessing, developing and implementing its own projects are applied in implementing CILSS projects unless otherwise specified. UNDP attempts to maintain the same standards of accountability as it does for its own projects and ensures an early involvement of resident representatives in developing projects as well as close supervision and monitoring of their implementation. Projects are selected by UNSO in consultation with CILSS and the Governments concerned. In designing and appraising such selected projects UNSO and UNDP are guided by the priorities of the recovery and rehabilitation programmes established by CILSS and its respective Governments. Allocations totalling \$8,677,723 were issued in 1976 from the resources of this Trust Fund. As shown in statement VIII at the end of 1976 the Fund has reserves amounting to \$22,270,168 against which commitments in respect of unspent allocations amounted to \$8,354,232.

United Nations Volunteers

42. This programme was established by General Assembly resolution 2659 (XXV) of 7 December 1970. The broad plan of action of the programme was endorsed by the Governing Council at its sixteenth session in June 1973.

43. At its twenty-second session, the Governing Council considered a report by the Administrator (DP/180) on the activities of the United Nations Volunteers (UNV) and a note by the Administrator on financing (DP/208). The Governing Council, noting the Administrator's report on UNV, approved utilization of \$1 million from the Programme Reserve to finance UNV in country costs in the least developed countries in 1977, authorized the continued use of the special voluntary fund to meet in-country costs of volunteers in the least developed countries in 1977 and 1978 and requested the Administrator to plan towards the funding of in-country costs of volunteers from country IPFs by 1978. 5/

44. Financial information on the UNV programme is contained in statement IX which shows the balance in reserve as at 31 December 1976 as \$566,207.

5/ Ibid.

Fund of the United Nations for the Development
of West Irian (FUNDWI)

45. The Fund was established in 1963 by agreement between the Governments of the Netherlands and Indonesia to develop the economy of Indonesia. The Fund is in the course of being terminated and residual moneys are being used for the purchase of heavy road construction equipment required by the Government of Indonesia. At the end of 1976 the Fund balance amounted to \$1,039,789 against which commitments in respect of unspent allocations amounted to \$457,640 (statement X).

Trust Fund for the Republic of Zaire

46. This Fund was created in 1960 to provide technical assistance to Zaire which could not be met by the normal resources of the United Nations and specialized agencies. The administration of the Fund was transferred to UNDP in 1966. Although the programme of the Fund formally ended with the completion of the agreement signed for the year 1971 residual activity has continued. The residual funds are being utilized in part for limited activities basically in the fields of transport and communications. At the end of 1976 the Fund balance amounted to \$194,168 against which commitments in respect of unspent allocations amounted to \$144,408 (statement X).

United Nations Korean Reconstruction Agency - residual assets

47. The United Nations Korean Reconstruction Agency (UNKRA) was established by General Assembly resolution 410 (V) of 1 December 1950. The Agency was formally terminated in August 1960 and unallocated funds remaining in its account, after settlement of all outstanding claims, were transferred to the United Nations under General Assembly resolution 1304 (XXIII) to be used for carrying out relief and rehabilitation activities in Korea in conformity with General Assembly resolution 410 (V) which established the Agency. Subsequently this Trust Fund was placed under the responsibility of the Administrator of UNDP effective 1 January 1966. No new allocations were issued in 1976. As of December 1976 the residual assets amount to \$29,528 against which commitments in respect of unspent allocations amount to \$15,131 (statement X).

UNROB residual funds - Bangladesh

48. The United Nations Special Relief Office in Bangladesh was a continuation of the United Nations Relief Operations in Dacca (UNROD) which was established in January 1971 pursuant to the initiative of the Secretary-General, endorsed by the General Assembly in its resolution 2790 (XXVI) of 6 December 1971. The United Nations Relief Operations in Dacca (UNROD) completed its activities on 31 March 1973 and was succeeded on 1 April by the United Nations Special Relief Office in Bangladesh (UNROB). The Secretary-General transferred most of the unexpended funds remaining to the Administrator of UNDP. During 1975 a further \$750,000 was transferred to the Administrator. The funds are being utilized specifically for the projects proposed by the Government of Bangladesh which are considered as falling within the broad framework of relief and rehabilitation activities. As at the end of 1976 the Fund balance amounted to \$717,543 against which commitments in respect of unspent allocations amounted to \$694,900 (statement X).

United Nations Trust Fund for the Provision of
Operational (OPEX) Personnel in Swaziland

49. This Trust Fund was established on 2 October 1969 between the Government of Sweden and the United Nations to provide technical assistance operational programmes in Swaziland. In 1969 the Secretary-General delegated responsibility for administration and operation of this Trust Fund to the Administrator of UNDP. The operations and assistance provided under this Fund to Swaziland are similar to those described under the Fund to Lesotho. At the end of 1976 the Fund balance amounted to \$235,630 against which commitments in respect of unspent allocations amounted to \$202,334 (statement X).

United Nations Trust Fund for Operational Programme in Lesotho

50. This Fund was established following agreement entered into on 9 November 1967 between the Government of Sweden and the United Nations wherein the Government of Sweden offered to finance technical assistance operational programmes in Lesotho. In 1968 the Secretary-General delegated responsibility for the administration and operation of this Trust Fund to the Administrator of UNDP. The Fund finances a number of operational and administrative type posts in Lesotho covering a variety of fields from industrial development and educational planning to road transportation and tourism. The Fund also seeks to assist in the development of sound government infrastructures which are of prime importance to Lesotho. At the end of 1976 the Fund balance amounted to \$366,582 against which commitments in respect of unspent allocations amounted to \$454,054 (statement X).

RESPONSE TO THE REPORT OF THE BOARD OF AUDITORS FOR 1976

51. As requested by the Governing Council, and in accordance with the practice commenced in the previous year, the response to the comments of the Board of Auditors on the UNDP accounts and financial statements for the financial year ended 31 December 1976 are being included in the Administrator's financial report for the same year. The following paragraphs describe, where appropriate, the action that has been taken or is contemplated as a result of the comments contained in paragraphs 9 to 31 of the report of the Board of Auditors for the year ended 31 December 1976. For ease of reference, the pertinent paragraph numbers are referred to in the same order as they appear in the report of the Board of Auditors.

Value of assets (paras. 9 to 11)

52. The Auditors have observed that the value of accumulated non-convertible currencies recorded as \$35.6 million as at 31 December 1976 is uncertain and have qualified their opinion on the financial statements accordingly. Also in their report for the year ended 31 December 1975, the Auditors commented on the value of non-convertible currencies and stated that in their opinion, the value of accumulated non-convertible currencies was questionable and recommended that these amounts be removed from the short-term assets in 1976. This recommendation was brought to the attention of the General Assembly and Governing Council. In addition, the Council itself has considered the question of accumulated non-convertible currencies at its sessions in January 1976, June 1976, January 1977 and June 1977, and adopted specific decisions on this subject. While being aware

of the Auditors' views regarding accumulated non-convertible currencies, the Council has not authorized the Administrator to remove these assets from the UNDP books. The Administrator has reported to the Council regarding efforts taken to utilize non-convertible currencies and the problems encountered. While the UNDP holdings of such currencies are increasing, it is necessary for the Council itself to decide that these assets are to be removed from UNDP books.

53. With regard to cash in transit at 31 December 1976, follow-up action has been taken with the appropriate banks and the UNDP field offices in respect of the \$318,000 noted by the Auditors. The banks concerned have been requested to return these funds to UNDP. In addition, new internal control procedures have been introduced whereby the UNDP Treasury Section will be informed immediately regarding any remittance which has not been received by the payee within four weeks from the date the remittance is sent, so that appropriate follow-up action will be taken.

54. The UNDP accounting practice regarding the treatment of education grant advances has been patterned after the United Nations practice. Therefore, education grant advances outstanding at year-end have not been treated as a charge to the year in which the advance was made on the basis of an accrual of 50 per cent as recommended by the Auditors in paragraph 11. Instead, the practice has been that each year's expenditures bear the cost of the total education grants utilized in the year in which the advance is settled.

The Administrator believes that any distortion in the valuation of UNDP assets and in the corresponding yearly expenditure as reflected in the accounts as a result of the existing practice is minimal. Thus any benefits which may be obtained by UNDP from adopting the accrual procedure suggested by the Auditors in respect of education grant costs would not be justified because additional staff would be required to carry out this exercise and additional cost would be involved. Admittedly, in a profit-making or commercial enterprise such practices might be followed but it is felt that UNDP activities need not be considered in this context.

55. As stated above in paragraph 20 of this report, there has been a distinct improvement over previous years in the collection of contributions pledged by Governments. The amount outstanding as at 31 December 1976. (\$36.9 million) had been reduced to \$27.4 million as at 30 April 1977 for a reduction of \$9.5 million. Of the \$27.4 million unpaid relating to 1976 and prior years about 29 per cent was from three countries and related primarily to amounts due for voluntary contributions and assessed programme costs. Special difficulties have been encountered in obtaining these amounts due to internal legislative procedures and complications involving internal governmental units. These specific situations have been the subject of detailed consultations with the Governments involved. However, the Administrator is conscious of the fact that the unpaid contribution outstanding is still too large in relation to the level of UNDP programme needs for liquid assets. The Council was informed of this situation at its session in June 1977 where it appealed to all Governments either to pay all past due amounts or indicate to the Administrator that the amounts are uncollectable so that these amounts can be removed from UNDP books. Efforts will continue to collect all past due amounts as soon as possible.

Control of bank transactions (paras. 13 and 14)

56. With the co-operation of the Accounts Division of the United Nations efforts are continuing to identify and properly record all outstanding items shown on the

bank reconciliations for UNDP contribution accounts. Major difficulties are sometimes still being encountered in obtaining adequate information from banks and Governments located in the countries assisted by UNDP. In a number of cases, local bank practices are such that field offices do not receive bank statements for their bank accounts on a prompt and regular basis. While it is recognized that improvements are desirable in such cases, UNDP is limited in the courses of action which it can take. Basically, UNDP uses direct correspondence with the bank, in an attempt to ensure that proper bank reconciliations are provided to UNDP headquarters with each set of monthly field accounts. As a further step to improve the quality and correctness of UNDP accounting work carried out in field offices, a comprehensive training course will be held in Africa during the latter part of 1977 which will concentrate primarily on financial, budgetary and accounting procedures since it is felt that this is an area in need of immediate improvement. The results obtained from the training course covering selected field offices, will be evaluated to determine the benefit obtained and whether other regions should also be covered.

57. In view of the nature of the resident representative's role within the United Nations system it is perhaps inevitable that some funds other than the replenishment of the imprest account from Headquarters will be deposited in field office bank accounts. Procedures exist, however, to ensure that to the extent possible:

(a) Periodic replenishments of imprest accounts are adjusted to take into account other funds deposited and that the total cash held by a field office does not exceed its normal monthly requirements;

(b) Funds received for other United Nations agencies are reported to the Agency as soon as possible and do not result in exchange losses to UNDP or in the unnecessary accumulation of cash in excess of UNDP's own requirements.

It would be impractical to open and operate separate bank accounts in each country for other cash receipts and they will continue to be co-mingled with UNDP funds which are replenished from Headquarters and held in the same bank account. UNDP will revise the format of the monthly accounts' report so as to reflect more clearly the extent to which the cash balances held by field offices are being held on behalf of other agencies or organizations. Supervisory controls will be strengthened within the staff resources available.

Uncleared deposits (paras. 15 to 17)

58. At times, considerable delays occur in the receipt of copies of project documents at UNDP headquarters. The delays invariably result from lengthy discussions between the Government, the resident representative and the executing agency over precise project details or project inputs. UNDP headquarters is unable to expedite the issuance of the subject document in such cases. Since the amount, purpose and timing of the payments to be made are stated only in the project document, an account receivable required cannot be established until the signed project document is received. In order to speed up the recording of accounts receivables, UNDP units at Headquarters have strengthened their collaboration and exchange of information in order to ensure that records maintained on such matters are in agreement and up to date. Beginning in 1977, new experimental procedures are being utilized to cope with this problem which if successful will be expanded and made permanent to allow for speedy clearance of deposits which have been difficult to identify.

Repatriation grants (paras. 18 and 19)

59. As in the case of education grants (discussed under para. 54 above), the Administrator believes that the benefits to be obtained from the adoption of an accrual accounting method concerning repatriation grants would not be commensurate with the cost that would be involved. The present UNDP procedure does not give rise to any significant budgetary or other financial concerns. In addition to the substantial additional work which would be required to calculate and establish the amount of the reserve that would be necessary, the funds required in the first year would have to be provided out of current income in order to meet future liabilities. The present practice of meeting the costs of repatriation grants from the budget resources authorized for the year in which the expenditures are incurred does not cause any difficulties.

Project expenditure (paras. 20 and 21)

60. This subject has been discussed in paragraphs 10 and 11 of this report. It is hoped that with the close co-operation of the executing agencies a greater degree of uniformity and comparability will be achieved in reporting project expenditures in future years which will strengthen UNDP financial management.

Agencies' statements (paras. 22 to 24)

Operational reserve (paras. 25 and 26)

Financial statement presentation (para. 27)

61. The Administrator feels that the observations made by the Auditors under the above headings require no further comments on his part other than those made earlier in this report in paragraphs 3 to 6 (Agencies statements), paragraph 17 (Operational reserve), and paragraphs 8 and 9 (Financial statement presentation).

Proposed Integrated Systems Improvement Project (paras. 28 to 31)

62. The Administrator welcomes the comments made by the Auditors regarding this project, as well as the preliminary findings of their in-depth review and evaluation of the system of financial management and control at UNDP which is referred to in paragraphs 3 to 7 of their audit report. Their observations will no doubt be very useful in the work on the UNDP Integrated Systems Improvement Project.

63. The Administrator would also like to take this opportunity to thank the Board of Auditors and the staff assisting the Board for the valuable contribution they have made to the work of UNDP. He would also wish to express his appreciation for their co-operation extended to the staff of UNDP and assistance in conducting the review of UNDP financial matters.

II. AUDIT OPINION

We have examined the following appended financial statements, numbered I to X, properly identified, and relevant schedules numbered 1 to 16 of the United Nations Development Programme for the year ended 31 December 1976. 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 year, which transactions were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position as at 31 December 1976, subject to the observations contained in paragraphs 9, 10, 11, 17, 19, 20, 21 and 24 of our audit report.

(Signed) J. J. MACDONELL
Auditor General of Canada

(Signed) A. MARTINEZ ZULETA
Controller General of Colombia

(Signed) A. OSEI
Auditor General of Ghana

24 June 1977

III. ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1976

UNITED NATIONS DEVELOPMENT PROGRAMME

Statement of income and expenditure for the
years ended 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>			<u>1976</u>
INCOME			
Contributions from Governments:			
418 837 213	Voluntary pledges	(Schedule 1)	468 627 270
13 421 798	Assessed programme costs	(Schedule 2)	18 087 377
5 609 555	Field office costs		6 044 116
14 695 452	Voluntary pledges for the Special Measures Fund for the Least Developed Countries	(Schedule 1)	7 988 780
5 991 443	Cash counterpart contributions for projects	(Schedule 3)	7 895 966
14 104 273	Cost-sharing contributions	(Schedule 4)	47 765 980
472 659 734			556 409 489
(474 733)	Less: Exchange adjustments on collection of contributions	(Note 2)	(1 107 241)
472 185 001			555 302 248
2 364	Donations		1 948
(4 508 694)	Miscellaneous income (expense)	(Schedule 5)	4 371 831
(3 190 000)	Write-off of prior years' agency excess overhead drawings on Special Fund projects		-
(7 695 330)			4 373 779
464 488 671	TOTAL INCOME		559 676 027
EXPENDITURE			
Programme expenditure:			
390 427 773	From indicative planning figures for projects	(Schedule 6)	340 645 933
10 240 081	From the programme reserve	(Schedule 6)	11 806 508
8 301 920	From the Special Measures Fund for the Least Developed Countries	(Schedule 6)	12 561 229
6 258 959	From government cash counterpart contributions	(Schedule 6)	6 487 160
10 740 740	From government cost-sharing contributions	(Schedule 6)	28 940 693
425 969 473			400 441 523
57 759 882	Reimbursement of overhead costs to participating and executing agencies	(Schedule 6)	55 320 353
483 729 355			455 761 876
10 382 157	Expert variance account (including fellowship variance)	(Note 3)	4 487 307
494 111 512			460 249 183
649 341	Adjustments to prior years' programme expenditure and overhead costs	(Note 4)	232 194
494 760 853			460 481 377
52 429 300	UNDP administrative and programme support costs	(Schedule 7)	57 160 059
5 609 555	UNDP field office costs paid by Governments		6 044 116
552 799 708	TOTAL EXPENDITURE		523 685 552
(88 311 037)	EXCESS OF INCOME OVER EXPENDITURE (excess of expenditure over income)	(Note 5)	35 990 475

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George F. SADDLER
Director
Division of Finance

UNITED NATIONS DEVELOPMENT PROGRAMME

Balance-sheet as at 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>			<u>1976</u>
ASSETS			
Cash			
3 100 305	Convertible currencies	(Note 6)	9 590 844
3 787 366	Usable non-convertible currencies		10 320 182
27 941 966	Accumulated non-convertible currencies		35 634 699
<u>15 282 241</u>	Imprest cash at field offices		<u>13 252 201</u>
50 111 878			68 797 926
17 440 291	Investments	(Schedule 8)	59 541 150
3 662 631	Housing loans	(Schedule 9)	3 554 042
<u>12 376 238</u>	Non-interest bearing note	(Note 1)	<u>10 221 465</u>
83 591 038			<u>142 114 583</u>
Advances and accounts receivable			
29 931 099	Operating fund provided by UNDP to participating and executing agencies	(Note 1)	(295 752)
(105 756)	Trust Funds administered by UNDP	(Note 7)	1 534 827
6 411 930	Accounts receivable		7 532 973
5 115 442	Deferred charges		3 347 407
1 059 504	Accrued interest		371 093
<u>4 508 836</u>	Other		<u>2 011 106</u>
46 921 055			14 501 654
Contributions pledged by Governments			
<u>41 654 824</u>	For current and prior years	(Note 8)	<u>36 874 814</u>
393 632 229	For future years		483 081 550
<u>565 799 146</u>			<u>676 572 601</u>
LIABILITIES AND RESERVES			
Liabilities			
21 877 931	Accounts payable		31 268 927
6 527 007	Due to United Nations		891 563
4 053 269	Due to (due from) the United Nations Fund for Population Activities		(385 403)
568 816	Junior Professional Officers' Programme	(Schedule 10)	1 400 536
<u>10 034 931</u>	Loan from Food and Agriculture Organization of the United Nations (including interest)		-
43 061 954			<u>33 175 623</u>
435 287 053	Contributions pledged by Governments	(Note 8)	519 956 364
Reserves			
24 445 418	Unexpended contributions:		
-	for Special Measures Fund	(Schedule 11)	19 872 969
-	for government cost-sharing contributions	(Schedule 12)	16 983 988
	for government cash counterpart contributions	(Schedule 13)	2 425 074
<u>24 445 418</u>			<u>39 282 031</u>
150 000 000	Operational reserve		150 000 000
<u>(86 995 279)</u>	Revenue reserve	(Note 9)	<u>(65 841 417)</u>
63 004 721			84 158 583
<u>565 799 146</u>			<u>676 572 601</u>

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George F. SADDLER
 Director
 Division of Finance

UNITED NATIONS DEVELOPMENT PROGRAMME

Statement of changes in financial position for
the years ended 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>			<u>1976</u>
	Source of funds		
464 488 671	Total income for the year	(STATEMENT I)	559 676 027
554 796	Reduction in holding of non-interest bearing note		2 154 773
<u>(721 421)</u>	Reduction (increase) in level of housing loans		<u>108 589</u>
464 322 046	Total funds provided		<u>561 939 389</u>
	Application of funds		
<u>552 799 708</u>	Total expenditure for the year	(STATEMENT I)	<u>523 685 552</u>
	Working capital		
(88 477 662)	Increase (decrease) for the year		38 253 837
<u>144 517 167</u>	Balance at beginning of year		<u>56 039 505</u>
<u>56 039 505</u>	Balance at end of year		<u>94 293 342</u>
	Changes in elements of working capital		
	Current assets - increase (decrease)		
(11 205 418)	Convertible currencies		6 490 539
(2 396 659)	Usable non-convertible currencies		6 532 816
1 439 380	Accumulated non-convertible currencies		7 692 733
(10 426 770)	Cash in imprest accounts at field offices		(2 030 040)
(41 451 008)	Investments		42 100 859
(20 470 113)	Operating funds provided by UNDP to participating and executing agencies		(30 226 851)
195 309	Trust Funds administered by UNDP		1 640 583
(396 679)	Accrued interest		(688 411)
<u>(14 041 408)</u>	Accounts receivable, deferred charges, and other		<u>(3 144 722)</u>
<u>(98 753 366)</u>			<u>28 367 506</u>
	Current liabilities - increase (decrease)		
(27 379 739)	Accounts payable		9 390 996
2 556 071	Account with the United Nations		(5 635 444)
4 053 269	Account with the United Nations Fund for Population Activities		(4 438 672)
459 764	Funds provided for the Junior Professional Officers' Programme		831 720
<u>10 034 931</u>	Repayment of loan from Food and Agriculture Organization of the United Nations (including interest)		<u>(10 034 931)</u>
<u>(10 275 704)</u>			<u>(9 886 331)</u>
<u>(88 477 662)</u>	Net increase (decrease) in working capital for the year		<u>38 253 837</u>

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George F. SADDLER
Director
Division of Finance

UNITED NATIONS DEVELOPMENT PROGRAMME

United Nations Development Programme as an
executing agency for its projectsStatus of funds as at 31 December 1976

(in United States dollars)

OPERATING FUND

Balance at beginning of year		(2 311 064)
Add: Cash drawings, interoffice vouchers and other charges (net)		<u>22 505 929</u> 20 194 865
Deduct: 1976 expenditure	(Schedule 6)	<u>(22 664 268)</u>
Balance at end of year		<u>(2 469 403)</u>
Represented by:		
Project imprest cash		28 006
Accounts receivable		<u>240 077</u>
		268 083
Deduct:		
Accounts payable	(2 692 539)	
Variance on expert and fellowships costs	<u>(44 947)</u>	<u>(2 737 486)</u>
		<u>(2 469 403)</u>

STATEMENT OF UNSPENT ALLOCATIONS

Unspent allocations at beginning of year		38 073 884
Add: Net allocations issued during year	(Schedule 14)	<u>24 381 735</u> 62 455 619
Deduct: Expenditure during year	(Schedule 6)	<u>(22 664 268)</u>
Unspent allocations at end of year		<u>39 791 351</u>

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George F. SADDLER
Director
Division of Finance

TRUST FUND FOR ASSISTANCE TO COLONIAL COUNTRIES AND PEOPLES

Status of funds as at 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>		<u>1976</u>
<u>Income and expenditure for year</u>		
650 987	Voluntary contributions (Schedule 15)	128 205
125 462	Interest income	93 824
(2 621)	Miscellaneous income (expense)	806
<u>773 828</u>		<u>222 835</u>
(293 835)	Less: Expenditure	(1 026 322)
<u>479 993</u>	(Excess of expenditure over income) excess of income over expenditure	<u>(803 487)</u>
<u>Assets</u>		
64 938	Cash	13 644
2 121 712	Investments (Schedule 16)	1 003 090
5 022	Accrued interest	7 165
-	Accounts receivable	47 417
-	Operating fund provided to executing agencies	301 456
128 205	Voluntary contributions pledged (Note 10)	1 290 476
<u>2 319 877</u>		<u>2 663 248</u>
<u>Liabilities and reserve</u>		
181 491	Operating fund payable to executing agencies	-
6 766	Due to UNDP	173 288
444	Accounts payable	-
128 205	Voluntary contributions pledged (contra) (Note 10)	1 290 476
<u>316 906</u>		<u>1 463 764</u>
<u>Reserve</u>		
1 522 978	Balance 1 January	2 002 971
-	Less: Excess of expenditure over income	(803 487)
479 993	Add: Excess of income over expenditure	-
<u>2 002 971</u>	Balance 31 December	<u>1 199 484</u>
<u>2 319 877</u>		<u>2 663 248</u>

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George F. SADDLER
 Director
 Division of Finance

UNITED NATIONS CAPITAL DEVELOPMENT FUND

Status of funds as at 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>			<u>1976</u>
	<u>Income and expenditure for year</u>		
7 698 977	Voluntary contributions	(Schedule 15)	13 497 441
862 810	Interest income		1 354 709
(543 279)	Miscellaneous income (expense)		293 525
8 018 508			15 145 675
(304 549)	Less: Expenditure		(5 852 134)
7 713 959	Excess of income over expenditure		9 293 541
	<u>Assets</u>		
1 351 874	Cash		2 197 250
17 299 533	Investments	(Schedule 16)	25 891 372
174 805	Accrued interest		83 789
230	Accounts receivable		1 534 326
-	Due from United Nations		153 954
895 242	Due from UNDP		-
8 517 482	Voluntary contributions pledged	(Note 10)	13 512 710
28 239 166			43 373 401
	<u>Liabilities and reserve</u>		
-	Due to UNDP		845 466
8 517 482	Voluntary contributions pledged (contra)	(Note 10)	13 512 710
8 517 482			14 358 176
	<u>Reserve</u>		
12 007 725	Balance 1 January		19 721 684
7 713 959	Add: Excess of income over expenditure		9 293 541
19 721 684	Balance 31 December		29 015 225
28 239 166			43 373 401

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George F. SADDLER
 Director
 Division of Finance

UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

Status of funds as at 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>		<u>1976</u>
	<u>Income and expenditure for year</u>	
3 911 523	Voluntary contributions (Schedule 15)	5 779 937
107 421	Interest income	383 575
(4 488)	Miscellaneous income (expense)	(37 853)
4 014 456		6 125 659
	Less: Expenditure	
(63 138)	Administrative costs	(238 482)
(82 157)	Project costs	(514 150)
(145 295)		(752 632)
3 869 161	Excess of income over expenditure	5 373 027
	<u>Assets</u>	
172 048	Cash	247 570
5 327 241	Investments (Schedule 16)	10 773 611
5 734	Accrued interest	118 870
374 532	Voluntary contributions pledged (Note 10)	2 908 406
5 879 555		14 048 457
	<u>Liabilities and reserve</u>	
66 218	Operating fund payable to executing agencies	78 297
71 971	Due to UNDP	321 893
374 532	Voluntary contributions pledged (contra) (Note 10)	2 908 406
512 721		3 308 596
	Reserve	
1 497 673	Balance 1 January	5 366 834
3 869 161	Add: Excess of income over expenditure	5 373 027
5 366 334		10 739 861
5 879 555	Balance 31 December	14 048 457

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George F. SADDLER
 Director
 Division of Finance

UNITED NATIONS TRUST FUND FOR SUDANO-SAHELIAN ACTIVITIES

Status of funds as at 31 December 1976 and 1975

(in United States dollars)

<u>1975</u> (Note 11)		<u>1976</u>
<u>Income and expenditure for year</u>		
18 485 269	Voluntary contributions from Governments (Schedule 15)	3 845 000
10 019	Donations	1 750
473 930	Interest income	1 086 763
-	Miscellaneous income	119 146
<u>18 969 218</u>		<u>5 052 659</u>
(920 392)	Less: Expenditure	(831 317)
<u>18 048 826</u>	Excess of income over expenditure	<u>4 221 342</u>
<u>Assets</u>		
23 206	Cash at banks and on hand	6 415
18 305 352	Investments (Schedule 16)	21 770 703
63 186	Accrued interest	352 333
-	Accounts receivable	4 446
23 896	Operating fund provided to executing agencies	139 249
<u>18 415 640</u>		<u>22 273 146</u>
<u>Liabilities and reserve</u>		
-	Due to UNDP	2 978
251 618	Due to United Nations	-
115 196	Accounts payable	-
<u>366 814</u>		<u>2 978</u>
<u>Reserve</u>		
-	Balance 1 January	18 048 826
18 048 826	Add: Excess of income over expenditure	4 221 342
<u>18 048 826</u>	Balance 31 December	<u>22 270 168</u>
<u>18 415 640</u>		<u>22 273 146</u>

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George F. SADDLER
 Director
 Division of Finance

UNITED NATIONS VOLUNTEERS PROGRAMME

Status of funds as at 31 December 1976 and 1975

(in United States dollars)

19751976Income and expenditure for year

345 740	Voluntary contributions	(Schedule 15)	846 876
24 730	Interest income		6 793
150	Miscellaneous (expense) income		(980)
<u>370 620</u>			<u>852 689</u>
(259 279)	Less: Expenditure		(840 898)
<u>111 341</u>	Excess of income over expenditure		<u>11 791</u>

Assets

238 865	Cash		523 534
-	Investments	(Schedule 16)	154 261
-	Accrued interest		3 578
-	Accounts receivable		6 879
367 601	Due from UNDP		-
<u>100 356</u>	Voluntary contributions pledged	(Note 10)	<u>55 500</u>
<u>706 822</u>			<u>743 752</u>

Liabilities and reserve

-	Due to UNDP		81 214
52 050	Accounts payable		40 831
<u>100 356</u>	Voluntary contributions pledged (contra)	(Note 10)	<u>55 500</u>
<u>152 406</u>			<u>177 545</u>
	Reserve		
443 075	Balance 1 January		554 416
<u>111 341</u>	Add: Excess of income over expenditure		<u>11 791</u>
<u>554 416</u>	Balance 31 December		<u>566 207</u>
<u>706 822</u>			<u>743 752</u>

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George F. SADDLER
Director
Division of Finance

UNITED NATIONS DEVELOPMENT PROGRAMME

Other trust funds administered by UNDP - Status of funds as at 31 December 1976
(in United States dollars)

	Fund of the United Nations for the Development of West Irian	Trust Fund Programme for the Republic of Zaire	United Nations Korean Reconstruction Agency Residual Assets	UNROB Residual Funds - Bangladesh*	United Nations Trust Fund for Operational (OPEK) Personnel in Swaziland	United Nations Trust Fund for Operational Programme in Lesotho
Income and expenditure for year						
Voluntary contributions (Schedule 15)	28 688	36 520	-	54 818	250 813	337 696
Interest income	8 271	1 695	1 413	36 906	8 976	7 683
Miscellaneous income (expense)	36 959	38 215	1 159	(20)	(3)	(2)
	(974 137)	(548 676)	2 572	91 704	259 786	345 377
Less: Expenditure			-	(2 381)	(332 337)	(255 746)
Excess of income over expenditure (excess of expenditure over income)	(937 178)	(510 461)	2 572	89 323	(72 551)	89 631
Assets						
Cash	232 357	4 181	2 409	53 619	2 531	1 056
Investments (Schedule 16)	1 539 405	248 102	25 848	663 924	119 036	9 216
Accrued interest	583	-	109	-	-	7
Accounts receivable	3 210	-	-	-	16 813	12 546
Operating fund provided to executing agencies	-	-	1 162	-	-	3 773
Due from UNDP	-	-	-	-	230 813	339 984
	1 775 555	252 283	29 528	717 543	369 193	366 582
Liabilities and reserve						
Accounts payable	37 455	-	-	-	-	-
Operating fund payable to executing agencies	17 526	58 115	-	-	133 563	-
Due to UNDP	680 785	-	-	-	-	-
	735 766	58 115	-	-	133 563	-
Reserve						
Balance 1 January 1976	1 976 967	704 629	26 956	628 220	308 181	276 951
Add: Excess of income over expenditure	-	(510 461)	2 572	89 323	(72 551)	89 631
Less: Excess of expenditure over income	(937 178)		-	-		
Balance 31 December 1976	1 039 789	194 168	29 528	717 543	235 630	366 582
	1 775 555	252 283	29 528	717 543	369 193	366 582
Unspent allocations (Note 10)	457 640	144 408	15 131	694 900	202 334	454 054

* UNROB - United Nations Special Relief Office in Bangladesh.

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT

(Signed) George I. SADDLER
Director
Division of Finance

NOTES TO THE FINANCIAL STATEMENTS

Note 1

The financial statements reflect the application of the accounting policies described below:

(a) Income. UNDP uses the cash basis of recording income. By this is meant the recognition of income only when received. Amounts pledged by Governments are thus not recorded as income until paid, but they are shown on the balance-sheet as a non-current asset with an offsetting non-current liability.

Also shown as a non-current asset is an irrevocable non-interest bearing note. The two amounts comprising the original balance were recorded as income in 1969 and 1970 when UNDP had not yet changed to the cash basis. Payments have been made on this note and the balance is expected to be paid in full by 1980.

Amounts contributed by Governments for the costs of operating UNDP field offices are recorded as income when received. They are offset by expenditure as reflected in the statement of income and expenditure (statement I).

(b) Expenditure. By this is meant the recognition of expenditure when a liability has been incurred, but not necessarily paid, for goods or services received. This was a change in policy in 1976, UNDP having previously recorded expenditures on the cash basis. The change was adopted to ensure that expenditures for the year do not exceed income received; this is important for UNDP as it is a voluntary funded programme. The change meant including in the accounts the accrued expenditures of executing and participating agencies. This was done by asking agencies to include in their reported expenditures the amount of their unliquidated obligations at 31 December 1976, using the definition of unliquidated obligations as liabilities for goods and services received but not yet paid for. While UNDP uses this definition, the financial rules and regulations of some agencies permit the use of other definitions. Thus there is some inconsistency in the manner in which the agencies have reported unliquidated obligations. UNDP hopes this problem can be resolved in 1977.

The effect of the change in accounting policy was to increase reported agency expenditure for 1976 by \$35.9 million. It was also the main reason for the decrease in the operating fund provided by UNDP to the agencies. It was not practical for agencies to determine retroactively their unliquidated obligations as at 31 December 1975, thus 1975 figures are not comparable.

(c) Furniture, equipment and automobiles. These items are charged to UNDP administrative programme and support costs in full in the year in which the expenditure is incurred. An inventory is maintained of all non-expendable equipment (defined as any item having a value of more than \$100 or whose normal life expectancy is five years or longer). The total of inventoried equipment at 31 December 1976 amounts to approximately \$7 million.

Note 2

UNDP financial rule 114.7 provides that voluntary contributions received from Governments shall be translated into United States dollars using the United Nations operational rate of exchange in effect on the date of payment. UNDP financial rule 114.8 provides that where a Government makes available a special rate of exchange to be applied under specific conditions, UNDP, with the agreement of the United Nations, may authorize the use of such rate simultaneously with the operational rate of exchange.

In accordance with UNDP financial rule 110.1, exchange adjustments of \$1,107,241 arising from the payment of voluntary contributions from Governments have been recorded as an offset to these contributions, and are shown on statement I accordingly. All other exchange adjustments have been recorded as miscellaneous income (expense).

Note 3

The costs of experts and fellows are charged to project budgets at standard cost rates. For 1976, the variance between the standard cost and actual cost is shown as a separate item on the statement of income and expenditure (statement I). As the practice in earlier years was to accumulate these costs and to show them as a charge against the revenue reserve, the comparative figures for 1975 have been restated. The total variance for the 1972-1976 programming cycle is set out below. Variance costs will no longer accumulate, as the Governing Council has decided that from 1977, experts and fellows will be charged to project budgets at actual cost.

1972	credit	(7,710,863)	
1973	charge	11,173,502	
1974	charge	33,668,028	
1975	charge	10,382,157	
1976	charge	4,487,307	(statement I)
		<hr/>	
		52,000,131	
		<hr/>	

The Governing Council decided at its twenty-second session that the deficit in the expert and fellowship variance account would be offset against resources in excess of the agreed planned level for 1977-1981.

Note 4

Adjustments to prior years are shown on the statement of income and expenditure (statement I). This was done in response to the recommendation made by the Board of Auditors in their report on the accounts for 1975. Such adjustments were shown on the statement of the revenue and operational reserve (1975 statement III) in the 1975 financial report. The 1975 figures have been restated in the 1976 statements accordingly.

Note 5

The excess of income over expenditure (excess of expenditure over income) has been transferred to the following accounts:

<u>1975</u>			<u>1976</u>
(97,384,690)	Revenue Reserve		24,380,528
9,073,653	Special Measures Fund for the Least Developed Countries	(Schedule 11)	(4,572,449)
-	Government Cost-Sharing Contributions Account	(Schedule 12)	14,773,590
-	Government Cash Counterpart Contributions Account	(Schedule 13)	<u>1,408,806</u>
<u>(88,311,037)</u>			<u>35,990,475</u>

The statement of income and expenditure (statement I) includes for the first time the Special Measures Fund for the Least Developed Countries. The 1975 figures have been restated accordingly.

Note 6

Cash held in a number of bank accounts is earning interest. This cash is included in investments on the balance-sheet (statement II). It had been included in convertible currencies on the 1975 balance-sheet (1975 statement II). The 1975 figures have been restated accordingly.

Note 7

UNDP advances funds to, and receives funds for, the Trust Funds it administers. At 31 December 1976, the net balance of these transactions was \$1,534,827, owed to UNDP as follows:

Trust Fund for Assistance to Colonial Countries and Peoples	(statement V)	\$ 173,288
United Nations Capital Development Fund	(statement VI)	845,466
United Nations Revolving Fund for Natural Resources Exploration	(statement VII)	321,893
United Nations Trust Fund for Sudano-Sahelian Activities	(statement VIII)	2,978
United Nations Volunteers Programme	(statement IX)	81,214
Fund for the United Nations for the Development of West Irian	(statement X)	680,785
United Nations Trust Fund for Operational Programme in Lesotho	(statement X)	(339,984)
United Nations Trust Fund for Operational (OPEX) Personnel in Swaziland	(statement X)	<u>(230,813)</u>
		<u>\$1,534,827</u>

Note 8

Contributions pledged by Governments total \$519,956,364 as follows:

	<u>For 1976 and prior years</u>	<u>For 1977</u>	<u>For future years</u>
Voluntary contributions	10,865,955	395,814,801	62,154,248
Additional contributions (Special Measures Fund for the Least Developed Countries)	-	1,505,099	333,333
Assessed programme costs	12,196,377	-	-
Government cash counterpart contributions	7,950,314	3,551,419	2,790,766
Contributions under cost- sharing arrangements	<u>5,862,168</u>	<u>11,286,848</u>	<u>5,645,036</u>
	<u>36,874,814</u>	<u>412,158,167</u>	<u>70,923,383</u>

Against these and other resources, there are unspent allocations of \$547,177,679 to participating and executing agencies (see schedule 14).

Note 9

The changes in the revenue reserve are as follows:

<u>1975</u>			<u>1976</u>
10,389,411	Balance at beginning of year surplus (deficit)	(statement II)	(86,995,279)
-	Provision for unexpended government cost-sharing and cash counterpart contributions at 31 December 1975		(3,226,666)
<u>10,389,411</u>			<u>(90,221,945)</u>
(97,384,690)	Excess of income over expenditure (excess of expenditure over income)		24,380,528
<u>(86,995,279)</u>	Balance at end of year (deficit)	(statement II)	<u>(65,841,417)</u>

Income received from Governments for cost-sharing and cash counterpart contributions, and which has not been offset by related programme expenditure, has been set out for the first time in 1976 as separate reserves for unexpended contributions (see schedules 12 and 13). An adjustment to the revenue reserve has been made in 1976 for the period 1972-1975. Of the total of \$3,226,666 shown

above, \$2,210,398 relates to cost-sharing contributions and \$1,016,268 relates to cash counterpart contributions.

Note 10

Against voluntary contributions pledged (see schedule 15), and other resources, for the Trust Funds shown on statements V through IX, there are unspent allocations at 31 December 1976 as follows:

Trust Fund for Assistance to Colonial Countries and Peoples	(statement V)	\$ 1,918,247
United Nations Capital Development Fund	(statement VI)	26,566,146
United Nations Revolving Fund for Natural Resources Exploration	(statement VII)	7,803,243
United Nations Trust Fund for Sudano-Sahelian Activities	(statement VIII)	8,354,232
United Nations Volunteers programme	(statement IX)	-

Unspent allocations for the other Trust Funds are shown at the bottom of statement X.

Note 11

Effective 1 October 1976 the United Nations Trust Fund for Sudano-Sahelian Activities (UNSO) was transferred from the United Nations to UNDP. Income and expenditure for 1975 shown in statement VIII include 1974 amounts as well, since the United Nations keeps its accounts biennially. The opening reserve balance for UNSO would thus be at 1 January 1974; it shows a zero balance at that date since UNSO operations were first recorded by the United Nations in 1974. Income and expenditure are shown for the entire year of 1976.

At 31 December 1976, unspent allocations are \$8,354,232 (note 10). In addition, there are unrecorded commitments of over \$36 million for projects approved by UNSO. These projects will be financed in part from unrecorded pledges of over \$17 million which will be paid to UNSO in accordance with expenditure schedules for specific projects.

UNITED NATIONS DEVELOPMENT PROGRAMME

Status of voluntary contributions pledged as at 31 December 1976
(in United States dollars)

Government	Balance 31/12/75	Additions and adjustments	Pledge for 1977		Pledge for future years		Collected in 1976	Balance 31/12/76	Composition of balance	
			Local currency	US dollar equivalent	Local currency	US dollar equivalent			For 1976 and prior years	For 1977 and future
Afghanistan (\$US)	174 172	146 191	-	-	-	-	320 365	-	-	-
Albania (New Leaks)	7 317	-	30 000	7 317	-	-	7 317	7 317	-	-
Algeria (\$US)	905 000	-	-	500 000	-	-	1 405 000	500 000	-	-
Argentina (equivalent of \$US)	2 664 920	-	-	1 200 000	-	-	3 864 920	2 035 755	895 755	-
Australia (\$A)	3 285 141	3 726 708	4 200 000	4 275 000	-	-	8 101 708	4 275 000	-	-
Austria (\$US)	-	10 000	-	3 660 000	-	-	6 860 000	3 660 000	-	-
Bahamas (\$US)	-	-	-	-	-	-	10 000	-	-	-
Bahrain (equivalent of \$US)	13 000	-	-	13 000	-	-	26 000	13 000	-	-
Bangladesh (equivalent of \$US)	78 750	-	-	86 350	-	-	165 100	86 350	-	-
Barbados (\$US)	39 676	-	-	19 858	-	-	59 534	19 858	-	-
Belgium (FB)	9 102 564	-	456 000 000	12 324 324	-	-	21 426 888	12 324 324	-	-
Benin (CFA Francs)	8 818	(380)	-	-	-	-	8 438	2 000	2 000	-
Bhutan (equivalent of \$US)	2 645	1 000	-	2 600	-	-	6 245	2 600	-	-
Bolivia (\$US)	34 500	-	-	15 000	-	-	49 500	15 000	-	-
Botswana (Pula)	9 227	-	8 000	9 227	-	-	18 454	9 227	-	-
Brazil (equivalent of \$US)	2 090 000	-	-	1 530 000	-	-	3 580 000	1 530 000	-	-
Bulgaria (Leva)	241 667	-	430 000	442 367	-	-	684 054	442 367	-	-
Burma (\$US)	100 000	10 000	-	110 000	-	-	220 000	110 000	-	-
Burundi (Francs)	12 698	12 689	-	-	-	-	25 387	-	-	-
Byelorussian Soviet Socialist Republic (Roubles)	177 632	570 057	135 000	179 045	-	-	356 677	179 045	-	-
Canada (Can. \$)	28 217 822	-	34 000 000	33 333 333	-	-	62 121 212	33 333 333	-	-
Central African Empire	14 773	(1 651)	-	-	-	-	13 122	1 800	1 800	-
Chad (\$US)	6 000	8 000	-	4 000	-	-	18 000	-	-	-
Chile (Yuan)	785 000	-	-	700 000	-	-	1 485 000	1 450 000	-	-
China (Yuan)	2 233 503	-	-	-	-	-	2 233 503	-	-	-
Colombia (\$US)	22 727	500 000	-	500 000	-	-	1 233 626	1 000 000	-	-
Congo (CFA Francs)	15 000	(2 140)	-	-	-	-	668	-	-	-
Cook Islands (\$NZ)	232 265	30 675	399 648	30 000	-	-	747 360	30 000	-	-
Costa Rica (\$US)	256	2 217	7 000 000	4 796	-	-	4 796	4 796	-	-
Cuba (Pesos)	1 200 686	43 244	-	610 820	-	-	1 811 506	610 820	-	-
Cyprus (Pounds)	43 244	-	-	-	-	-	43 244	43 244	43 244	-
Czechoslovakia (Korunas)	39 108 911	2 645	-	-	-	-	2 645	-	-	-
Democratic Yemen (Rials)	282 348	(2 250)	274 000 000	46 678 024	-	-	39 106 681	46 678 024	-	-
Denmark (Kroner)	562 228	-	-	25 000	-	-	587 228	25 000	-	-
Dominican Republic (Pesos)	27 250	-	-	150 000	-	-	177 250	150 000	-	-
Ecuador (\$US)	1 000	-	-	562 228	-	-	562 228	562 228	-	-
Egypt (Pounds)	1 000	-	220 000	562 228	-	-	1 224 456	287 547	137 547	-
El Salvador (\$US)	126 060	-	-	-	-	-	27 250	21 250	-	-
Ethiopia (\$US)	5 657 895	(39 067)	-	126 060	-	-	126 060	126 060	-	-
Fiji (\$US)	71 618	10 000 000	21 500 000	91 000	-	-	11 205 244	91 000	-	-
Finland (Markka)	10 750	76 025	1 231 886	246 377	-	-	10 246 377	5 584 416	-	-
France (Francs)	764 314	-	-	-	-	-	147 845	-	-	-
Gabon (CFA Francs)	-	-	-	-	-	-	10 750	-	-	-
Gambia (\$US)	-	-	-	-	-	-	-	-	-	-
German Democratic Republic (Marks)	30 384 615	141 324	2 000 000	833 333	-	-	1 617 647	833 333	-	-
Germany, Federal Republic of (DM)	23 200	23 200	-	-	-	-	30 525 919	-	-	-
Ghana (Cedi)	140 436	10 000	389 056	338 310	-	-	2 139 472	1 439 962	-	-
Greece (\$US)	-	2 645	-	460 000	-	-	460 000	460 000	-	-
Guatemala (\$US)	-	2 000	-	37 000	-	-	37 000	37 000	-	-
Guyana (Dollars)	-	2 645	358 120	140 439	-	-	280 878	140 439	-	-
Haiti (\$US)	-	2 000	-	4 000	-	-	6 645	-	-	-
Holy See (\$US)	-	(8 723)	-	2 000	-	-	4 000	2 000	-	-
Honduras (\$US)	415 851	-	8 500 000	19 864	-	-	33 890	19 864	-	-
Hungary (Forints)	77 042	-	16 000 000	408 065	-	-	823 916	408 065	-	-
Iceland (Kronur)	3 760 734	300 000	55 000 000	84 211	-	-	161 253	84 211	-	-
India (Rupees)	4 000 000	-	-	529 000	-	-	989 000	529 000	-	-
Indonesia (\$US)	1 008 475	-	150 000	508 475	-	-	1 516 950	508 475	-	-
Iran (\$US)	-	515 300	-	-	-	-	313 300	-	-	-
Ireland (Pounds)	299 581	(1 140 065)	3 600 000 000	242 000	-	-	341 381	242 000	-	-
Israel (equivalent of \$US)	6 575 143	110 000	25	4 161 850	-	-	9 594 928	4 161 850	-	-
Italy (Lire)	133 113	-	25	100 000	-	-	210 000	107 629	7 629	-
Ivory Coast (CFA Francs)	-	20 000 000	121 000	133 113	-	-	266 226	133 113	-	-
Jamaica (Dollars)	-	-	-	-	-	-	174 075	-	-	-
Japan (\$US)	80 500	(2 773)	750 000	95 575	-	-	80 500	95 575	-	-
Jordan (\$US)	158 340	-	-	50 253	-	-	245 820	167 613	77 360	-
Kuwait (\$US)	500 000	-	-	500 000	-	-	1 000 000	500 000	-	-
Laos People's Democratic Republic (\$US)	34 500	-	-	-	-	-	34 500	-	-	-

Government	Balance 3/1/75	Additions and adjustments	Pledge for 1977		Pledge for future years		Total	Collected in 1976	Balance 3/1/76	Composition of balances	
			Local currency	US dollar equivalent	Local currency	US dollar equivalent				For 1976 and prior years	For 1977 and future
Lebanon (Pounds)	207 489	(26 896)	-	-	-	-	180 593	-	180 593	-	-
Lesotho (\$US)	-	12 295	-	-	-	-	12 295	-	-	-	-
Liberia (\$US)	289 850	-	-	-	-	-	289 850	-	53 890	-	-
Libyan Arab Jamahiriya (\$US)	-	750 000	-	-	-	-	750 000	-	-	-	-
Luxembourg (Francs)	73 077	3 950	3 220 000	87 027	-	-	77 027	-	87 027	-	87 027
Madagascar (M.C. Francs)	32 091	(5 851)	7 060 000	-	-	-	-	-	56 480	-	28 240
Malawi (\$US)	14 950	-	-	-	-	-	32 243	-	17 293	-	17 293
Malaysia (\$US)	200 000	-	-	-	-	-	300 000	-	100 000	-	100 000
Mali (Francs)	261 309	(232 963)*	-	-	-	-	28 346	-	28 346	-	-
Malta (Pounds)	12 346	(581)	5 500	44 382	-	-	96 147	-	44 382	-	44 382
Mauritania (Ouguiya)	4 071	(272)	-	-	-	-	3 799	-	3 799	-	-
Mexico (\$US)	-	4 571	-	-	-	-	4 571	-	4 571	-	-
Morocco (French Francs)	5 045	1 115 500	-	-	-	-	9 021	-	4 450	-	4 450
Mongolia (equivalent of \$US)	33 029	(56)	22 200	1 000 000	-	-	795 500	-	320 000	-	1 000 000
Morocco (Dirhams)	327 670	37	-	-	-	-	4 989	-	4 440	-	4 440
Nepal (\$US)	35 000	(20 852)	1 450 000	-	-	-	53 366	-	22 856	-	20 300
Netherlands (Guldeners)	44 943 820	7 352 941	120 000 000	47 808 765	-	-	629 040	-	306 818	-	322 222
New Zealand (\$NZ)	2 127 772	-	1 500 000	1 500 000	-	-	75 500	-	38 500	-	38 500
Nicaragua (\$US)	119 500	-	-	-	-	-	100 103 226	-	47 608 765	-	47 608 765
Niger (CFA Francs)	813 008	-	2 500 000	10 000	-	-	159 500	-	77 500	-	77 500
Nigeria (Naira)	21 286 232	(2 459)	500 000	806 452	-	-	10 000	-	1 108 871	-	10 000
Norway (Kroner)	65 000	-	148 000 000	28 298 279	-	-	49 584 511	-	28 298 279	-	28 298 279
Oman (\$US)	484 563	-	-	-	-	-	135 000	-	70 000	-	70 000
Pakistan (Rupees)	223 140	3	8 886 600	897 656	-	-	1 382 202	-	484 566	-	897 656
Panama (Balboas)	36 000	-	203 000	203 000	-	-	426 140	-	203 000	-	203 000
Papua New Guinea (Kina)	275 000	-	1 300 000	-	-	-	24 707	-	12 285	-	12 285
Paraguay (Guaranies)	500 000	-	-	-	-	-	46 317	-	46 317	-	-
Peru (\$US)	975 928	-	-	-	-	-	275 000	-	290 000	-	290 000
Philippines (\$US)	200 000	-	-	-	-	-	500 000	-	500 000	-	500 000
Poland (Zlotys)	685 714	-	1 190 508	30 000	-	-	1 190 508	-	1 190 508	-	1 190 508
Portugal (\$US)	200 000	-	-	-	-	-	30 000	-	30 000	-	30 000
Qatar (\$US)	695 714	-	3 500 000	-	-	-	400 000	-	200 000	-	200 000
Republic of Korea (\$US)	23 810	-	-	-	-	-	660 000	-	360 000	-	360 000
Romania (Lei)	10 000	-	-	-	-	-	1 001 191	-	291 667	-	291 667
Rwanda (\$US)	6 250	-	-	-	-	-	20 419	-	10 000	-	10 000
Samoa (Tala)	2 500 000	-	-	-	-	-	6 250	-	6 250	-	6 250
Saudi Arabia (\$US)	214 066	-	-	-	-	-	7 500 000	-	2 500 000	-	2 500 000
Senegal (\$US)	223 851	-	-	-	-	-	374 066	-	214 066	-	214 066
Sierra Leone (\$US)	100 000	-	-	-	-	-	298 851	-	225 851	-	225 851
Singapore (\$US)	25 000	-	-	-	-	-	25 000	-	25 000	-	25 000
Socialist Republic of Viet Nam (\$US)	760 000	5 776	-	-	-	-	10 776	-	5 000	-	5 000
South Africa (\$US)	180 000	-	-	-	-	-	840 000	-	840 000	-	840 000
Spain (\$US)	209 969	-	-	-	-	-	159 276	-	200 784	-	180 000
Sri Lanka (equivalent of \$US)	20 819	-	-	-	-	-	209 969	-	60 000	-	60 000
Sudan (\$US)	48 974 943*	1 700 733	255 000 000	60 714 286	-	-	21 519	-	7 344	-	7 344
Swaziland (Emalangeni)	7 900 000	-	-	-	-	-	50 675 676	-	121 428 572	-	60 714 286
Sweden (Kronor)	51 507	(2 020)	132 000	9 100 000	-	-	7 900 000	-	9 100 000	-	9 100 000
Switzerland (\$US)	940 298	-	-	-	-	-	65 333	-	33 846	-	33 846
Syrian Arab Republic (Pounds)	10 000	-	-	-	-	-	1 480 970	-	540 672	-	540 672
Togo (CFA Francs)	131 812	(1 200)	2 200 000	8 800	-	-	17 600	-	17 600	-	8 800
Trinidad and Tobago (Dollars)	207 000	(6 276)	300 000	-	-	-	250 536	-	125 536	-	125 536
Tunisia (\$US)	765 765	-	-	-	-	-	457 000	-	250 000	-	250 000
Turkey (\$US)	49 261	(599)	-	-	-	-	1 851 530	-	1 085 765	-	1 085 765
Uganda (Shillings)	444 079	-	337 500	447 613	-	-	444 079	-	447 613	-	447 613
Ukrainian Soviet Socialist Republic (Roubles)	3 552 632	-	2 700 000	3 580 902	-	-	3 592 632	-	3 580 902	-	3 580 902
Union of Soviet Socialist Republics (Roubles)	26 262 626	2 983 625	-	-	-	-	1 000 000	-	500 000	-	500 000
United Arab Emirates (\$US)	167 636	(4 889)	25 825 000	103 300	-	-	29 246 251	-	-	-	-
United Kingdom of Great Britain and Northern Ireland (Pounds)	172 424	6 858	700 000	84 236	-	-	161 958	-	84 236	-	84 236
United Republic of Cameroon (CFA Francs)	10 170	(620)	1 137 500	100 000 000	-	-	103 000	-	104 109	-	103 000
United Republic of Tanzania (Shillings)	274 221	-	-	-	-	-	266 047	-	84 236	-	84 236
Upper Volta (CFA Francs)	1 925 794	-	-	-	-	-	265 508	-	96 300 000	-	96 300 000
Uruguay (\$US)	9 967	-	-	-	-	-	103 000	-	4 550	-	4 550
Venezuela (\$US)	1 544 700	33	22 500	274 221	-	-	274 221	-	274 221	-	274 221
Yemen (Rials)	139 375	-	-	-	-	-	3 925 794	-	1 525 794	-	2 000 000
Yugoslavia (equivalent of \$US)	319 445 069	154 254 739	-	-	-	-	10 000	-	1 776 400	-	1 776 400
Zaire (\$US)	-	-	-	-	-	-	356 557	-	56 557	-	56 557
Zambia (\$US)	-	-	-	-	-	-	271 611	-	132 236	-	132 236
	319 445 069	154 254 739	-	401 606 218	-	62 154 248	997 462 274	468 627 270	468 855 004	10 865 955	395 814 801

* Withdrawn.

Schedule 1 - Part 2
 Status of special contributions pledged for least developed countries as at 31 December 1976
 (in United States dollars)

Government	Balance 31/12/75	Pledge for 1977		Pledge for future years		Collected in 1976	Balance 31/12/76	Composition of balance	
		Local currency	US dollar equivalent	Local currency	US dollar equivalent			For 1976 and prior years	For 1977 and future
Belgium (francs)	1 025 641	-	-	-	-	1 025 641	-	-	-
Canada (dollars)	495 050	-	-	-	-	505 051	-	-	-
Norway (kroner)	1 268 116	7 000 000	1 338 432	-	-	3 079 710	1 338 432	-	1 338 432
Philippines (pes)	-	-	-	-	333 333	-	500 000	-	166 667
Sweden (kroner)	-	-	-	-	-	3 378 378	-	-	-
	2 788 807	-	1 505 099	-	333 333	7 988 780	1 838 432	-	1 505 099
									333 333

UNITED NATIONS DEVELOPMENT PROGRAMME

Governments' obligations for assessed programme costs as at 31 December 1976
(in United States dollars)

Government or organization	Governments' obligations			Waivers and adjustments for 1976 and prior years	Total	Collected in 1976	Balance 31/12/76
	Balance 31/12/75	Recorded in 1976	Recorded in 1976 and prior years				
Albania	62 435	16 000	-	-	78 435	-	78 435
Algeria	983 197	320 000	-	-	1 303 197	1 303 197	-
Argentina	300 060	320 000	-	-	620 060	620 060	-
Bahamas	138	39 780	-	-	39 918	39 209	709
Bahrain	-	40 000	-	-	40 000	40 000	-
Bangladesh	-	296 000	(296 000)	-	-	-	-
Barbados	24 809	40 000	-	-	64 809	64 809	-
Belize	-	16 000	-	-	16 000	16 000	-
Bolivia	667 486	240 000	-	-	907 486	541 786	365 700
Brazil	1 296 591	480 000	-	-	1 776 591	259 521	1 517 070
Bulgaria	21 994	120 000	-	-	141 994	141 994	-
Burma	54 840	240 000	-	-	294 840	294 840	-
Central African Empire	141 865	120 000	(240 000)	-	21 865	-	21 865
Chile	633 786	320 000	-	-	953 786	771 098	182 688
Colombia	1 123 671	320 000	-	-	1 443 671	152 577	1 291 094
Comoros	18 186	13 995	-	-	32 181	-	32 181
Congo	252 812	120 000	-	-	372 812	56 193	316 619
Costa Rica	46 880	80 000	-	-	126 880	126 880	-
Cuba	-	160 000	-	-	160 000	160 000	-
Cyprus	-	80 000	-	-	80 000	80 000	-
Czechoslovakia	-	40 000	-	-	40 000	40 000	-
Democratic Kampuchea	657 480	160 000	-	-	817 480	84 103	733 377
Democratic People's Republic of Korea	4 526	240 000	(160 000)	-	244 526	232 205	12 321
Democratic Yemen	-	160 000	-	-	160 000	-	-
Dominican Republic	-	120 000	-	-	120 000	120 000	-
East African Community	40 054	-	-	-	40 054	16 947	23 107
Ecuador	106 328	240 000	-	-	346 328	153 947	192 381
Egypt	889 917	440 000	-	-	1 329 917	889 917	440 000
El Salvador	248 293	80 000	-	-	328 293	208 293	120 000
Equatorial Guinea	112 000	56 000	-	-	168 000	-	168 000
Fiji	-	80 000	-	-	80 000	59 672	20 328
Gabon	117 597	120 000	-	-	237 597	237 597	-
Gambia	38 594	-	(24 633)	-	13 961	13 961	-
Ghana	-	240 000	-	-	240 000	240 000	-
Greece	535	120 000	-	-	120 535	120 535	-
Grenada	30 992	27 172	-	-	58 164	-	58 164
Guatemala	-	120 000	-	-	120 000	120 000	-
(CARIL)	41 900	-	-	-	41 900	120 000	41 900
Guyana	78 929	80 000	(80 000)	-	78 929	78 929	80 000
Honduras	-	80 000	-	-	80 000	(1 929)	1 929
Hong Kong	-	8 000	-	-	8 000	8 000	-
Hungary	-	120 000	-	-	120 000	109 273	10 727
Iceland	15 948	16 000	-	-	31 948	249	31 699
India	-	800 000	-	-	800 000	800 000	-

Governments' obligations

Government or organization	Balance 31/12/75	Recorded in 1976	Waivers and adjustments for 1976 and prior years	Total	Collected in 1976	Balance 31/12/76
Indonesia	-	560 000	-	560 000	560 000	-
Iran	-	320 000	-	320 000	320 000	-
Iraq	5 069	240 000	-	245 069	243 234	1 835
Israel	181 717	80 000	-	261 717	260 377	1 340
Ivory Coast	-	240 000	-	240 000	235 971	4 029
Jamaica	107 518	120 000	-	227 518	107 341	120 177
Jordan	-	240 000	-	240 000	240 000	-
Kenya	-	240 000	-	240 000	16 000	-
Kuwait	-	16 000	-	16 000	-	726 810
Lebanon	566 810	160 000	-	726 810	97 344	62 656
Liberia	-	160 000	-	160 000	80 000	-
Libyan Arab Jamahiriya	-	80 000	-	80 000	-	160 000
Madagascar	-	160 000	-	160 000	256 761	246
Malaysia	-	240 000	-	257 007	119 058	-
Malta	17 007	40 000	-	57 007	80 000	369 992
Mauritania	79 058	80 000	-	159 058	371 272	19 880
Mauritius	289 992	80 000	-	369 992	160 000	-
Mexico	-	320 000	-	320 000	320 000	-
Mongolia	71 152	160 000	-	231 152	-	-
Morocco	-	320 000	-	320 000	-	-
Netherlands	73 656	64 179	-	137 835	-	137 835
Antilles	4 382	-	-	4 382	4 382	-
New Zealand	-	18 505	-	18 505	8 048	10 457
Cook Island	-	171	-	171	3 501	171
Niue	3 501	80 000	-	83 501	80 422	80 000
Nicaragua	80 422	480 000	-	560 422	629 953	480 000
Nigeria	629 953	75 846	-	705 799	29 614	75 846
Oman	29 614	296 000	-	325 614	296 000	-
Pakistan	-	120 000	-	120 000	80 000	263 996
Panama	263 996	80 000	-	343 996	-	-
Papua New Guinea	-	120 000	-	120 000	268 261	605 428
Paraguay	485 428	240 000	-	725 428	320 000	55 838
Peru	84 099	320 000	-	404 099	120 000	-
Philippines	-	120 000	-	120 000	-	1 159
Poland	1 159	-	-	1 159	72 000	-
Portugal	48 000	24 000	-	72 000	246 671	-
Qatar	126 671	120 000	-	246 671	160 000	-
Romania	-	160 000	-	160 000	144 516	437 882
Saudi Arabia	422 398	160 000	-	582 398	2 296	403 903
Senegal	286 199	120 000	-	406 199	120 000	-
Sierra Leone	-	120 000	-	120 000	-	-
Singapore	-	120 000	-	120 000	-	-
Socialist Republic of Viet Nam	182 639	160 000	-	342 639	80 221	342 639
Spain	111 271	80 000	-	191 271	212 391	111 050
Sri Lanka	-	240 000	-	240 000	(98 708)	27 609
Sudan	-	40 000	(98 708)	40 000	34 227	-
Surinam	-	40 000	-	40 000	-	5 773
Swaziland	-	91 200	-	91 200	-	91 200
Syrian Arab Republic	-	240 000	-	240 000	224 615	15 385
Thailand	-	240 000	-	240 000	240 000	-

Government or organization	Governments' obligations				Balance 31/12/76
	Balance 31/12/75	Recorded in 1976	Waivers and adjustments for 1976 and prior years	Total	
Togo	298 481	160 000	-	458 481	362 388
Tonga	-	16 000	-	16 000	-
Trinidad and Tobago	-	80 000	-	80 000	-
Tunisia	466 912	240 000	-	706 912	893 004
Turkey	616 295	320 000	-	936 295	-
United Arab Emirates	5 781	22 455	-	28 236	22 455
United Kingdom of Great Britain and Northern Ireland:	-	-	-	-	-
Brunei	-	793	-	793	793
Cayman Islands	-	17 524	-	17 524	-
Gilbert and Ellice Islands	-	8 000	-	8 000	-
Leeward Islands	-	-	-	-	-
Antigua	31 792	29 282	-	61 074	61 074
Montserrat	2 807	8 722	-	11 529	8 722
St. Kitts	-	11 114	-	11 114	-
Solomon Islands	16 000	16 000	-	32 000	-
Turks and Caicos Islands	4 599	1 241	-	5 840	5 840
Virgin Island	-	3 531	-	3 531	-
Windward Islands	-	-	-	-	-
Dominica	30 804	12 379	-	43 183	36 183
St. Lucia	32 205	16 673	-	48 878	15 121
St. Vincent	-	6 123	-	6 123	4 943
United Kingdom and France:	-	-	-	-	-
New Hebrides	18 874	12 162	-	31 036	31 036
United Republic of Cameroon	-	240 000	-	240 000	-
Uruguay	301 271	160 000	-	461 271	-
Venezuela	224 237	160 000	-	384 237	202 058
Yugoslavia	272 636	120 000	-	392 636	197 330
Zaire	320 000	320 000	-	640 000	-
Zambia	-	240 000	(240 000)	-	-
Total	14 806 248	16 616 847	(1 139 341)	30 283 754	12 196 377

UNITED NATIONS DEVELOPMENT PROGRAMME

Governments' obligations for cash counterpart contributions in respect of projects
as at 31 December 1976
(in United States dollars)

Government or organization	Governments' obligations			Collected in 1976			Balance 31/12/76			
	Balance 31/12/75	Adjusted and recorded in current year	Total	For 1976 and prior years	For future years	Adjustments to prior years' income	Total	For 1976 and prior years	For future years	Total
Afghanistan	3 653	5 000	8 653	1 815	-	-	1 815	3 858	3 000	6 858
Algeria	40 200	(11 284)	28 916	9 639	-	-	9 639	-	19 277	19 277
Argentina	776 183	(354 044)	422 139	176 302	-	-	176 302	180 033	65 804	245 837
Australia	69 443	150 000	219 443	79 302	-	(15 552)	63 650	65 793	90 000	155 793
Bahamas	141 093	860	141 953	141 953	-	-	141 953	-	-	-
Bahrain	4 000	-	4 000	-	-	-	-	4 000	-	4 000
Bangladesh	87 973	(40 837)	47 136	3 133	-	-	3 133	22 956	21 047	44 003
Barbados	238 000	92 697	330 697	55 360	-	-	55 360	108 520	166 817	275 337
Belize	2 958	-	2 958	-	-	-	-	2 958	-	2 958
Benin	102 237	(73 237)	29 000	-	-	-	-	29 000	-	29 000
Bolivia	19 810	-	19 810	10 190	-	-	10 190	9 620	-	9 620
Botswana	17 100	(17 100)	-	-	-	-	-	-	-	-
Brazil	176 304	263 811	440 115	180 620	-	(6 082)	174 538	165 577	100 000	265 577
Burma	89 273	(27 316)	61 957	46 154	-	-	46 154	15 803	-	15 803
Burundi	58 243	130 464	188 707	15 873	-	(7 733)	8 140	180 567	-	180 567
Central African Empire	120 089	(24 327)	95 762	-	-	-	-	95 762	-	95 762
Chad	32 064	(23 400)	8 664	55	8 609	-	8 664	-	-	-
Chile	69 655	1 086 413	1 156 068	838 589	37 894	-	876 483	90 587	188 998	279 585
Colombia	4 836	-	4 836	-	-	-	-	4 836	-	4 836
Congo	53 273	399 491	452 764	-	-	-	-	452 764	-	452 764
Costa Rica	59 988	-	59 988	-	-	-	-	59 988	-	59 988
Cuba	-	742 695	742 695	742 695	-	-	742 695	-	-	-
Cyprus	8 800	-	8 800	8 300	-	-	8 300	500	-	500
Democratic Kampuchea	109 250	-	109 250	-	-	-	-	80 375	28 875	109 250
East African Community	-	28 976	28 976	-	-	-	-	28 976	-	28 976
Ecuador	14 345	(2 711)	11 634	-	-	-	-	11 634	-	11 634
Egypt	1 186 370	551 256	1 737 626	736 885	38 334	(6 634)	768 585	152 886	816 155	969 041
El Salvador	72 364	-	72 364	-	-	-	-	72 364	-	72 364
Equatorial Guinea	17 100	(17 100)	-	-	-	-	-	-	-	-
Ethiopia	177 993	(210 468)	(32 475)	-	-	(32 475)	(32 475)	-	-	-

Government or organization	Governments' obligations		Collected in 1976				Balance 31/12/76	
	Balance 31/12/75	Adjusted and recorded in current year	Total	For 1976 and prior years	For 1976 and future years	For 1976 and prior years	For future years	Total
Fiji	-	5 000	5 000	2 000	-	-	3 000	3 000
France	27 856	-	27 856	-	-	-	27 856	27 856
Gabon	-	773 696	773 696	138 249	-	(85 753)	197 122	524 078
Gambia	44 854	(17 169)	27 685	305	-	-	27 380	27 380
Ghana	37 900	199 417	237 317	222 817	14 500	-	-	-
Gilbert Islands	-	1 000	1 000	400	600	-	-	-
Grenada	3 118	17 976	21 094	-	-	-	21 094	21 094
Guatemala	123 452	-	123 452	-	-	-	123 452	123 452
Guinea	93 802	124 322	218 124	163 864	-	-	54 260	54 260
Guyana	150 522	184 481	335 003	99 465	-	-	68 721	235 538
Haiti	500 516	68 726	569 242	125 107	-	-	387 126	444 135
Honduras	125 852	-	125 852	-	-	-	125 852	125 852
Hong Kong	13 973	20 000	33 973	17 350	-	-	4 623	16 623
India	139 754	47 341	187 095	99 642	-	(56)	57 509	87 509
Indonesia	742 758	168 928	911 686	154 271	11 370	(20 452)	413 096	766 497
Iran	1 055 696	2 541 160	3 596 856	1 810 441	20 815	(41 396)	446 725	1 806 996
Iraq	288 422	(256 357)	32 065	16 388	-	(44 323)	60 000	60 000
Ivory Coast	-	243 258	243 258	-	-	(23 400)	121 125	266 658
Jamaica	86 841	-	86 841	53 245	-	-	33 596	33 596
Japan	177 000	249 970	426 970	181 970	-	-	125 000	245 000
Jordan	-	(18 283)	(18 283)	-	-	(18 283)	-	-
Kenya	52 583	(108 809)	(56 226)	-	-	(59 891)	3 665	3 665
Lao People's Democratic Republic	108 339	2 000	110 339	-	-	-	87 764	110 339
Lebanon	31 005	5 000	36 005	-	-	-	36 005	36 005
Lesotho	17 100	(17 100)	-	-	-	-	-	-
Liberia	13 256	(29 949)	(16 693)	-	-	(52 793)	36 100	36 100
Libyan Arab Jamahiriya	8 935	246 627	255 562	202 703	-	(17 100)	69 959	69 959
Madagascar	29 714	(55 114)	(25 400)	-	-	(25 400)	-	-
Malawi	35 999	(23 400)	12 599	-	-	-	12 599	12 599
Malaysia	74 211	39 923	114 134	61 885	-	-	22 249	52 249
Mali	170 750	144 334	315 084	-	-	-	315 084	315 084
Malta	-	117 473	117 473	108 235	-	-	-	9 238
Mauritania	215 777	(147 245)	68 532	3 735	-	(21 150)	85 947	85 947
Mauritius	17 100	(17 100)	-	-	-	-	-	-
Mexico	8 441	-	8 441	-	-	-	8 441	8 441

Government or organization	Governments' obligations				Collected in 1976				Balance 31/12/76	
	Balance 31/12/75	Adjusted and recorded in current year	Total	For 1976 and prior years	For future years	Adjustments to prior years' income	Total	For 1976 and prior years	For future years	Total
Morocco	533 203	384 655	917 858	188 235	-	(71 643)	116 592	242 669	558 597	801 266
Nauru	-	5 000	5 000	1 000	-	-	1 000	1 000	3 000	4 000
Nepal	5 090	54 739	59 829	62 003	-	(3 423)	58 580	1 249	-	1 249
Netherlands	39 544	59 656	99 200	44 490	-	-	44 490	22 710	32 000	54 710
Netherlands Antilles	45 418	4 438	49 856	-	-	-	-	49 856	-	49 856
New Zealand	14 232	40 000	54 232	16 158	-	-	16 158	8 000	30 074	38 074
Nicaragua	7 334	1 072	8 406	1 071	-	-	1 071	7 335	-	7 335
Niger	282 548	(58 894)	223 654	56 636	-	-	56 636	167 018	-	167 018
Nigeria	-	(121 363)	(121 363)	-	-	(121 363)	(121 363)	-	-	-
Pakistan	76 984	(71 432)	5 552	48 428	-	(86 432)	(38 004)	34 617	8 939	43 556
Panama	141 209	(6 150)	135 059	135 059	-	-	135 059	-	-	-
Papua New Guinea	-	2 000	2 000	-	-	-	-	800	1 200	2 000
Paraguay	58 804	3 152	61 956	33 810	-	-	33 810	25 440	2 706	28 146
Peru	4 259	(702)	3 557	-	-	-	-	3 557	-	3 557
Philippines	364 607	1 067 942	1 432 549	308 413	13 189	-	321 602	494 751	616 196	1 110 947
Poland	23 104	(14 257)	8 847	-	-	-	-	8 847	-	8 847
Republic of Korea	179 007	58 449	237 456	142 948	2 837	(8 217)	137 568	26 500	73 388	99 888
Rwanda	62 400	(23 400)	39 000	-	-	-	-	39 000	-	39 000
Samoa	289	2 000	2 289	395	-	-	395	694	1 200	1 894
Saudi Arabia	729 238	220 332	949 570	-	-	-	-	800 530	149 040	949 570
Senegal	571 499	(342 834)	228 665	62 103	-	(10 151)	51 952	176 713	-	176 713
Sierra Leone	23 400	(23 400)	-	-	-	-	-	-	-	-
Singapore	13 375	10 000	23 375	15 375	-	-	15 375	2 000	6 000	8 000
Socialist Republic of Viet Nam	140 127	1 000	141 127	31 064	-	-	31 064	73 688	36 375	110 063
Somalia	113 506	(23 400)	90 106	-	-	-	-	90 106	-	90 106
Sri Lanka	121 872	(89 749)	32 123	16 037	-	-	16 037	7 086	9 000	16 086
Sudan	1 249 237	(1 037 308)	211 929	98 708	-	-	98 708	113 221	-	113 221
Surinam	45 418	15 906	61 324	44 612	-	-	44 612	16 712	-	16 712
Swaziland	17 100	(17 100)	-	-	-	-	-	-	-	-
Syrian Arab Republic	3 750	(383)	3 367	-	-	(383)	(383)	3 750	-	3 750
Thailand	144 958	31 384	176 342	64 752	10 000	-	74 752	42 523	59 067	101 590
Togo	53 975	(21 356)	32 619	27 481	-	-	27 481	5 138	-	5 138
Tonga	250	1 000	1 250	-	-	-	-	650	600	1 250
Trinidad and Tobago	318 763	243 022	561 785	168 712	54 985	-	223 695	59 440	278 650	338 090
Tunisia	314 784	(24 030)	290 754	278 260	-	-	278 260	12 494	-	12 494
Turkey	52 946	31 219	84 165	41 975	-	(4 910)	37 065	38 009	9 091	47 100

Government or organization	Governments' obligations				Collected in 1976				Balance 31/12/76	
	Balance 31/12/75	Adjusted and recorded in current year	Total	For 1976 and prior years	For future years	Adjustments to prior years' income	Total	For 1976 and prior years	For future years	Total
Uganda	23 400	(23 400)	--	-	-	-	-	-	-	-
United Kingdom of Great Britain and Northern Ireland:	1 354	1	1 355	-	-	-	-	1 355	-	1 355
British Solomon Islands	577	-	577	577	-	-	577	-	-	-
Brunei	1 100	-	1 100	1 100	-	-	1 100	-	-	-
Cayman Islands	891	8 988	9 879	-	-	-	-	9 879	-	9 879
Leeward Islands										
Antigua	11 842	13 504	25 346	1 270	-	-	1 270	24 076	-	24 076
Montserrat	1 476	4 493	5 969	1 261	-	-	1 261	4 708	-	4 708
St. Kitts	28 084	10 374	38 458	-	-	-	-	38 458	-	38 458
Turks and Caicos Islands	4 047	8 988	13 035	-	-	-	-	13 035	-	13 035
Virgin Islands	1 010	8 988	9 998	-	-	-	-	9 998	-	9 998
Windward Islands										
Dominica	24 966	13 492	38 458	11 077	-	-	11 077	27 381	-	27 381
St. Lucia	14 214	17 292	31 506	12 812	-	-	12 812	18 694	-	18 694
St. Vincent	3 118	17 976	21 094	-	-	-	-	21 094	-	21 094
United Republic of Cameroon	184 076	386 374	570 450	128 583	-	-	128 583	308 700	133 167	441 867
United Republic of Tanzania	64 584	(87 161)	(22 577)	-	-	(22 577)	(22 577)	-	-	-
United States of America	6 465	-	6 465	-	-	-	-	6 465	-	6 465
Upper Volta	21 899	(9 270)	12 629	33 219	-	(33 480)	(261)	12 890	-	12 890
Uruguay	21 970	(6 469)	15 501	-	-	-	-	15 501	-	15 501
Venezuela	3 169	(70 470)	(67 301)	-	-	(67 301)	(67 301)	-	-	-
Yemen	153 312	15 809	169 121	118 831	-	-	118 831	50 290	-	50 290
Zaire	330 716	(444 820)	(114 104)	-	-	(114 104)	(114 104)	-	-	-
Zambia	25 400	(23 400)	-	-	-	-	-	-	-	-
Total	14 826 023	7 362 442	22 188 465	8 705 392	213 131	1 022 557	7 895 966	7 950 314	6 342 185	14 292 499

UNITED NATIONS DEVELOPMENT PROGRAMME

Governments' obligations for cost-sharing contributions in respect of projects as at 31 December 1976
(in United States dollars)

Government or organization	Governments' obligations Recorded in current year		Collected in 1976		Balance 31/12/76	Composition of balance For 1976 For 1977 and prior and future years years	
	Balance 31/12/75	For 1976 For future years	Total	For future years		Total	For 1976 and prior years
Algeria	-	52 953	52 953	-	52 953	52 953	-
Bahrain	1 393 174	184 509	1 540 560	3 351	1 050 790	489 770	488 772
Bolivia	132 392	-	322 987	-	168 681	154 306	-
Botswana	-	-	382 755	-	359 680	23 075	-
Brazil	124 300	2 662 991	2 787 291	-	2 774 232	13 059	-
Brunei	-	54 000	54 000	-	20 060	33 940	33 750
Canada	-	1 000 000	1 000 000	-	1 000 000	-	-
Chile	-	13 186	13 186	-	13 186	-	-
Costa Rica	11 300	-	40 000	-	40 000	40 000	-
Denmark	-	497 512	497 512	-	497 512	-	-
El Salvador	175	198 018	198 193	-	198 193	-	-
Gabon	-	135 039	154 784	-	49 933	104 851	19 745
Germany, Federal Republic of	-	111 111	111 111	-	111 111	-	-
Ghana	-	7 100	7 100	-	-	7 100	-
Guatemala	-	54 036	54 036	-	54 036	54 036	-
Honduras	-	50 000	50 000	-	50 000	-	-
Iran	21 338 081	1 768 597	25 439 815	103 697	13 748 657	11 691 158	9 373 845
Iraq	2 551 193	984 499	3 535 692	2 727 181	2 727 181	808 511	51 697
Ivory Coast	769 945	221 608	1 435 166	102 604	578 310	556 856	313 955
Japan	-	1 000 000	1 000 000	-	1 000 000	-	-
Kuwait	361 355	129 338	697 109	-	375 846	321 263	321 263
Lebanon	81 250	(81 250)	-	-	-	-	-
Libyan Arab Jamahiriya	94 965	694 221	789 186	-	777 212	11 974	-
Malaysia	-	558 423	558 423	-	558 423	-	-
Mexico	-	129 616	129 616	-	128 142	1 474	-
Netherlands	-	526 050	526 050	-	526 050	-	-
Nigeria	-	7 148 080	9 042 076	-	7 148 080	1 893 996	1 893 996
Norway	543 478	-	543 478	-	543 478	-	-
Oman	3 670	-	3 670	-	2 055	1 615	1 615
Panama	-	27 018	27 018	-	27 018	-	-
Poland	-	274 452	274 452	-	274 452	-	-
Qatar	1 052 086	2 970 591	4 101 731	-	3 092 414	1 009 317	324 736
Saudi Arabia	2 056 438	3 024 636	6 547 798	-	3 324 670	3 223 126	1 898 551
Singapore	-	213 009	213 009	-	186 462	26 547	-
Sudan	-	1 000 065	1 000 065	-	1 000 065	-	-
Switzerland	-	750 000	750 000	-	750 000	-	-
Thailand	24 860	-	24 860	-	24 860	-	-
Turkey	65 000	788 231	2 336 559	3 965	811 259	425 300	379 363
United Arab Emirates	425 415	383 328	1 236 559	-	279 652	255 232	239 953
United Kingdom of Great Britain and Northern Ireland	-	1 769 912	1 769 912	-	1 769 912	-	-
United Republic of Tanzania	-	1 107 953	1 137 223	1 026	901 535	235 688	28 244
Uruguay	-	29 464	29 464	-	22 515	6 949	-
Venezuela	-	616 665	947 151	-	235 995	711 156	330 486
Yemen	-	621 927	725 097	-	507 923	217 174	103 170
Interregional West African Development Bank	-	85 000	85 000	-	85 000	-	-
Total	31 029 077	31 903 331	7 627 624	489 060	70 560 032	47 551 337	16 931 884
			7 627 624	489 060	70 560 032	22 794 052	5 862 168
			214 643	47 765 980	47 765 980	423 624	16 931 884

UNITED NATIONS DEVELOPMENT PROGRAMME

Miscellaneous income for the years ended 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>		<u>1976</u>
5 424 070	Income from investments	4 490 039
84 191	Interest on housing loans	209 879
1 149 096	Miscellaneous income (expense) transferred from accounts of participating and executing agencies	(176 949)
(34 931)	Interest on advance from FAO	(43 150)
-	Overhead in respect of prior year, surrendered by an executing agency	50 300
3 229	UNDP administrative budget - net savings on liquidating prior years' obligations	-
<u>190 842</u>	Sundry	<u>134 498</u>
6 816 497		4 664 617
<u>(11 325 191)</u>	Losses on exchange and revaluation of currencies	<u>(292 786)</u>
<u>(4 508 694)</u>	Total miscellaneous income (expense)	<u>4 371 831</u>

UNITED NATIONS DEVELOPMENT PROGRAMME

1976 expenditure by agency
(in United States dollars)

Agency	Indicative Planning Figure (IPF)					Programme reserve ^{a/}	Special measures for IDCs	Cost-sharing	Subtotal	Overhead ^{g/}	Government cash counterpart contributions ^{b/}	Total
	Country	Regional	Inter-regional	Global	IPF total							
UNITED NATIONS	41 741 685	9 743 321	244 669	1 347	51 731 022	1 330 083	2 981 641	3 067 408	59 110 154	8 662 004	2 812 756	70 584 894
UNIDO	24 833 859	881 182	153 273	-	25 868 294	3 434 157	1 204 231	1 187 630	31 694 312	4 658 728	87 470	36 440 510
UNCTAD	2 364 840	3 332 210	1 384 267	-	7 081 317	94 536	913 502	338 900	8 428 255	1 366 000	56 304	9 850 559
ILO	25 782 146	3 093 364	(28 350)	-	28 847 160	193 632	1 269 046	3 215 611	33 525 449	4 962 012	270 140	38 777 601
FAO	86 044 137	10 223 335	3 945 466	30 040	100 242 978	2 396 286	2 767 070	9 822 891	115 229 225	15 610 085	2 160 993	133 000 303
UNESCO	30 768 275	3 286 318	215 062	-	34 269 655	523 472	339 284	4 088 451	39 220 862	5 749 693	149 886	45 120 441
ICAO	12 351 638	4 992 532	-	-	17 304 170	1 125	18 600	1 071 940	18 395 835	2 542 364	10 896	20 949 095
WHO	16 283 375	2 785 687	95 340	54 032	19 218 434	213 416	543 037	723 318	20 698 205	2 663 288	136 554	23 498 047
WORLD BANK	10 709 910	802 737	-	-	11 512 647	836 587	1 020 589	86 044	13 455 867	1 574 504	209 224	15 239 595
UFU	553 738	813 656	-	-	1 367 394	-	-	63 035	1 430 429	325 094	118 181	1 873 704
ITU	10 952 491	3 379 544	324 702	-	14 656 737	143 817	150 945	2 492 687	17 444 186	2 546 636	-	19 990 842
WMO	3 654 785	2 807 581	-	-	6 462 366	45 236	-	136 575	6 644 177	1 392 177	23 674	8 050 028
IMCO	1 581 609	746 950	62 877	-	2 391 436	1 504	-	-	2 392 940	354 608	-	2 747 548
IABR	2 731 854	49 677	98 325	-	2 879 856	-	373	122 011	3 002 240	426 579	-	3 428 819
ASDB	1 117 770	-	-	-	1 117 770	-	-	-	1 392 626	194 968	-	1 587 594
IDB	344 167	1 308 564	-	-	1 652 731	-	-	-	1 652 731	231 351	65 946	1 948 028
UNDP	7 172 238	4 775 605	77 399	3 479 806	15 505 048	2 317 801	1 352 911	1 061 110	20 236 870	2 040 242	387 156	22 664 268
Subtotal	278 988 497	52 982 263	6 573 030	3 565 225	342 109 015	11 806 508	12 561 229	27 477 611	393 954 363	55 320 333	6 487 160	455 761 876
Transfer ^{g/}	(1 463 082)	-	(1 463 082)	-	(1 463 082)	-	-	1 463 082	-	-	-	-
Total	277 525 415	52 982 263	6 573 030	3 565 225	340 645 933	11 806 508	12 561 229	28 940 693	393 954 363	55 320 333	6 487 160	455 761 876

^{a/} Includes overhead of \$32,705 on expert and fellowship variance. Excludes overhead on government cash counterpart contributions.

^{b/} Includes overhead of \$68,124 on government cash counterpart contributions.

^{g/} Transfer of expenditure reported by agencies under IPF, which is to be financed from the Government of Brazil's cost-sharing contributions towards total programme expenditure in Brazil.

UNITED NATIONS DEVELOPMENT PROGRAMME

Administrative and programme support costs

Budget appropriations and expenditure for the year ended 31 December 1976

(in United States dollars)

Appropriation Section	Appropriations		Expenditure incurred				Total expenditure	Unencumbered balance
	Disbursements		Unliquidated obligations as at 31 December 1976		Field Offices	Headquarters		
	Headquarters	Field Offices	Headquarters	Field Offices				
Section 1 - Salaries and wages	38 101 700	13 178 751	24 893 299	25 437	67 225	38 164 712	(63 012) a/	
Section 2 - Common staff costs	18 393 400	5 492 698	11 392 134	405 440	896 347	18 186 619	206 781	
Section 3 - Travel and transportation	1 241 600	273 654	572 058	48 410	278 598	1 172 720	68 880	
Section 4 - Permanent equipment	689 900	43 757	353 295	1 015	239 827	637 894	52 006	
Section 5 - Other general expenses	7 643 100	3 115 551	3 946 887	127 926	363 362	7 533 726	89 374	
Section 6 - Special expenses	903 600	857 395	-	99 036	-	956 431	(52 831) a/	
Gross appropriations and expenditure	66 973 300	22 961 806	41 157 673	707 264	1 845 359	66 672 102	301 198	
Deduct:								
Section 7 - Income -								
Staff assessment income	(7 819 000)	(3 159 389)	(4 762 343)	-	-	(7 921 732)	102 732	
Other income	(1 515 400)	(250 000)	(1 340 311)	-	-	(1 590 311)	74 911	
	(9 334 400)	(3 409 389)	(6 102 654)	-	-	(9 512 043)	177 643	
Net appropriations and expenditure	57 638 900	19 552 417	35 055 019	707 264	1 845 359	57 160 059	478 841	

a/ As expenditures exceed appropriations for Sections 1 and 6, the Administrator will ask the Advisory Committee on Administrative and Budgetary Questions for authority to transfer the excess expenditures to other Sections.

UNITED NATIONS DEVELOPMENT PROGRAMME

Investments as at 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>	<u>Type</u>	<u>Currency</u>	<u>Interest rate</u>	<u>1976</u>
	Interest-bearing current accounts			
866 885		Danish Kroner	5.00	641 634
529 231		Finnish Markka	5.00	2 140 701
391 211		Swedish Kronor	5.00	122 056
246 362		Dutch Guilders	4.50	-
-		Dutch Guilders	3.50	20 552
650 175		Canadian Dollars	a/	51 962
1 129 815		Pounds Sterling	a/	32 117
<u>3 813 679</u>				<u>3 009 022</u>
	Call accounts			
-		Pounds Sterling	14.00	9 290 429
-		Swedish Kronor	10.25	3 570 238
-		Deutsche Marks	4.75	6 276 150
-		Deutsche Marks	4.50	1 569 038
256 410		Belgian Francs	4.00	-
180 858		Japanese Yen	3.25	-
-		Japanese Yen	2.75	9 156 225
<u>437 268</u>				<u>29 862 080</u>
	Savings accounts			
1 754 024		United States Dollars	5.00	<u>18 533 684</u>
	Time deposit accounts			
3 644 645		Swedish Kronor	8.25	-
-		New Zealand Dollars	7.50	2 636 364
2 970 296		Canadian Dollars	7.00	-
700 000		Swiss Francs	5.3125	-
1 138 952		Swedish Kronor	5.25	-
-		United States Dollars	5.05	5 000 000
158 395		New Zealand Dollars	5.00	-
-		United States Dollars	4.8125	500 000
1 872 659		Dutch Guilders	4.75	-
950 370		New Zealand Dollars	4.00	-
<u>11 435 320</u>				<u>8 136 364</u> b/
<u>17 440 291</u>	Total investments			<u>59 541 150</u>

a/ Fluctuating interest rate.

b/ Maturity: January 1977.

UNITED NATIONS DEVELOPMENT PROGRAMME

Housing loans as at 31 December 1976

(in United States dollars)

<u>Borrower</u>	<u>Repayment period of loan a/</u>	<u>Balance 31/12/75</u>	<u>Advanced in 1976</u>	<u>Due in 1976</u>	<u>Received in 1976</u>	<u>Balance 31/12/76</u>
Chad, Development Bank of	1969-78	67 439	-	21 705	21 705	45 734
United Republic of Tanzania, Government of	1975-84	228 720	-	22 032	22 032	206 688
Botswana, Government of	1975-89	607 132	-	34 274	34 274	572 858
Malawi, Government of						
- Phase I	1975-90	243 587	-	13 148	13 148	230 439
- Phase II	1976-91	180 000		4 619	4 619	175 381
East African Community	1976-90	450 000	-	23 269	23 269	426 731
Lesotho, Government of	1976-90	602 270	-	31 148	31 148	571 122
Rwanda, Government of	1976-90	170 000	-	8 790	8 790	161 210
Swaziland, Government of	1976-90	364 500	90 000	23 501	23 501	430 999
Burundi, Government of	1976-91	311 426	-	7 982	16 103	295 323
Benin, Government of	b/	437 557	-	-	-	437 557
Total		<u>3 662 631</u>	<u>90 000</u>	<u>190 468</u>	<u>198 589</u>	<u>3 554 042</u>

a/ Interest accrues at 3 1/2 per cent per year on the unpaid balance.

b/ Repayment period has not yet been agreed.

UNITED NATIONS DEVELOPMENT PROGRAMME

Junior Professional Officers' Programme Trust FundsStatus of funds as at 31 December 1976

(in United States dollars)

Sources of financing	Balance 31/12/75	Receipts	Total	Disbursements	Balance 31/12/76
1. Governments					
Austria	(9 798)	-	(9 798)	37 248	(47 046)
Belgium	203 111	646 348	849 459	487 118	362 341
Canada	(138 406)	243 869	105 463	77 651	27 812
Finland	(7 968)	41 907	33 939	32 048	1 891
Germany, Federal Republic of	69 027	414 165	483 192	296 091	187 101
Iran	89 992	(12 515)	77 477	21 664	55 813
Japan	38 711	74 315	113 026	122 818	(9 792)
Netherlands	237 032	1 173 433	1 410 465	755 618	654 847
Sweden	88 075	216 849	304 924	236 379	68 545
Switzerland	732	160 406	161 138	60 422	100 716
2. Others					
United Nations Association of Great Britain and Northern Ireland	(1 526)	-	(1 526)	-	(1 526)
Friends Service Council	(166)	-	(166)	-	(166)
Total	568 816	2 958 777	3 527 593	2 127 057	1 400 536

UNITED NATIONS DEVELOPMENT PROGRAMME

Special Measures Fund for the Least Developed CountriesStatus of funds as at 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>		<u>1976</u>
15 371 765	Unexpended balance at beginning of year	24 445 418
	Income and expenditure for year	
14 695 452	Special contributions from Governments (Schedule 1)	7 988 780
(319 879)	Less: Exchange adjustments on collection of contributions	<u>-</u>
14 375 573		7 988 780
	Funds transferred from the programme reserve	
3 000 000		<u>-</u>
17 375 573		7 988 780
(8 301 920)	Programme expenditure	<u>(12 561 229)</u>
9 073 653		<u>(4 572 449)</u>
<u>24 445 418</u>	Unexpended balance at end of year	<u>19 872 969</u>

Note: The balance available as at 31 December 1976 for further programming is computed as follows:

Balance as above	19 872 969
Add: Contributions pledged by Governments in respect of 1977 and future years (Note 8)	<u>1 838 432</u>
	21 711 401
Deduct: Unspent allocations	<u>(12 273 239)</u>
Balance available as at 31 December 1976 for further programming	<u>9 438 162</u>

UNITED NATIONS DEVELOPMENT PROGRAMME

Statement of account for government cost-sharing contributions
as at 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>			<u>1976</u>
<u>350 979</u>	Unexpended contributions at beginning of year	(Note 9)	<u>2 210 398</u>
	Income and expenditure for year		
<u>14 104 273</u>	Cost-sharing contributions received	(Schedule 4)	<u>47 765 980</u>
(10 740 740)	Programme expenditure from cost- sharing contributions	(Schedule 6)	(28 940 693)
<u>(1 504 114)</u>	Reimbursement of overhead costs thereon to participating and executing agencies		<u>(4 051 697)</u>
<u>(12 244 854)</u>			<u>(32 992 390)</u>
<u>1 859 419</u>	Excess of income over expenditure		<u>14 773 590</u>
<u>2 210 398</u>	Unexpended contributions at end of year	(Statement II)	<u>16 983 988</u>

UNITED NATIONS DEVELOPMENT PROGRAMME

Statement of account for government cash counterpart contributions
as at 31 December 1976 and 1975

(in United States dollars)

<u>1975</u>			<u>1976</u>
<u>1 283 784</u>	Unexpended contributions at beginning of year	(Note 9)	<u>1 016 268</u>
	Income and expenditure for year		
5 991 443	Cash counterpart contributions received	(Schedule 3)	7 895 966
<u>(6 258 959)</u>	Programme expenditure from cash counterpart contributions (including reimbursement of overhead costs thereon to participating and executing agencies)	(Schedule 6)	<u>(6 487 160)</u>
<u>(267 516)</u>	Excess of income over expenditure (excess of expenditure over income)		<u>1 408 806</u>
<u>1 016 268</u>	Unexpended contributions at end of year	(Statement II)	<u>2 425 074</u>

UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP allocations to participating and executing agencies
as at 31 December 1976

(in United States dollars)

<u>Agency</u>	<u>Unspent allocations 31/12/75</u>	<u>Allocations issued during 1976</u>	<u>Expenditure by agencies in 1976 a/</u>	<u>Unspent allocations 31/12/76</u>
UNITED NATIONS	110 915 414	41 133 782	(70 198 312)	81 850 884
UNIDO	78 217 742	17 973 970	(36 218 986)	59 972 726
UNCTAD	16 059 702	3 929 382	(9 850 559)	10 138 525
ILO	56 214 114	32 725 808	(38 489 152)	50 950 770
FAO	203 899 926	67 491 787	(133 522 309)	137 869 404
UNESCO	65 457 449	25 147 112	(44 861 669)	45 742 892
ICAO	24 048 595	18 992 866	(20 982 148)	22 059 313
WHO	54 068 468	6 038 098	(23 732 508)	36 374 058
WORLD BANK	26 742 417	7 746 791	(15 145 236)	19 343 972
UPU	2 334 399	927 867	(1 883 870)	1 378 396
ITU	25 855 413	9 627 516	(19 886 372)	15 596 557
WMO	13 077 606	9 313 324	(8 088 026)	14 302 904
IMCO	5 446 326	1 348 415	(2 747 548)	4 047 193
IAEA	7 126 944	892 220	(3 422 554)	4 596 610
ASDB	1 276 951	2 501 641	(1 587 594)	2 190 998
IADB	2 493 527	925 659	(1 948 060)	1 471 126
UNDP	38 073 884	24 381 735	(22 664 268)	39 791 351
TOTAL	<u>731 308 877</u>	<u>271 097 973</u>	<u>(455 229 171)</u>	<u>547 177 679</u>

a/ Includes agency overhead, except overhead of \$532,705 on expert and fellowship variance.

UNITED NATIONS DEVELOPMENT PROGRAMME

Trust Funds administered by UNDP

Combined status of contributions pledged as at 31 December 1976

(in United States dollars)

Trust Funds/Governments Development Fund	Balance due 31/12/75	Additions and adjustments	Pledges for 1977	Total	Payments received in 1976	Balance 31/12/76	Composition of balance	
							For 1976 and prior years	For 1977
United Nations Capital								
Development Fund								
Afghanistan	-	5 000	-	5 000	5 000	-	-	22 000
Algeria	22 000	-	22 000	44 000	22 000	22 000	-	47 750
Argentina	43 500	-	47 750	91 250	43 500	47 750	-	2 000
Bangladesh	-	-	2 000	2 000	-	108 108	-	108 108
Belgium	-	-	108 108	108 108	-	1 800	1 800	-
Bolivia	1 800	-	-	1 800	2 307	-	-	20 000
Botswana	2 307	-	20 000	60 000	40 000	20 000	-	-
Brazil	40 000	-	-	5 000	5 000	5 000	5 000	-
Burma	5 000	-	8 664	8 664	3 346	5 318	-	5 318
Chad	-	-	10 000	20 000	-	20 000	10 000	10 000
Chile	10 000	-	105 263	206 786	101 523	105 263	1 000	105 263
China	101 523	-	-	1 000	-	1 000	1 000	-
Colombia	1 000	-	-	8 497	-	8 497	8 497	-
Costa Rica	8 497	-	-	48 782	24 540	24 242	-	24 242
Cuba	24 540	-	240	496	256	240	-	240
Cyprus	256	-	-	1 234	-	1 234	1 234	-
Democratic Kampuchea	1 234	-	-	1 234	-	1 234	-	-
Denmark	195 050	10 852	851 789	1 357 691	505 902	851 789	-	851 789
Dominican Republic	2 000	-	5 000	7 000	2 000	5 000	-	5 000
Egypt	44 447	-	44 447	88 894	44 447	44 447	-	44 447
Ghana	-	33 060	-	33 060	33 060	-	-	3 000
Greece	3 000	-	3 000	6 000	2 281	3 719	719	-
India	3 693	-	-	3 693	3 693	-	-	-
Iran	15 000	-	15 000	30 000	15 000	15 000	-	15 000
Iraq	43 559	-	13 559	57 118	10 000	47 118	33 559	13 559
Ivory Coast	5 682	9 318	10 000	25 000	10 000	15 000	5 000	10 000
Jamaica	3 000	-	3 000	6 000	3 000	3 000	-	3 000
Lao People's Democratic Republic	2 000	1 000	-	3 000	-	3 000	3 000	-
Lesotho	-	1 730	-	1 730	1 730	-	-	-
Liberia	10 000	-	-	10 000	10 000	-	-	-
Mauritius	-	-	1 900	1 900	-	1 900	-	1 900
Morocco	-	11 364	-	11 364	11 364	-	-	-
Netherlands	5 617 978	1 838 235	5 976 096	13 432 309	7 456 213	5 976 096	66 000	5 976 096
Niger	75 000	(9 000)	-	66 000	-	66 000	16 130	-
Nigeria	16 260	(130)	-	16 130	-	16 130	-	-
Norway	1 358 696	-	1 912 046	3 270 742	1 358 696	1 912 046	96 162	1 912 046
Pakistan	192 324	-	-	192 324	96 162	96 162	20 000	-
Philippines	20 000	-	-	20 000	-	20 000	15 000	-
Qatar	15 000	-	-	15 000	-	15 000	20 000	-
Sri Lanka	20 000	-	-	20 000	-	20 000	20 000	-
Sudan	5 000	-	-	5 000	5 000	-	-	-

Schedule 15 (continued)

Trust Funds/Governments	Balance due 31/12/75	Additions and adjustments	Pledges for 1977	Total	Payments received in 1976	Balance 31/12/76	Composition of balance	
							For 1976 and prior years	For 1977
Sweden	-	3 378 378	3 571 429	6 949 807	3 378 378	3 571 429	-	3 571 429
Tunisia	1 500	-	1 500	3 060	1 500	1 500	-	1 500
Turkey	-	-	153 153	153 153	-	153 153	-	153 153
United Republic of Cameroon	1 136	(72)	1 064	2 112	1 064	1 048	-	1 048
United Republic of Tanzania	3 522	(45)	1 721	5 200	3 479	1 721	-	1 721
Yemen	1 978	22	-	2 000	2 000	-	-	-
Yugoslavia	300 000	-	300 000	600 000	300 000	300 000	-	300 000
Total	8 517 482	5 279 714	13 212 955	27 010 151	13 497 441	13 512 710	303 101	13 209 609

Trust Funds/Governments	Balance due 31/12/75	Additions and adjustments	Pledges for 1977	Total	Payments received in 1976	Balance 31/12/76	Composition of balance	
							For 1976 and prior years	For 1977
United Nations Revolving Fund for Natural Resources Exploration								
Belgium	-	405 405	-	405 405	405 405	-	-	-
Canada	-	1 500 000	-	1 500 000	1 500 000	-	-	-
Iraq	-	10 000	-	10 000	-	10 000	10 000	-
Japan	-	3 500 000	-	3 500 000	3 500 000	-	-	-
Netherlands	374 532	-	398 406	772 938	374 532	398 406	-	398 406
United States of America	-	-	2 500 000	2 500 000	-	2 500 000	-	2 500 000
Total	374 532	5 415 405	2 898 406	8 688 343	5 779 937	2 908 406	10 000	2 898 406
United Nations Trust Fund for Operational (OPEX) Personnel to Swaziland								
Sweden	227 790	23 023	-	250 813	250 813	-	-	-
Total	227 790	23 023	-	250 813	250 813	-	-	-
United Nations Trust Fund for Operational Programme in Lesotho								
Sweden	159 453	16 206	162 037	337 696	337 696	-	-	-
Total	159 453	16 206	162 037	337 696	337 696	-	-	-
Trust Fund for Assistance to the Colonial Countries and Peoples								
Belgium	128 205	-	-	128 205	128 205	-	-	-
Gabon	-	100 000	-	100 000	-	100 000	100 000	-
Sweden	-	-	1 190 476	1 190 476	-	1 190 476	-	1 190 476
Total	128 205	100 000	1 190 476	1 418 681	128 205	1 290 476	100 000	1 190 476
United Nations Volunteers programme - Special Voluntary Fund								
Austria	-	27 027	5 500	5 500	-	5 500	-	5 500
Belgium	-	155	-	27 027	27 027	-	-	-
Botswana	356	101 546	-	511	511	-	-	-
Canada	-	14 601	-	101 546	101 546	-	-	-
Denmark	-	121 951	-	14 601	14 601	-	-	-
Germany, Federal Republic of	-	1 000	-	121 951	121 951	-	-	-
Indonesia	-	1 500	-	1 000	1 000	-	-	-
Liberia	-	125 000	-	1 500	1 500	-	-	-
Netherlands	-	78 740	-	125 000	125 000	-	-	-
Switzerland	-	-	-	78 740	78 740	-	-	-

Trust Funds/Governments	Balance due 31/12/75	Additions and adjustments	Pledges for 1977	Total	Payments received in 1976	Balance 31/12/76	Composition of balance	
							For 1976 and prior years	For 1977
United Nations Volunteers programme - Special Voluntary Fund (continued)								
United States of America	100 000	25 000	-	125 000	75 000	50 000	-	-
UNDP - Programme Reserve	-	300 000	-	300 000	300 000	-	50 000	-
Total	100 396	796 520	5 500	902 376	846 876	55 500	50 000	5 500
United Nations Trust Fund for Sudan-Sahelian Activities								
Denmark	-	70 000	-	70 000	70 000	-	-	-
Netherlands	-	700 000	-	3 700 000	3 700 000	-	-	-
United States of America	-	75 000	-	75 000	75 000	-	-	-
Total	-	3 845 000	-	3 845 000	3 845 000	-	-	-
UNROB - Residual Funds - Bangladesh								
UNIRO (Austrian contribution)	-	54 818	-	54 818	54 818	-	-	-
Total	-	54 818	-	54 818	54 818	-	-	-

UNITED NATIONS DEVELOPMENT PROGRAMME

Trust FundsInvestments as at 31 December 1976

(in United States dollars)

Trust Fund/Bank		Interest rate	Due date	Amount	Total
<u>Trust Fund for Assistance to Colonial Countries and Peoples</u>					
Bankers Trust Company, Nassau	Time Deposit Account	5 3/10	11 Jan. 1977	1 000 000	1 003 090
Chase Manhattan Bank	Savings Account			<u>3 090</u>	
<u>United Nations Capital Development Fund</u>					
P. K. Banken	Time Deposit Account	10 1/2	5 Jan. 1977	3 571 429	25 891 372
National Bank of Pakistan	"	5 1/4	5 Jan. 1977	500 000	
Bankers Trust Company, Nassau	"	5 5/100	5 Jan. 1977	2 000 000	
Mitsui Bank, Tokyo	"	5 1/16	7 Jan. 1977	6 500 000	
Chemical Bank, Frankfurt	"	5 1/8	4 Feb. 1977	8 000 000	
Amsterdam-Rotterdam Bank	24 Hours Call Account	5 3/4-6 3/4		1 095 617	
Chase Manhattan Bank	Savings Account	5		<u>4 224 326</u>	
<u>United Nations Volunteers Programme</u>					
Societe Generale de Banque	Time Deposit Account	10	17 Jan. 1977	27 027	154 261
Toronto Dominion Bank	24 Hours Call Account	9		49 019	
Chase Manhattan Bank	Savings Account			<u>78 215</u>	
<u>United Nations Trust Fund for Operational (OPEX) Personnel to Swaziland</u>					
Chase Manhattan Bank	Savings Account	5		<u>119 036</u>	119 036
<u>United Nations Trust Fund for Operational Programme in Lesotho</u>					
Chase Manhattan Bank	Savings Bank	5		<u>9 216</u>	9 216
<u>United Nations Trust Fund for Sudano-Sahelian Activities</u>					
Chase Manhattan Bank, Nassau	Time Deposit Account	5 1/4	10 Jan. 1977	500 000	21 770 703
Bank of America, Nassau	"	5 1/8	12 Jan. 1977	1 000 000	
National Westminster Bank, London	"	5 1/8	12 Jan. 1977	2 000 000	
Lloyds Bank International, London	"	7 1/16	11 Mar. 1977	1 500 000	
Chemical Bank, Frankfurt	"	5 1/16	22 Mar. 1977	4 000 000	
Citibank Nassau	"	5 1/16	8 Apr. 1977	4 000 000	
Lloyds Bank International, London	"	7 1/8	13 June 1977	1 000 000	
Lloyds Bank International, London	"	7 3/8	12 Sep. 1977	1 000 000	
Lloyds Bank International, London	"	7 7/16	12 Dec. 1977	2 000 000	
Chemical Bank	Savings Account	5		<u>4 770 703</u>	
<u>Fund of the United Nations for the Development of West Irian</u>					
Irving Trust Company	Savings Account	5		<u>1 539 405</u>	1 539 405
<u>United Nations Revolving Fund for Natural Resources Exploration</u>					
Mitsui Bank, Tokyo	Time Deposit Account	5 5/16	10 Jan. 1977	1 000 000	10 773 611
National Bank of Pakistan	"	5 1/4	12 Jan. 1977	1 000 000	
Mitsui Bank, Tokyo	"	5 1/16	22 Feb. 1977	4 000 000	
Fuji Bank, Tokyo	"	5 1/8	28 Feb. 1977	1 000 000	
Mitsui Bank, Tokyo	"	5 1/8	3 Mar. 1977	1 000 000	
Societe Generale de Banque	24 Hours Call Account	7		405 406	
Toronto Dominion Bank	24 Hours Call Account	9		1 470 588	
Chase Manhattan Bank	Savings Account	5		<u>897 617</u>	
<u>Trust Fund Programme for the Republic of Zaire</u>					
Chemical Bank	Savings Account	5		<u>248 102</u>	248 102
<u>UNROB Residual Funds, Bangladesh</u>					
Chemical Bank	Savings Account	5		<u>663 924</u>	663 924
<u>United Nations Korean Reconstruction Agency - Residual Assets</u>					
Irving Trust Company	Savings Account	5		<u>25 848</u>	25 848
TOTAL					62 198 568

IV. REPORT OF THE BOARD OF AUDITORS TO THE GENERAL ASSEMBLY
ON THE ACCOUNTS AND FINANCIAL STATEMENTS OF THE UNITED
NATIONS DEVELOPMENT PROGRAMME FOR THE YEAR ENDED
31 DECEMBER 1976

1. The Board of Auditors has audited the accounts of the United Nations Development Programme in accordance with article 15.3 of their Financial Regulations and Rules.
2. The examination was made in accordance with article XII of 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 and Specialized Agencies.

Scope of examination

3. During 1976-1977 as a part of its annual examination, the Board of Auditors began the introduction of a uniform systems-based audit approach. Although reviews of internal controls have always been conducted by the Board, this change in audit approach requires a more comprehensive evaluation of the adequacy of the financial management and control systems than has traditionally been performed and includes:
 - (a) identifying strengths and weaknesses in the financial systems so that the Board can more effectively direct the scope and approach of the audit examination and the nature, extent and timing of detailed audit tests; and
 - (b) reporting weaknesses in the system to the Administration with appropriate recommendations for corrective action.
4. The in-depth review and evaluation of the systems of financial management and control at UNDP has not as yet been completed although the preliminary findings to date have been drawn to the attention of the Administration.
5. Effort has been concentrated on the systems existing at Headquarters and has been principally directed toward the division of Finance in the Bureau of Administration. Certain officials in the Regional Bureaux have been interviewed on particular matters of interest and audit teams have visited field offices in Africa, Mexico and Turkey.
6. The form of the review consists primarily of fact-finding interviews with key officials and staff, followed by more detailed investigation and analysis where appropriate. Financial manuals, position descriptions, organization charts and other supporting documentation are reviewed as required.
7. Observations arising from the review were taken into account in establishing the audit scope.
8. The following are the most significant matters arising from our 1976 audit examination. These matters have been discussed with the UNDP administration, and where applicable, their comments have been taken into account in this report.

Value of assets

9. The value of accumulated non-convertible currencies recorded at a value of \$35.6 million is uncertain. Since neither past experience nor future plans indicate likely utilization of these funds, it is not possible to determine their current value.
10. Amounts totalling about \$318,000 which are shown as cash in transit at 31 December 1976 have been outstanding for more than 10 months. The value of this asset is subject to the ultimate accounting for these amounts.
11. Deferred charges include approximately \$500,000 in education grant advances, of which about 50 per cent has been utilized. The asset is overstated by approximately \$250,000 since the portion utilized should have been recorded as expenditure.

Contributions pledged by Governments

12. Overdue contributions pledged by Governments totalled \$36.9 million at 31 December 1976, a reduction of \$5.3 million from the amount overdue at the end of the previous year. Included is \$4.6 million which is over three years in arrears.

Control of bank transactions

13. Considering the significant amount of the UNDP total assets which is represented by cash and bank balances, adequate control of cash transactions and the reporting and reconciling of balances is essential. The following are examples of deficiencies in this respect:

(a) Bank reconciliations of contribution accounts include items totalling \$41,000 as at 31 December 1976 which have been outstanding for more than one year;

(b) Many field offices either submit no bank reconciliation at all or submit insufficient information to permit adequate review of bank reconciliations at Headquarters;

(c) Most field office bank accounts, although called imprest bank accounts, are not being operated on an imprest basis in that funds other than replenishments from Headquarters are being deposited into them. Furthermore, Resident Representatives do not distinguish in their monthly reports of imprest fund balances between the amount of the imprest account and these other funds.

14. Improved procedures should be developed to:

(a) ensure timely follow-up of cash items in transit;

(b) obtain monthly bank reconciliations and supporting documentation and ensure effective review of these reconciliations and follow-up of all significant reconciling items; and

(c) institute the supervisory controls necessary to ensure that prescribed procedures are followed.

Uncleared deposits

15. Contributions deposited directly into UNDP bank accounts by the contributors which are not clearly identified as to source or purpose are credited to suspense accounts which are classified as accounts payable at the year-end. Even when identified, practice is that such amounts are not cleared to an income account until a signed project document is received. At 31 December 1976 such uncleared deposits totalled \$5.4 million, an increase of \$1 million in the year. Of this, \$1.7 million had not been identified at the time of our audit.

16. Prompt and timely action to identify such deposits and to obtain signed project documents is necessary if UNDP is to effectively manage its resources. Since the year-end the Administration has implemented an improved system which it is hoped will achieve this.

17. If project documents had been received for the identified but uncleared deposits prior to 31 December 1976, the recorded 1976 income could have been increased by \$3.7 million and the liability reduced accordingly.

Repatriation grants

18. Under the United Nations Staff Regulation No. 9.4 repatriation grants based upon years of service and base salary shall be paid, at the time of retirement, and within certain limitations, to eligible staff members whose appointments are terminated.

19. The effect of this regulation is to establish a possibly significant claim against the future resources of UNDP for payment of acquired benefits. This liability should be recognized by establishing an appropriate reserve to be adjusted annually for any required increase. At present UNDP records the expense only when payment is made.

Project expenditures

20. During 1976, UNDP adopted the accrual method of recording project expenditures reported by executing agencies. Project expenditures for the year ended 31 December 1976 reported by executing agencies include unliquidated obligations established in accordance with the individual agency's financial regulations and rules. Because the agencies have different financial regulations and rules, there is no consistency in the basis of accruing unliquidated obligations. The effect of this inconsistency on the financial statements could not be determined.

21. Furthermore, since it was not practicable for the agencies to determine retroactively the corresponding accruals as at 31 December 1975, the 1976 and 1975 figures for programme expenditure from funds provided by UNDP to executing agencies are not comparable between years.

Agencies' statements

22. The financial statements of UNDP include amounts reported by the executing agencies. The Board of Auditors, as in the past, and with regard for the agreements between UNDP and the executing agencies and for UNDP Financial Regulation 15.2, has not audited these balances (which aggregate approximately 87 per cent of total UNDP expenditures) and has relied upon certificates provided to UNDP by the agencies' external auditors.

23. Of the 16 agencies reporting amounts which are included in the UNDP financial statements, the special audit certificates for the year ended 31 December 1976 have been received for only the following 11.

- Asian Development Bank
- Food and Agriculture Organization of the United Nations
- Inter-Governmental Maritime Consultative Organization
- International Civil Aviation Organization
- International Labour Organisation
- International Telecommunication Union
- United Nations Educational, Scientific and Cultural Organization
- Universal Postal Union
- World Bank
- World Health Organization
- World Meteorological Organization

24. Final agency accounts for which the external auditors have not provided certificates include:

- Inter-American Development Bank
- International Atomic Energy Agency
- United Nations
- United Nations Conference on Trade and Development
- United Nations Industrial Development Organization

We have carried out audit work at UNOTC and UNIDO and nothing of significance came to our attention which would materially affect the financial statements of UNDP. Our opinion on the accounts is subject to any changes that may result from the audit of agencies for which audit certificates have not yet been received.

Operational reserve

25. The operational reserve is established under regulation 11.3 of the Financial Regulations and Rules of the UNDP "to guarantee under all circumstances the financial liquidity and integrity of the Programme, to compensate for uneven cash inflows and to meet such other requirements as may be decided upon by the Governing Council".

26. During the twenty-third session of the Governing Council held in January 1977, a schedule outlining instalments for progressive restoration of the Operational Reserve, was approved as follows:

in 1977	\$ 15.0 million
1978	35.0 million
1979	50.0 million
1980	50.0 million
	\$150.0 million

As of 31 March 1977 \$15.0 million was earmarked for the operational reserve, consisting of savings deposits and short-term bank investments.

Financial statement presentation

27. A number of suggestions concerning financial statement presentation were discussed with the Administration, the majority of which were accepted and reflected in the 1976 financial statements.

Proposed integrated systems improvement project

28. During 1975, the expenditures of UNDP exceeded by \$88.5 million the contributions received and UNDP was obliged to restrict the level of new project approval and to obtain additional funds from recipient Governments to maintain existing projects where curtailment was not feasible. Temporary financing was also necessary. Extensive analyses, including two special studies by consultants as to the causes of the crisis have all identified the lack of an effective financial information system as a major contributor to the crisis.

29. There are now no timely and consistently prepared management-information reports which consolidate financial results and compare them with forecasts. It is not possible for management to relate allocations made to available resources. Management decisions must be made based on reports prepared rapidly from miscellaneous sources. These reports often do not tie in with the official accounting records of UNDP. A major problem is UNDP's inability to obtain accurate and timely information on the financial implications of projects under the control of executing agencies.

30. A good part of the basic system required by UNDP is in place, but it does not generate the kind of information needed. The Administration recognizes the seriousness of the situation and has initiated an in-depth "Integrated Systems Improvement Project" to design, develop, train staff and implement a simple integrated financial management system including uniform reporting from participating and executing agencies. The terms of reference of this major project, expected to take two years to complete with the assistance of an international firm of management consultants, place emphasis on the need for timely and accurate computer-based information systems to serve the Administrator, resident representatives and executing agencies.

31. The project will undoubtedly result in major improvements in the systems of financial management and control, particularly if during the design and implementation, special attention is also given to some other matters which are not emphasized in the terms of reference such as the appropriateness of: the organization of the financial function; the financial regulations, rules, policies and procedures; the delegation of authorities, internal controls and the internal audit function.

* * *

32. We wish to express our appreciation for the co-operation and assistance extended by the Administrator and his staff.

(Signed) J. J. MACDONELL
Auditor General of Canada

(Signed) A. MARTINEZ ZULETA
Controller General of Colombia

(Signed) A. OSEI
Auditor General of Ghana

24 June 1977

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