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**VOLUNTARY FUNDS ADMINISTERED
BY THE UNITED NATIONS HIGH COMMISSIONER
FOR REFUGEES**

ACCOUNTS

for the year ended 31 December 1972

and

REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: TWENTY-EIGHTH SESSION

SUPPLEMENT No. 7E (A/9007/Add.5)



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UNITED NATIONS

New York, 1973

NOTE

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

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LETTER OF TRANSMITTAL

22 June 1973

Sir,

I have the honour to transmit to you the financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees as at 31 December 1972. These statements have been examined and certified by the Board of Auditors.

In addition to the above, I have the honour to present the report of the Board with respect to the accounts of the voluntary funds administered by the United Nations High Commissioner for Refugees for the year 1972.

Accept, Sir, the assurances of my highest consideration.

(Signed) J. F. ESCALLON O.
Chairman
Board of Auditors

The President of the General Assembly
of the United Nations
New York

I. AUDIT OPINION

We have examined the following appended financial statements, numbered I and II, properly identified, and relevant schedules of the Voluntary Funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 1972. 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, subject to the observations in our report on the accounts, were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position as at 31 December 1972.

(Signed) J. E. ESCALLON O.
Controller-General of Colombia

A. I. OSMANY
Auditor-General of Pakistan

G. R. LONG
Acting Auditor-General of Canada

22 June 1973

II. ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1972

STATEMENT II

Income and expenditure in 1972

(In US dollars)

Trust funds

| | Programme for 1972 | Prior years' programmes | Working Capital and Guarantee Fund | | Trust funds | | | | Long-playing Records Account | TOTAL |
|---|--------------------|-------------------------|------------------------------------|----------------|----------------------|---------------------------|-----------------------|----------|------------------------------|-------|
| | | | Guarantee Fund | Emergency Fund | Indemnification Fund | Refugee Education Account | South Sudan operation | Others | | |
| SURPLUS AND BALANCES AT 1 JANUARY 1972 | | 384,576 | 1,500,000 | 500,000 | 288,054 | 83,003 | 97,590 | 127,865 | 2,981,088 | |
| INCOME | | | | | | | | | | |
| Contributions | | | | | | | | | | |
| Governmental contributions (schedule 3) | 5,909,365 | 23,023 | | 64,595 | | 417,565 | 3,718,400 | | 24,002,136 | |
| Private donations (schedule 4) | 262,181 | 172,300 | | 36,520 | | 104,054 | 16,563 | | 1,095,616 | |
| Other income | | | 342,594 | | | | | | | |
| Repayments of loans | | | | | 365,653 | | | | 342,594 | |
| Refund of indemnification payments | | | | | 6,751 | | | | 365,653 | |
| Interest earned | 591,620 | | | | | | | | 598,371 | |
| Net proceeds from sales | | | | | 97,014 | | | 366,643 | 366,643 | |
| Miscellaneous | 170,750 | | | | | | | | 366,643 | |
| Adjustments on prior years' income or projects | | | | | | | | | | |
| Reduction of prior years' pledge | | | | | | | (38,089) | | (38,089) | |
| Cancellation of obligations | | 522,431 | | | | 10,368 | 41,073 | | 573,872 | |
| Refunds by implementing agencies | | 65,788 | | 15,383 | | 4,524 | 8,667 | | 94,362 | |
| TOTAL INCOME | 6,933,916 | 783,542 | 342,594 | 116,498 | 469,418 | 536,511 | 3,746,614 | 366,643 | 27,668,922 | |
| TRANSFERS | | | | | | | | | | |
| Replenishment of the Emergency Fund | | | (852,706) | 852,706 | | | | | | |
| Prior years' surplus | 69,787 | (579,899) | 510,112 | | | | | | | |
| Adjustments on prior years' surplus | 588,219 | (588,219) | | | | | | | | |
| Allocations (schedule 8) | 6,000 | | | | | 28,635 | 14,605 | (49,240) | | |
| TOTAL FUNDS AVAILABLE | 7,597,922 | - | 1,500,000 | 1,469,204 | 757,472 | 648,149 | 3,858,809 | 445,268 | 30,650,010 | |
| EXPENDITURE | | | | | | | | | | |
| Operations | | | | | | | | | | |
| Obligations incurred in 1972 (schedules 5, 6, 7) | 6,538,678 | | | 915,854 | | 576,695 | 2,069,211 | | 22,329,331 | |
| Allocations reserved for commitment in 1973 | 105,000 | | | | | | | | 105,000 | |
| Payments to refugees | | | | | 300,080 | | | | 300,080 | |
| Write-offs | | | | | 789 | | | | 789 | |
| Programme support and administration | | | | | | | | | | |
| Grant-in-aid to United Nations Budget | 580,164 | | | | | | | | 580,164 | |
| Other obligations (schedules 5, 6, 7) | 90,680 | | | | | | | | 90,680 | |
| TOTAL EXPENDITURE | 7,314,522 | - | - | 969,204 | 363,482 | 576,695 | 2,237,187 | 84,172 | 24,086,389 | |
| SURPLUS AND BALANCES AT 31 DECEMBER 1972 | 283,400 | - | 1,500,000 | 500,000 | 393,990 | 71,454 | 1,621,622 | 361,096 | 6,563,621 | |

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

CERTIFIED

(Signed) P. M. MOUSSALLI

Acting Director of Administration

Office of the United Nations High Commissioner for Refugees

APPROVED

(Signed) Saaduddin AGA KHAN

United Nations High Commissioner for Refugees

SCHEDULES TO THE ACCOUNTS

| <u>Loan operations</u> (In US dollars) | <u>Schedule 1</u> |
|--|---|
| <u>For the year ended</u> <u>31 December 1972</u> | <u>Cumulative to</u> <u>31 December 1972</u> |
| <u>Loans made to or on behalf of refugees</u> | |
| Amount paid out | 88,647 |
| Correction (note 3) | (185,790) |
| | (97,143) |
| Adjustments: | 16,186,745 |
| Unused loan funds surrendered or due by implementing agencies | (742,233) |
| Exchange rate difference | 1,569,109 |
| | <u>17,013,621</u> |
| <u>Liquidations</u> | |
| Repayments | 4,413,463 |
| Conversion of loans into grants | 254,527 |
| Write-offs | 362,054 |
| Agencies' collecting fees and other charges | 121,821 |
| | <u>(5,151,865)</u> |
| | <u>11,861,756</u> b/ |
| <u>Loans outstanding at 31 December 1972</u> | |
| Less refundable upon receipt to: | |
| Calouste Gulbenkian Foundation | 77,734 |
| Norwegian Refugee Council | 41,695 |
| Implementing agencies for collecting fees | 450,533 |
| | <u>(569,962)</u> |
| | <u>11,291,794</u> |
| <u>Net repayments receivable at 31 December 1972</u> | |

a/ Breakdown of repayments:

| | |
|--------------------------------|----------------|
| UNHCR | 342,594 |
| Calouste Gulbenkian Foundation | 4,920 |
| Norwegian Refugee Council | 1,052 |
| | <u>348,566</u> |

b/ Breakdown of loans outstanding at 31 December 1972:

| | |
|--------------------------|-------------------|
| Programmes for 1963-1971 | 76,977 |
| Major aid programmes | 11,777,506 |
| Trust funds | 7,273 |
| | <u>11,861,756</u> |

Obligations incurred, liquidated and outstanding as at 31 December 1972

Schedule 2

| | <u>Programme for 1972</u> | <u>Prior years' programmes</u> | <u>Major aid programmes</u> | <u>Emergency fund</u> | <u>T r u s t f u n d s</u> | | | <u>Others</u> | <u>TOTAL</u> |
|--|-------------------------------|------------------------------------|---------------------------------|---------------------------|------------------------------|----------------------------------|-----------|---------------|--------------|
| | | | | | <u>Education account</u> | <u>South Sudan operation</u> | | | |
| <u>Unliquidated obligations at 1 January 1972</u> | | 4,392,520 | 358,673 | 100,665 | 354,919 | | 603,720 | 5,810,497 | |
| <u>Obligation incurred during 1972</u> | 7,209,522 ^{a/} | | | 969,204 | 576,695 | 12,541,127 | 2,237,187 | 23,533,735 | |
| | 7,209,522 | 4,392,520 | 358,673 | 1,069,869 | 931,614 | 12,541,127 | 2,840,907 | 29,344,232 | |
| <u>Liquidated during 1972</u> | | | | | | | | | |
| By payments | 4,551,600 | 2,189,740 | 100,000 | 918,040 | 644,103 | 10,703,704 | 1,354,653 | 20,461,840 | |
| By cancellations of prior years' obligations | | 477,744 | 44,687 | | 10,368 | | 41,073 | 573,872 | |
| | 4,551,600 | 2,667,484 | 144,687 | 918,040 | 654,471 | 10,703,704 | 1,395,726 | 21,035,712 | |
| <u>Obligations outstanding at 31 December 1972</u> | 2,657,922 | 1,725,036 | 213,986 | 151,829 | 277,143 | 1,837,423 | 1,445,181 | 8,308,520 | |
| <u>Consisting of:</u> | | | | | | | | | |
| Prior years' obligations | | 1,725,036 | 213,986 | | 164,358 | | 293,718 | 2,397,098 | |
| Current year's obligations | 2,657,922 | | | 151,829 | 112,785 | 1,837,423 | 1,151,463 | 5,911,422 | |

a/ Including the grant-in-aid to United Nations budget (\$580,164).

Governmental contributions paid or pledged in 1972

Schedule 3

(In US dollars)

| Country | Programme for 1972 | Prior years' programmes | Emergency Fund | Trust funds | | | TOTAL |
|---------------------------------|-----------------------|----------------------------|-------------------|----------------------|------------------------------------|---|-----------|
| | | | | Education Account | South Sudan operation | Others | |
| Algeria | 7,824 | 6,943 | | | | | 14,767 |
| Argentina | 20,000 | | | | | | 20,000 |
| Australia | 208,390 | 6,709 | | | | 134,588 ^{a/b/} | 349,687 |
| Austria | 31,645 | | | | 4,978 | | 36,623 |
| Bahamas | 3,075 | | | | | | 3,075 |
| Barbados | 519 | | | | | | 519 |
| Belgium | 200,636 | | | | | | 200,636 |
| Botswana | 888 | | | | 2,500 | | 3,388 |
| Burundi | 1,714 ^{a/} | | | | | | 1,714 |
| Canada | 400,000 ^{a/} | | | | 510,204 ^{a/} | | 910,204 |
| Central African Republic | | 1,587 ^{a/} | | | | | 1,587 |
| Chile | 10,000 ^{a/} | | | | | | 10,000 |
| Congo | 1,000 ^{a/} | | | | | | 1,000 |
| Cyprus | 653 ^{a/} | | | | | | 653 |
| Denmark | 400,000 | | | 121,997 | 502,181 | 500,000 ^{b/} 147,703 | 1,671,881 |
| Dubai | 3,000 | | | | | | 3,000 |
| Egypt | 6,900 | | | | | | 6,900 |
| Finland | 100,000 | | | | 241,897 | | 341,897 |
| France | 486,770 | | | | | | 486,770 |
| Gabon | 3,210 | | | | | | 3,210 |
| Germany, Federal Republic of | 628,931 | | | | 127,044 ^{c/} 314,465 | 110,063 ^{a/b/} 110,063 ^{b/} | 1,290,566 |
| Greece | 14,000 | | | | | | 14,000 |
| Holy See | 2,500 | (2,500) | | | | | - |
| Iceland | 5,641 ^{a/} | | | | | | 5,641 |
| India | 13,738 ^{a/} | | | | | | 13,738 |
| Indonesia | 1,000 | | | | | | 1,000 |
| Iran | 10,000 | | | | 3,000 ^{a/} | | 13,000 |
| Ireland | 17,500 ^{a/} | | | | | | 17,500 |
| Israel | 7,500 | | | | | | 7,500 |
| Ivory Coast | 2,976 ^{a/} | | | | | | 2,976 |
| Jamaica | 648 ^{a/} | | | | | | 648 |
| Japan | 50,000 | | | | 20,000 ^{c/} | 10,000 ^{a/b/} | 80,000 |
| Kuwait | 3,000 ^{a/} | | | | | | 3,000 |
| Liberia | 5,000 | | | | 5,000 | | 10,000 |
| Libyan Arab Republic | 5,000 | | | | | | 5,000 |
| Liechtenstein | 6,510 | | | | | | 6,510 |
| Luxembourg | 4,545 | | | | | | 4,545 |
| Madagascar | 992 ^{a/} | | | | | | 992 |
| Malawi | 390 ^{a/} | | | | | | 390 |
| Malaysia | 1,500 | | | | | | 1,500 |
| Malta | 1,000 | | | | | | 1,000 |
| Mauritius | 1,047 | | | | | | 1,047 |
| Mexico | 10,000 | | | | | | 10,000 |
| Monaco | 200 ^{a/} | | | | | | 200 |
| Morocco | 10,000 | | | | | | 10,000 |
| Netherlands | 234,062 | | | | 46,875 145,370 ^{c/} | 154,321 ^{b/} 33,668 ^{a/} 35,495 17,865 ^{a/b/} | 649,791 |
| New Zealand | 27,201 | | | | | | 45,766 |
| Niger | 794 ^{a/} | | | | | | 794 |
| Norway | 403,437 | | 22,490 | 89,652 | 251,153 6,546 ^{c/} | 303,260 ^{b/} | 1,069,992 |
| Pakistan | 1,082 ^{a/} | | | | | | 7,628 |
| Panama | 500 ^{a/} | | | | | | 500 |
| Peru | 1,284 ^{a/} | 1,284 ^{a/} | | | | | 2,568 |
| Philippines | 1,250 ^{a/} | | | | | | 1,250 |
| Portugal | | 4,000 | | | | | 4,000 |
| Qatar | 5,000 | | | | | | 5,000 |
| Republic of Viet-Nam | 1,000 | 1,000 | | | | | 2,000 |
| Saudi Arabia | 8,000 | | | | | | 8,000 |
| Senegal | 4,000 | | | | | | 4,000 |
| Sudan | 8,616 | | | | | | 8,616 |
| Sweden | 750,000 | | 42,105 | 205,916 | 420,947 ^{a/} 1,052,632 | 210,526 ^{b/} 263,994 | 2,946,120 |
| Switzerland | 260,417 | | | | 26,042 ^{a/} | | 286,459 |
| Togo | 2,000 | | | | 800 ^{a/} | | 2,800 |

| Country | Programme for 1972 | Prior years' programmes | Emergency Fund | Education Account | Trust funds | | TOTAL |
|--|-----------------------|----------------------------|-------------------|----------------------|---|---|------------|
| | | | | | South Sudan operation | Others | |
| Trinidad and Tobago | 1,708 | | | | | | 1,708 |
| Tunisia | 2,500 | | | | | | 2,500 |
| Turkey | 5,357 | | | | 857 ^{c/} | | 6,214 |
| Uganda | 5,000 | | | | | | 5,000 |
| United Kingdom of Great Britain and Northern Ireland | 469,974 | | | | | 586,854 ^{a/b/} | 1,056,828 |
| United Republic of Tanzania | 3,641 | | | | | | 3,641 |
| United States of America | 1,000,000 | | | | 150,000 ^{a/} 7,810,000 ^{c/} 2,075,000 | 75,000 ^{a/} 50,000 ^{b/} 500,000 ^{b/} | 11,660,000 |
| Uruguay | 2,000 ^{a/} | | | | | | 2,000 |
| Venezuela | 1,000 ^{a/} | 4,000 | | | | | 5,000 |
| Yugoslavia | 10,000 | | | | | | 10,000 |
| Zaire | 4,000 ^{a/} | | | | | | 4,000 |
| Zambia | 5,000 | | | | | | 5,000 |
| Malta, Order of | | | | | 151,697 ^{c/} | | 151,697 |
| | 5,909,365 | 23,023 | 64,595 | 417,565 | 13,069,188 | 3,243,400 | 23,527,136 |

Multilateral
contributions

| | | | | | | | |
|--|-----------|--------|--------|---------|------------|-----------------------|------------|
| United Nations Trust Fund for South Africa | | | | | | 70,000 | 70,000 |
| United Nations Fund for Namibia | | | | | | 5,000 | 5,000 |
| Focal Point for United Nations assistance to refugees from East Pakistan | | | | | | 400,000 ^{d/} | 400,000 |
| | 5,909,365 | 23,023 | 64,595 | 417,565 | 13,869,188 | 3,718,400 | 24,002,136 |

a/ Pledged but not paid at 31.12.1972 465,672 1,084,951 968,038 2,518,661

Contributions pledged in previous years but not paid at 31.12.1972

| | | | | | |
|--------------------|------|-------|--------------------------|------|-------|
| Colombia | 1968 | 1,000 | Central African Republic | 1971 | 1,587 |
| Dominican Republic | 1968 | 1,000 | Chile | 1971 | 6,000 |
| Congo | 1970 | 1,000 | Congo | 1971 | 1,000 |
| Ecuador | 1970 | 1,000 | Dominican Republic | 1971 | 1,000 |
| Ethiopia | 1970 | 3,000 | Ecuador | 1971 | 2,000 |
| Jamaica | 1970 | 600 | Jamaica | 1971 | 600 |
| Kenya | 1970 | 1,000 | Peru | 1971 | 1,284 |
| Malawi | 1970 | 360 | Togo | 1971 | 2,629 |
| Peru | 1970 | 1,284 | Uganda | 1971 | 5,000 |
| Saudi Arabia | 1970 | 8,000 | Uruguay | 1971 | 523 |
| Uganda | 1970 | 5,000 | Zaire | 1971 | 3,000 |
| Cameroon | 1971 | 360 | | | |

Total governmental pledges not paid at 31.12.1972

2,566,888

b/ Contributions for assistance to Uganda Asians of undetermined nationality.

c/ Contributions in kind.

d/ Trust fund for administrative costs of the Focal Point which cannot be absorbed within the regular budget of UNHCR.

Private donations received in 1972

(In US dollars)

| Donor | Programme for 1972 | Prior years' programmes | Emergency Fund | Trust funds | | | TOTAL |
|--|-----------------------|----------------------------|-------------------|----------------------|--------------------------|---------------|------------------|
| | | | | Education Account | South Sudan operation | Others | |
| Australian Care for Refugees (AUSTCARE) | 19,125 ^{a/} | | | | | | 19,125 |
| Baptist Union Australia | | | 1,191 | | | | 1,191 |
| Brot für die Welt, Federal Republic of Germany | | 100,000 | | | | | 100,000 |
| Church of Denmark Inter-Church Aid and World Service (DANCHURCH AID) | | | 20,000 | | | | 20,000 |
| Danish Refugee Council | 10,714 | | | | | | 10,714 |
| Finnish Refugee Council | | 35,900 | | | | | 35,900 |
| Hellenic Red Cross | | | | | 3,334 | | 3,334 |
| Howard Karageusian Commemorative Corporation, United States of America | | | | | | 2,000 | 2,000 |
| Individuell Människohjälp, Sweden | | | | 47,211 | | | 47,211 |
| Jinishian Memorial Program, United States of America | | | | | | 10,000 | 10,000 |
| NATO Music Festival, Federal Republic of Germany | | | | 14,218 | | | 14,218 |
| New Zealand Council of Organizations for Relief Service Overseas, Inc. (CORSO) | 17,830 | | | | | | 17,830 |
| Norwegian Refugee Council | 30,628 | | 15,314 | 30,628 | | 3,063 | 79,633 |
| Rädda Barnen Riksförbund, Sweden | 171,620 ^{a/} | | | 11,966 | | | 183,586 |
| Sterling Airways, Denmark | | | | | 500,000 ^{b/} | | 500,000 |
| Swedish Red Cross | | 35,200 | | | | | 35,200 |
| United Nations Association, Canada | 5,950 | | | | | | 5,950 |
| UNESCO - Gift coupons | | 1,195 | | | | | 1,195 |
| Legacies and miscellaneous | 6,314 | | 15 | 31 | 664 | 1,500 | 8,529 |
| TOTAL | 262,181 | 172,300 | 36,520 | 104,054 | 503,998 | 16,563 | 1,095,615 |

a/ Of which \$49,125 firmly pledged in 1972 and paid in January 1973.

b/ Contributions in kind.

Allocations and expenditure by area and purpose
(In US dollars)

| <u>Purpose of allocation</u> | <u>Allocations approved by Executive Committee</u> | <u>Allocations made from Programme Reserve and adjustments between allocations</u> | <u>Expenditure</u> | <u>Unused balances of allocations</u> |
|--|--|--|--------------------|---------------------------------------|
| 1. <u>Austria</u> | | | | |
| Local settlement | 30,000 | | 30,000 | |
| Legal assistance | 6,500 | 112 | 6,612 | |
| 2. <u>Botswana</u> | | | | |
| Rural settlement in Etsha | 6,800 | | 6,400 | 400 |
| Fund for permanent solutions | 14,200 | | | 14,200 |
| 3. <u>Central African Republic</u> | | | | |
| Rural settlement at M'Boki | 320,000 | 20,636 | 310,636 | 30,000 |
| Repatriation of Sudanese refugees | | 300,000 | 300,000 | |
| 4. <u>Egypt</u> | | | | |
| Local settlement | 40,250 | | 40,214 | 36 |
| Counselling | 500 | 3,000 | 3,175 | 325 |
| Primary education | 3,250 | | 3,024 | 226 |
| Supplementary aid | 8,000 | | 7,316 | 654 |
| 5. <u>Ethiopia</u> | | | | |
| Rural settlement in Gambela area | 270,000 | (144,000) | 126,000 | |
| Fund for permanent solutions | 50,000 | | 15,385 | 34,615 |
| Supplementary aid | 25,000 | 19,000 | 44,000 | |
| 6. <u>Far East</u> | | | | |
| Contributions to administrative expenses of joint ICEM/UNHCR office in Hong Kong | 25,000 | 10,200 | 35,200 | |
| Care and maintenance of refugees in transit | 20,000 | 100,000 | 95,000 | 25,000 |
| 7. <u>France</u> | | | | |
| Local settlement | 25,000 | | 25,000 | |
| 8. <u>Germany, Federal Republic of</u> | | | | |
| Local settlement | 8,000 | 6,000 | 14,000 | |
| Legal assistance | 32,000 | 4,400 | 36,373 | 27 |
| 9. <u>Greece</u> | | | | |
| Counselling | 17,400 | 7,000 | 24,400 | |
| Local settlement | 15,000 | | 14,994 | 6 |
| 10. <u>India</u> | | | | |
| Health facilities | 25,000 | 4,250 | 29,250 | |
| Handicrafts centres | 50,000 | | 50,000 | |
| Vocational training | 10,000 | | 10,000 | |
| Fund for permanent solutions | 15,000 | | 15,000 | |
| Facilities for aged and infirm refugees | | 30,000 | 30,000 | |
| 11. <u>Italy</u> | | | | |
| Local settlement | 30,000 | | 30,000 | |
| Legal assistance | 2,500 | | 2,500 | |

| Purpose of allocation | Allocations approved by Executive Committee | Allocations made | Expenditure | Unused balances of allocations |
|--|---|--|-------------|--------------------------------|
| | | from Programme Reserve and adjustments between allocations | | |
| 12. <u>Kenya</u> Repatriation of Sudanese refugees | | 29,686 | 29,686 | |
| 13. <u>Latin America</u> Counselling | 30,000 | | 22,544 | 7,456 |
| Legal assistance | 20,000 | | 10,101 | 9,899 |
| Local integration | 140,000 | 40,000 | 180,000 | |
| Care of the aged and the mentally ill | 120,000 | (25,000) | 95,000 | |
| Supplementary aid | 10,000 | 1,300 | 11,300 | |
| 14. <u>Macau</u> Housing | 50,000 | | 50,000 | |
| Poultry farm | 18,000 | | 18,000 | |
| Equipment for rehabilitation centre | 6,000 | | 6,000 | |
| Equipment for mental home | 5,000 | | 5,000 | |
| 15. <u>Middle East</u> Counselling | 6,000 | | 5,800 | 200 |
| Local settlement | 114,500 | | 114,500 | |
| Supplementary aid | 15,000 | 10,000 | 25,000 | |
| 16. <u>Nepal</u> Fund for permanent solutions Management and counselling services | 20,000 | | 20,000 | |
| Medical care | 8,000 | | 8,000 | |
| Revolving loan fund | 8,000 | | 8,000 | |
| Transportation of project personnel, materials and supplies | 5,000 | | 5,000 | |
| 17. <u>Senegal</u> Health services | 18,000 | | 18,000 | |
| Assistance to refugees in the Dakar area | 23,500 | 500 | 23,968 | 32 |
| Rural settlement in Casamance | 30,000 | | 30,000 | |
| 18. <u>Spain</u> Local settlement | 85,000 | | 85,000 | |
| Counselling | 25,000 | 1,520 | 26,466 | 54 |
| Supplementary aid | 45,000 | | 35,439 | 9,561 |
| 19. <u>Sudan</u> Rural settlement at Qala en Nahal | 69,000 | | 27,500 | 41,500 |
| Rural settlement at Esh Showak | 750,000 | | 750,000 | |
| Supplementary aid | 8,000 | | 3,021 | 4,979 |
| 20. <u>Turkey</u> Resettlement | 5,000 | | 3,232 | 1,768 |
| Legal assistance | 1,000 | | 375 | 625 |
| 21. <u>Uganda</u> Assistance to refugee settlements | 144,000 | 7,350 | 151,350 | |
| Transfer of Sudanese refugees | 300,000 | (300,000) | | |
| Fund for permanent solutions | 16,000 | | 5,300 | 10,700 |

| <u>Purpose of allocation</u> | <u>Allocations approved by Executive Committee</u> | <u>Allocations made from Programme Reserve and adjustments between allocations</u> | <u>Expenditure</u> | <u>Unused balances of allocations</u> |
|--|--|--|--------------------|---------------------------------------|
| 21. <u>Uganda (continued)</u> | | | | |
| Conservation of WFP supplies | | 1,266 | 1,266 | |
| Repatriation of Sudanese refugees | | 92,764 | 92,764 | |
| 22. <u>United Arab Emirates</u> | | | | |
| Local settlement | 10,000 | | 10,000 | |
| 23. <u>United Republic of Tanzania</u> | | | | |
| Rural settlement at Mwesi | 26,600 | 14,384 | 14,384 | 26,600 |
| Rural settlement at Rutamba | 33,400 | | 33,400 | |
| Rural settlement at Lundo | 61,750 | | 61,750 | |
| Rural settlement at Muhukuru | 58,950 | | 58,950 | |
| Rural settlement at Mputa | 154,250 | | 154,250 | |
| Rural settlement at Matekwe | 111,750 | 172,950 | 284,700 | |
| Fund for permanent solutions | 10,300 | | 10,300 | |
| Rural settlement for Burundi refugees at Ulyankulu | | 414,000 | 414,000 | |
| 24. <u>West Africa</u> | | | | |
| Multi-purpose assistance | 80,000 | | 77,781 | 2,219 |
| 25. <u>Zaire</u> | | | | |
| Rural settlement in Bas-Zaire, Bandundu, Kasai and Shaba | 243,500 | | 193,500 | 50,000 |
| Rural settlement in the Province of Haut-Zaire | 1,025,000 | (250,275) | 774,725 | |
| Rural settlement in Shaba | 560,000 | (438,538) | 110,000 | 11,462 |
| Assistance to Burundi refugees in Kivu | | 222,800 | 222,800 | |
| Administrative expenses for Burundi refugees problem | | 27,200 | 27,200 | |
| Repatriation of Sudanese refugees | | 108,000 | 108,000 | |
| 26. <u>Zambia</u> | | | | |
| Rural settlement at Mayukwayukwa | 43,300 | | 41,221 | 2,079 |
| Rural settlement at Meheba | 331,700 | 84,538 | 416,235 | 3 |
| 27. <u>Over-all allocations</u> | | | | |
| Local settlement | 90,000 | | 50,715 | 39,285 |
| Resettlement | 330,000 | | 274,443 | 55,557 |
| Repatriation | 50,000 | 31,788 | 72,249 | 9,539 |
| Legal assistance | 24,000 | | 8,837 | 15,163 |
| Counselling | 150,000 | | 25,647 | 124,353 |
| Treatment and rehabilitations of the handicapped | 20,000 | | 6,000 | 14,000 |
| Supplementary aid | 80,000 | 6,300 | 77,870 | 8,430 |
| Public information fund | | 28,280 | 28,280 | |
| 28. <u>Reserve</u> | 700,000 | (641,411) | | 58,589 |
| 29. <u>Grant-in-aid</u> | 625,000 | | 580,164 | 44,836 |
| <u>TOTAL</u> | <u>7,968,900</u> | <u>-</u> | <u>7,314,522</u> | <u>654,378</u> |

Allocations and expenditure in 1972

(In US dollars)

| <u>Purpose of allocation</u> | <u>Amount allocated</u> | <u>Expenditure during 1972</u> | <u>Balance at 31 December 1972</u> |
|---|-----------------------------|------------------------------------|--|
| 1. <u>Ethiopia</u> | | | |
| Assistance in Begemdir and Siemen Province | 48,000 | 48,000 | |
| 2. <u>Rwanda</u> | | | |
| Assistance to refugees from Burundi Programme support and administrative expenses | 87,500 31,500 | 83,500 31,500 | 4,000 |
| 3. <u>Sudan</u> | | | |
| Assistance to repatriated refugees and other displaced persons | 300,000 | 300,000 | |
| 4. <u>United Republic of Tanzania</u> | | | |
| Assistance to Burundi refugees | 275,000 | 275,000 | |
| 5. <u>Zaire</u> | | | |
| Assistance to Angolan refugees in Bas-Zaire | 24,000 | 24,000 | |
| Assistance to refugees from Burundi Programme support and administrative expenses | 141,150 21,850 | 141,150 21,850 | |
| 6. <u>Zambia</u> | | | |
| Assistance to Malawi refugees Programme support and administrative expenses | 39,204 5,000 | 39,204 5,000 | |
| <u>TOTAL</u> | <u>973,204</u> | <u>969,204</u> | <u>4,000</u> |

Trust funds

Schedule 7

Funds available and expenditure during 1972
by area and purpose(In US dollars)

| <u>Area and purpose</u> | <u>Total funds available</u> | <u>Expenditure during 1972</u> | <u>Balances at 31 December 1972</u> |
|---|------------------------------|--------------------------------|-------------------------------------|
| I. REFUGEE EDUCATION ACCOUNT | | | |
| 1. <u>Burundi</u> Post-primary education | 58,786 | 58,786 | |
| 2. <u>Central African Republic</u> Construction of a secondary school at M'Boki | 9,490 | 9,490 | |
| 3. <u>Egypt</u> Educational assistance | 16,183 | 16,183 | |
| 4. <u>Ethiopia</u> Scholarships | 244,796 | 244,796 | |
| 5. <u>Kenya</u> Scholarships | 61,127 | 47,705 | 13,422 |
| | 14,700 | 14,700 | |
| 6. <u>Latin America</u> Educational assistance | 9,135 | 9,135 | |
| 7. <u>Liberia</u> Scholarships | 28,420 | 28,420 | |
| 8. <u>Macau</u> Repairs of a school | 500 | 500 | |
| 9. <u>Rwanda</u> Scholarships | 1,000 | | 1,000 |
| 10. <u>Senegal</u> Furnishing of a health centre at Birkama | 3,360 | 3,360 | |
| 11. <u>Sudan</u> Educational assistance | 15,000 | 5,000 | |
| | 13,275 | 8,400 | 4,875 |
| 12. <u>Uganda</u> Secondary education | 11,966 | 11,966 | |
| | 38,704 | 38,704 | |
| 13. <u>United Republic of Tanzania</u> Educational assistance | 22,550 | 22,550 | |
| 14. <u>Zaire</u> Isiro secondary school | 14,000 | 14,000 | |

Schedule 7 (continued)

| <u>Area and purpose</u> | <u>Total funds available</u> | <u>Expenditure during 1972</u> | <u>Balances at 31 December 1972</u> |
|---|------------------------------|--------------------------------|-------------------------------------|
| 15. <u>Zambia</u> Educational assistance | 8,000 | 8,000 | |
| 16. <u>Various countries</u> Educational assistance to individual refugees | 25,000 | 25,000 | |
| Other specified funds | 25,352 | | 25,352 |
| Unspecified funds | 26,805 | | 26,805 |
| <u>Total Refugee Education Account</u> | <u>648,149</u> | <u>576,695</u> | <u>71,454</u> |

II. OTHER TRUST FUNDS

| | | | |
|---|---------|---------|--------|
| 1. <u>Algeria</u> Assistance to aged refugees | 480 | 480 | |
| 2. <u>Austria</u> Care and maintenance for Asians from Uganda | 468,000 | 468,000 | |
| 3. <u>Belgium</u> Care and maintenance for Asians from Uganda | 238,636 | 238,636 | |
| 4. <u>Botswana</u> Contribution to administrative expenses of UNHCR Office in Gaborone | 60,000 | 60,000 | |
| 5. <u>Egypt</u> Assistance to Armenian refugees | 12,000 | 12,000 | |
| 6. <u>Ethiopia</u> OAU Bureau for Placement and Education of African Refugees | 20,000 | 10,000 | 10,000 |
| Assistance to physically handicapped refugees | 5,000 | 5,000 | |
| 7. <u>Italy</u> Care and maintenance for Asians from Uganda | 420,962 | 420,962 | |
| 8. <u>Laos</u> Assistance to refugees in the Houei Sai region | 30,000 | 30,000 | |
| 9. <u>Malta</u> Care and maintenance for Asians from Uganda | 172,152 | 172,152 | |
| 10. <u>Middle East</u> Resettlement of refugees | 50,000 | 50,000 | |
| Furnishing of a home for the aged | 6,011 | 6,011 | |

| <u>Area and purpose</u> | <u>Total funds available</u> | <u>Expenditure during 1972</u> | <u>Balances at 31 December 1972</u> |
|---|------------------------------|--------------------------------|-------------------------------------|
| 11. <u>Spain</u> | | | |
| Care and maintenance for Asians from Uganda | 62,016 | 62,016 | |
| 12. <u>United Republic of Tanzania</u> | | | |
| Resettlement of individual refugees | 34,600 | 34,600 | |
| 13. <u>Various countries</u> | | | |
| Assistance to refugees from South Africa in African countries | 70,000 | 70,000 | |
| Contribution towards cost of eligibility procedure | 6,023 | 6,023 | |
| Junior professional officers | 86,575 | 85,257 | 1,318 |
| Missions relating to the UNHCR Refugees Education Programme | 2,000 | 2,000 | |
| Assistance to individual cases in Europe | 110,236 | 69,978 | 40,258 |
| Assistance to refugees from Namibia | 5,000 | 5,000 | |
| Administrative costs of the "focal point" | 400,000 | 400,000 | |
| Administrative costs towards the Uganda Asians Operation | 29,000 | 29,000 | |
| 14. <u>Specified</u> | | | |
| Assistance to Asians from Uganda | 1,246,774 | | 1,246,774 |
| International protection of refugees | 75,000 | | 75,000 |
| Others | 39,206 | | 39,206 |
| 15. <u>Unspecified</u> | 197,291 | | 197,291 |
| 16. <u>Miscellaneous</u> | 11,847 | 72 | 11,775 |
| <u>Total other trust funds</u> | <u>3,858,809</u> | <u>2,237,187</u> | <u>1,621,622</u> |

III. SOUTH SUDAN OPERATION

| | <u>Cash</u> | <u>Kind</u> | <u>Total</u> |
|---------------------------------------|------------------|------------------|-------------------|
| 1. <u>Contributions</u> | 5,608,339 | 8,764,847 | 14,373,186 |
| 2. <u>Expenditure</u> | | | |
| Repatriation | 207,100 | | 207,100 |
| Food | | 7,830,000 | 7,830,000 |
| Shipment of goods | 696,770 | 792,129 | 1,488,899 |
| Transport | 907,336 | 130,724 | 1,038,060 |
| Shelter | 342,799 | 11,137 | 353,936 |
| Agriculture | 48,839 | | 48,839 |
| Health | 1,015,394 | 857 | 1,016,251 |
| Education | 175,808 | | 175,808 |
| Programme support and administration | 382,234 | | 382,234 |
| | <u>3,776,280</u> | <u>8,764,847</u> | <u>12,541,127</u> |
| 3. <u>Balance at 31 December 1972</u> | <u>1,832,059</u> | <u>-</u> | <u>1,832,059</u> |

Summary status of prior years' projects

Schedule 8

Obligations liquidated and outstanding by area and funds

| <u>Country and fund</u> | <u>Unliquidated obligations at 1 January 1972</u> | <u>Liquidated by disbursements during 1972</u> | <u>Cancellations of obligations during 1972</u> | <u>Outstanding balances as at 31 December 1972</u> |
|------------------------------------|---|--|---|--|
| 1. <u>Burundi</u> | | | | |
| Education Account | 32,623 | 31,500 | 1,123 | |
| Other trust funds | 18,281 | | | 18,281 |
| 2. <u>Cameroon</u> | | | | |
| Prior years' programmes | 1,637 | 817 | 820 | |
| 3. <u>Central African Republic</u> | | | | |
| Prior years' programmes | 61,077 | 36,079 | 24,998 | |
| Education Account | 18,694 | 9,537 | 162 | 8,995 |
| 4. <u>Chile</u> | | | | |
| Emergency Fund | 20,000 | 20,000 | | |
| 5. <u>Congo</u> | | | | |
| Prior years' programmes | 860 | 759 | | 101 |
| 6. <u>Dahomey</u> | | | | |
| Prior years' programmes | 7,304 | | 7,304 | |
| 7. <u>Egypt</u> | | | | |
| Prior years' programmes | 4,454 | 3,117 | 1,337 | |
| Education Account | 327 | (368) | | 695 |
| Other trust funds | 4,214 | 3,898 | | 316 |
| 8. <u>Ethiopia</u> | | | | |
| Prior years' programmes | 520,996 | 397,007 | 880 | 123,109 |
| Emergency Fund | 1,066 | 1,066 | | |
| Education Account | 75,888 | 74,388 | 1,500 | |
| 9. <u>Far East</u> | | | | |
| Prior years' programmes | 25,441 | 25,072 | 369 | |
| 10. <u>France</u> | | | | |
| Other trust funds | 243 | 230 | | 13 |
| 11. <u>Gabon</u> | | | | |
| Prior years' programmes | 967 | | 967 | |
| 12. <u>Greece</u> | | | | |
| Prior years' programmes | 97,326 | 50,898 | 81 | 46,347 |
| Major aid programmes | 358,673 | 100,000 | 44,687 | 213,986 |
| Other trust funds | 10,440 | 10,440 | | |
| 13. <u>India</u> | | | | |
| Prior years' programmes | 400,056 | 289,805 | 44,757 | 65,494 |
| Education Account | 5,390 | | | 5,390 |
| Other trust funds | 65,122 | 27,032 | 38,090 | |
| 14. <u>Ivory Coast</u> | | | | |
| Prior years' programmes | 5,678 | (1,232) | 6,910 | |
| 15. <u>Kenya</u> | | | | |
| Prior years' programmes | 3,000 | 2,564 | 436 | |
| Education Account | 26,332 | 26,332 | | |
| Other trust funds | 793 | 792 | 1 | |
| 16. <u>Khmer Republic</u> | | | | |
| Prior years' programmes | 10,000 | 10,000 | | |

| <u>Country and fund</u> | <u>Unliquidated obligations at 1 January 1972</u> | <u>Liquidated by disbursements during 1972</u> | <u>Cancellations of obligations during 1972</u> | <u>Outstanding balances as at 31 December 1972</u> |
|--|---|--|---|--|
| 17. <u>Latin America</u> Prior years' programmes | 147,614 | 45,943 | 22,514 | 79,157 |
| 18. <u>Liberia</u> Prior years' programmes | 2,090 | 2,090 | | |
| 19. <u>Macau</u> Prior years' programmes Education Account | 246,282 23,000 | 30,000 13,000 | 112,000 | 104,282 10,000 |
| 20. <u>Middle East</u> Prior years' programmes Other trust funds | 28,969 6,630 | 9,365 | 19,604 | 6,630 |
| 21. <u>Nepal</u> Prior years' programmes | 81,790 | 4,790 | 10,000 | 67,000 |
| 22. <u>Republic of Viet-Nam</u> Prior years' programmes | 89,751 | 89,104 | | 647 |
| 23. <u>Senegal</u> Education Account | 7,591 | 7,591 | | |
| 24. <u>Sierra Leone</u> Prior years' programmes | 2,417 | (170) | 2,587 | |
| 25. <u>Spain</u> Prior years' programmes | 498 | 392 | 106 | |
| 26. <u>Sudan</u> Prior years' programmes Education Account Other trust funds | 992,136 20,905 4,800 | 670,569 6,000 4,800 | 4,367 2,905 | 317,200 12,000 |
| 27. <u>Switzerland</u> Prior years' programmes | 19,720 | 8,437 | 11,283 | |
| 28. <u>Uganda</u> Prior years' programmes Emergency Fund Education Account Other trust funds | 1,198,816 79,599 134,977 6,174 | 119,551 79,599 4,791 | 157,578 4,678 | 921,687 125,508 6,174 |
| 29. <u>United Republic of Tanzania</u> Other trust funds | 87,246 | 33,879 | | 53,367 |
| 30. <u>West Africa</u> Prior years' programmes Other trust funds | 562 26,175 | 15 343 | 547 | 25,832 |
| 31. <u>Zaire</u> Prior years' programmes | 205,872 | 178,860 | 27,012 | |
| 32. <u>Zambia</u> Prior years' programmes Other trust funds | 171,673 5,000 | 171,673 | | 5,000 |
| 33. <u>Headquarters and various countries</u> Prior years' programmes Education Account Other trust funds | 65,532 9,191 368,605 | 44,234 7,422 187,516 | 21,286 2,983 | 12 1,769 178,106 |
| <u>TOTAL</u> | 5,810,497 | 2,839,527 | 573,872 | 2,397,098 |

Schedule 8 (continued)

| <u>Country and fund</u> | <u>Unliquidated obligations at 1 January 1972</u> | <u>Liquidated by disbursements during 1972</u> | <u>Cancellations of obligations during 1972</u> | <u>Outstanding balances as at 31 December 1972</u> |
|--|---|--|---|--|
| <u>The balances broken down by funds</u> | | | | |
| Prior years' programmes | 4,392,520 | 2,189,740 | 477,744 | 1,725,036 |
| Major aid programmes | 358,673 | 100,000 | 44,687 | 213,986 |
| Emergency Fund | 100,665 | 100,665 | | |
| Education Account | 354,919 | 180,193 | 10,368 | 164,358 |
| Other trust funds | 603,720 | 268,929 | 41,073 | 293,718 |
| <u>TOTAL</u> | <u>5,810,497</u> | <u>2,839,527</u> | <u>573,872</u> | <u>2,397,098^{a/}</u> |

a/ Chronological breakdown of outstanding balances as at 31 December 1972.

| <u>Year</u> | <u>Prior years' programmes</u> | <u>Major aid programmes</u> | <u>Trust funds</u> | | <u>Number of projects</u> | <u>Total</u> |
|--------------|--------------------------------|-----------------------------|--------------------------|----------------|---------------------------|------------------|
| | | | <u>Education Account</u> | <u>Others</u> | | |
| 1962 | | 16,667 | | | 1 | 16,667 |
| 1963 | | 56,235 | | 316 | 2 | 56,551 |
| 1964 | 179,510 | | | | 1 | 179,510 |
| 1965 | | | | 6,630 | 1 | 6,630 |
| 1967 | 10,000 | | | | 1 | 10,000 |
| 1968 | 72,489 | | 695 | 24,454 | 6 | 97,638 |
| 1969 | 45,265 | 141,084 | 123,312 | | 5 | 309,661 |
| 1970 | 463,130 | | 17,138 | 34,403 | 13 | 514,671 |
| 1971 | 954,642 | | 23,213 | 227,915 | 30 | 1,205,770 |
| <u>TOTAL</u> | <u>1,725,036</u> | <u>213,986</u> | <u>164,358</u> | <u>293,718</u> | <u>60</u> | <u>2,397,098</u> |

Long-playing Records Account

Schedule 9

Allocations and expenditure

(In US dollars)

Allocations

To Current Programme

Rural settlement of refugees in Esh Showak, Sudan 6,000

To Education Account

| | | |
|--|---------------|--------|
| Construction of three primary schools in Senegal | 2,360 | |
| Scholarships for refugee students in the Sudan | 13,275 | |
| School in Goma, Kivu Province, Zaire | <u>13,000</u> | 28,635 |

To other trust funds

| | | |
|---|----------|--------|
| Assistance to physically handicapped refugees in Ethiopia | 5,000 | |
| Resettlement of individual refugees in the United Republic of Tanzania | 9,600 | |
| Miscellaneous | <u>5</u> | 14,605 |

Expenditure

| | | |
|--|--|----------------------------|
| Replenishment of reserve for fund-raising initiatives | | <u>84,172^{a/}</u> |
| | | <u><u>133,412</u></u> |

^{a/} This replenishment brought up to its ceiling of \$US 200,000 the reserve for fund-raising initiatives, which was used in 1972 to cover the cost to UNHCR of selling the record Top Star Festival and of other fund-raising initiatives, as follows:

| | |
|-----------------------------------|----------------------|
| Salaries | 61,758 |
| Travel | 7,500 |
| General expenses | 4,004 |
| Other fund-raising initiatives | <u>10,910</u> |
| | <u><u>84,172</u></u> |

Income and expenditure of the Indemnification Fund
in 1972 and cumulative

Schedule 10

(In US dollars)

| | <u>For the year ended</u> <u>31 December 1972</u> | <u>Cumulative to</u> <u>31 December 1972</u> |
|--|--|---|
| <u>Balance at 1 January 1972</u> | 288,054 | |
| <u>Income</u> | | |
| Received from the Federal Republic of Germany | | 11,596,785 |
| Interest earned | 6,751 | 1,636,441 |
| Exchange rate difference | 97,014 | 450,276 |
| | 391,819 | 13,683,502 |
| <u>Refund of payments to refugees</u> | 365,653 ^{a/} | 3,012,099 |
| <u>Total funds available</u> | 757,472 | 16,695,601 |
| <u>Expenditure</u> | | |
| Payments to refugees | 300,080 | 15,795,110 |
| Write-offs | 789 | 123,357 |
| Administrative expenses | 62,613 | 383,144 |
| <u>Total expenditure</u> | 363,482 | 16,301,611 |
| <u>Balance at 31 December 1972</u> | 393,990 ^{b/} | 393,990 ^{b/} |

^{a/} In addition, a total of \$29,088 refundable by 28 refugees was waived in agreement with the indemnification authorities of the Federal Republic of Germany during 1972.

| | |
|-----------------------------------|---------|
| ^{b/} Consisting of: Cash | 322,056 |
| Accounts receivable | 71,934 |
| | 393,990 |

III. REPORT OF THE BOARD OF AUDITORS

1. The Board of Auditors, established under General Assembly resolution 74 (I), is required to audit the accounts of the United Nations, including all trust and special accounts, in accordance with article XII of the Financial Regulations and Rules of the United Nations and the annex to these Regulations, as well as in accordance with paragraph 22 of the statute of the Office of the United Nations High Commissioner for Refugees and article XII of the Financial Rules for Voluntary Funds (A/AC.96/316) promulgated by the High Commissioner.

2. The United Nations High Commissioner for Refugees submitted the following financial statements for audit together with other supporting detailed analysis and schedules:

- Statement I. Balance-sheet as at 31 December 1972.
- Statement II. Income and expenditure in 1972.
- Schedule 1. Loan operations.
- Schedule 2. Obligations incurred, liquidated and outstanding as at 31 December 1972.
- Schedule 3. Governmental contributions paid or pledged in 1972.
- Schedule 4. Private donations received in 1972.
- Schedule 5. UNHCR Programme for 1972 - allocations and expenditure by area and purpose.
- Schedule 6. Emergency Fund - allocations and expenditure in 1972.
- Schedule 7. Trust funds - funds available and expenditure during 1972 by area and purpose.
- Schedule 8. Summary status of prior years' projects - obligations liquidated and outstanding by area and funds.
- Schedule 9. Long-playing Records Account - allocations and expenditure.
- Schedule 10. Income and expenditure of the indemnification funds in 1972 and cumulative.

Scope of the audit

3. The responsibilities of the Board of Auditors are governed by the principles set out in the annex to the Financial Regulations and Rules of the United Nations referred to in article XII, paragraph 1 of which reads as follows:

"The Board of Auditors shall perform jointly and severally such audit of the accounts of the United Nations, including all trust funds and special accounts, as it deems necessary in order to satisfy itself:

- (a) That the financial statements are in accord with the books and records of the Organization;
- (b) That the financial transactions reflected in the statements have been in accordance with the Rules and Regulations, the budgetary provisions and other applicable directives;
- (c) That the securities and moneys on deposit and on hand have been verified by certificate received direct from the Organization's depositaries or by actual count;
- (d) That the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereupon;
- (e) That procedures satisfactory to the Board of Auditors have been applied to the recording of all assets, liabilities, surpluses and deficits."

4. The examination of the accounts and financial statements has included a review of the accounting procedures and system of internal control, test of the transactions and accuracy of the accounting records and other supporting evidence, information and explanations to the extent considered necessary in the circumstances.

Control over progress of expenditure and progress of implementation of projects

5. In order to ensure that the payments made by UNHCR to the implementing agencies are utilized by them without delay, a constant review of the progress of utilization is essential so as to ensure that large unspent balances do not accumulate with them beyond a reasonable period. Presently the position was reported to be reviewed twice a year. The Board recommends that a machinery for exercising a systematic over-all control in a more effective manner may be set up and, to the extent considered necessary, strengthened from time to time.

6. The Board further recommends that there should be a similar machinery for watching the progress of implementation of individual projects. The High Commissioner stated that a consultant had been engaged in March 1973 and would submit a report on a system of project control and monitoring which, after approval by the High Commissioner, would be put into effect in the course of 1973.

Payment of contributions by other agencies

7. The agreements for several projects of refugee settlement provide for payment of contributions by other agencies in addition to the contributions paid by UNHCR. The financial statements received from implementing agencies during the currency of the project did not indicate the amount of contributions paid by other agencies.

8. The Board recommends that arrangement may be made to ascertain the amounts of contributions paid by other agencies during the life of the project particularly by the implementing agency at the time when instalments of contributions by UNHCR are released.

9. This will have the additional advantage of ensuring that proper interest is being taken by all the co-ordinating agencies and each one is "in" the programme instead of the expenditure being allowed to become lop-sided with the imaginable possibility of embarrassment at the end of the project.

Unliquidated balances

10. The balances remaining unspent at the end of a year out of the allocations for the annual programme of UNHCR are carried forward for use in subsequent years, because the projects have to be extended to subsequent years for one reason or another. The position of such unliquidated balances as at 1 January 1972 has been given in detail at the bottom of schedule 8 "Summary status of prior years' projects - obligations liquidated and outstanding by area and funds", which showed that there was a cumulative unliquidated balance of \$2,397,098 from the former years' programmes relating to the years 1962 through 1971.

11. It was suggested last year that a time-limit should be laid down beyond which the carry-forward of balances should not be permitted.

12. While conceding that, in view of the nature of the programme carried out by UNHCR they should have the necessary discretion for the extension of the period of implementation of projects within reasonable limits, the Board recommends that all unspent allocations at the end of a year should be considered to have automatically lapsed. This, however, does not necessarily imply a break in the continuity of the projects during the year, where such a continuity is considered essential. Specific approval of the Executive Committee should be obtained for the expenditure incurred and/or expected to be incurred during the current or the next year whether against previous years' allocations or against the budget for the current year.

13. This is essential in the interest of better budgetary control and of avoiding accumulation of unliquidated balances.

Financial rules governing the expenditure on projects

14. In the case of non-governmental agencies entrusted with the implementation of projects, the agreements with implementing agencies did not specify the rules under which the expenditure on projects was to be governed. The Board recommends that, in order to ensure that moneys or supplies made available to these agencies are utilized as economically as possible, reference to the Financial Rules under which such expenditure is to be regulated may invariably be incorporated in the agreements executed with the implementing agencies.

Award of contracts by the implementing agencies without calling for competitive bids

15. The implementing agencies of UNHCR projects in various countries did not generally call for competitive bids while awarding contracts for the construction of buildings, roads, and the purchase of vehicles, equipment, etc. The attention of UNHCR was drawn to financial rule 110.18 of the United Nations Financial Rules and Regulations, which provided that "contracts for the purchase or rental of services, supplies and equipment and other requirements shall be let after

competit' bidding". The Administration of UNHCR explained that "neither the United Nations Financial Rules, nor the UNHCR Financial Rules are applicable by the executing agencies which have signed contracts with UNHCR for the implementation of voluntary funds projects".

16. It was suggested that, in order to ensure the economic use of funds of UNHCR, the agreements with the implementing agencies should invariably include a specific clause to the effect that "the building contracts and the contracts for the purchase or rental of services, supplies, equipment and other requirements involving commitments of \$US 2,500 or more, shall be let after competitive bidding". It was further suggested that a specific clause on the lines of financial rules 110.18 and 110.19 of the United Nations providing for competitive bidding should be incorporated in the revised Financial Rules of UNHCR. It is proposed that the revised version be issued in the near future.

17. The Office of the High Commissioner expressed its readiness to consider inserting in future agreements with implementing agencies a clause stipulating, when feasible, the necessity of bids for building contracts and other major items of expenditure. It felt, however, that a systematic bidding policy for all expenditure under UNHCR-financed projects was not compatible with the nature of the majority of such projects, which were either of an emergency nature, or otherwise permitted only a very limited period of planning and implementation. The Office felt that it was, in this respect, in a completely different position from the other United Nations development agencies, where the projects permitted longer periods of planning and implementation than in a typical refugee work.

18. The Board considers that it is not difficult to apply a systematic bidding policy based upon the Financial Regulations of the United Nations to expenditure under UNHCR-financed projects, since urgencies and emergencies stated to be inherent in refugee work have been contemplated in the Financial Regulations of the United Nations. It therefore recommends that specific provisions on the lines of financial rules 110.18 and 110.19 of the United Nations may be incorporated in the proposed Financial Rules of UNHCR.

Investment in refugee settlements

19. The Office established permanent rural settlements for refugees in various countries, its investment being mostly in the sphere of agriculture, education, health and communications etc. In some cases, however, these settlements were handed over to the local government for the use of the local population after the repatriation of the refugees to the countries of their origin. The investment of the Office, particularly in immovable assets, was thus no longer available for use by the refugees for whom it was intended according to the statute of UNHCR. It was recommended that UNHCR should plan refugee settlements in such a manner that minimum expenditure is incurred out of its funds on the general development of the area, which was the sphere of other agencies of the United Nations, such as UNDP, FAO etc.

20. The High Commissioner explained that

"in enabling refugees to settle on the land, UNHCR is not aiming at the general development of the area concerned. The aim is to ensure a minimum economic and social viability of the refugee settlements and any capital outlay on infrastructure (water supply, roads, health and education facilities, etc.) is planned and carried out within that perspective".

It was further explained that:

"There is a well-defined division of responsibilities agreed to by the Administrative Committee on Co-ordination concerning, on the one hand, the initial refugee settlement activities (which are within the United Nations system, the responsibility of UNHCR) and, on the other hand, further development activities (which are the responsibility of other agencies)."

21. Since general development of the areas where refugees are temporarily settled is outside the terms of reference of UNHCR, the Board recommends that a more precise, well-defined and clear-cut line should be drawn between the responsibilities of UNHCR and those of the other agencies of the United Nations, such as UNDP, FAO etc. so that the voluntary funds of UNHCR are utilized, as far as possible, for the benefit of the refugees, in accordance with the letter as well as the spirit of the statute of UNHCR.

Delays in the implementing of projects

22. A review of the refugee settlement projects indicated that, in several cases, the implementation of the projects was delayed considerably. This delay, besides causing a great deal of inconvenience to the refugees, resulted in avoidable expenditure because of emergency assistance to the refugees from UNHCR and other voluntary sources for prolonged periods.

23. The main reasons for the delay, as stated by UNHCR, were the uncertainty about the suitability of the area with respect to water facilities etc. and the inability of the implementing agencies to obligate funds according to the time-schedule of the projects. In reply to the suggestion that the planning strategy and financial control of the projects should be improved, it was stated that "UNHCR is naturally most pre-occupied by delays in implementation and will continue to take every possible action to avoid such delays, or reduce them to a minimum". The Board hopes that such delays would be reduced as far as possible in future.

Non-maintenance of inventory of vehicles and equipment purchased by the implementing agencies out of UNHCR funds

24. The agreement relating to the UNHCR projects in Ethiopia stipulated that the Implementing Agencies

"shall maintain an inventory of all vehicles and equipment purchased from the UNHCR's contribution and transmit such inventory giving project symbol, date of purchase, price, location, ownership and brief description as to the use and condition of each item to the UNHCR".

It was observed that the Implementing Agencies did not maintain and transmit inventory to the UNHCR as they should have done. At the instance of Audit inventory from one implementing agency was received but inventories from other agencies were still awaited. In view of the magnitude of the UNHCR investment in movable assets like vehicles, ferry-boats, equipment etc. (approximately \$US 240,000), the need for inventory control cannot be over-emphasized in this as well as other similar cases where UNHCR interests might be involved in the shape of movable assets.

Administrative expenses

25. The administrative costs of the Office of the High Commissioner for 1972 amounting to \$5,397,748, were, as in previous years, met from section 18 of the regular budget of the United Nations, in accordance with paragraph 20 of the statute of UNHCR. The administrative costs have been partially offset, since 1965, by a grant-in-aid from voluntary funds, which is computed at 10 per cent of the High Commissioner's programme commitment for the previous year. For the year 1972, this grant-in-aid amounted to \$580,164.

Payment of education grant and dependency allowance

Education grant

26. The education grant was paid to a staff member for his daughter, who was over 18 while she had been attending a correspondence course.

27. Staff rule 103.20 (a) (i) lays down that, for the purpose of education grant, "child" means a child in respect of whom a dependency allowance is payable under staff rules 103.23 (b) and 103.24 (b). Since dependency allowance is not payable in respect of children above 18, if they are not in full-time attendance at a school or university (or similar educational institution) under staff rule 103.24 (b), the payment of the education grant was apparently not admissible in this case.

28. The Administration explained that, for the purpose of the education grant, they had accepted the correspondence courses taken by the daughter of the staff member as "the best available substitute for full-time attendance at a school of a type not available at the duty station", under staff rule 103.20 (b) (iv), and hence the education grant was admissible.

29. This does not appear to be correct as the concession available under staff rule 103.20 (b) (iv) is applicable only to children under 18 years of age. This rule may not be applied to children above 18, since they are otherwise disqualified for the education grant under staff rule 103.20 (a) (i).

Purchase of films and photographic material during 1971-72 without calling for bids

30. The United Nations Office at Geneva spent \$32,739 in 1971 and \$38,630 in 1972 on public information material, that is, printing, films, photographs etc. required by UNHCR. An examination of the purchase orders issued by the Purchase and Stores Section during 1971 and 1972 revealed that purchases were made without

obtaining competitive rates by inviting bids, as required under financial rules 110.18 and 110.19 of the United Nations. It was also observed that the purchases had throughout been made from the same supplier for several years.

31. The External Affairs Division of UNHCR explained that "the procedure followed during years 1971 and 1972 for the placement of photographic and film work by UNHCR follow the pattern established in 1966, according to the practice approved by the United Nations Contract Committee Meeting of 23 August 1966". At that time, it was explained to the Committee that, both for practical and economic reasons, the firms in question were those generally used by UNHCR.

"United Nations financial rule 110.18, which outlines the necessity for inviting bids, is followed by rule 110.19, which outlines the exceptions to the previous rule and, notably in paragraph (a), states that contracts may be awarded without calling for proposals, advertising or formal invitations to bid when the proposed contract involves commitments of less than US\$ 2,500 provided that the award is made on an assessment of competitive quotations In so far as routine photographic work is concerned, the suppliers used by UNHCR were issued with global bon de commande at the beginning of each year, none of which were in excess of \$2,500, and a recent testing of the Geneva market shows that these firms still offer the lowest rates for this type of routine work."

32. It was observed that the purchases were made piecemeal and on the basis of requirements from time to time. This system contravened the provisions of financial rules 110.18 and 110.19 in that contracts would be awarded without calling for bids, advertising and/or formal bidding only when the proposed contract involved commitment of less than \$2,500. Even in cases involving commitments of less than \$US 2,500 the contract should be awarded "on an assessment of competitive quotations", vide financial rule 110.19 (a). The practice of making purchases, without competitive bids of one item broken into smaller quantities each costing less than \$2,500, was not regular in terms of financial rule 110.19 (a).

33. It is suggested that the requirements for films and photographic material and work may be assessed annually, biannually or after other suitable intervals, as may be fixed, and bids should be invited by advertisement through publication or by direct distribution of formal invitations to bid. In case all contracts involve commitments to a single contractor in respect of any single contract or purchase or a series of related requisitions totalling \$5,000, advice of the Contract Review Committee may be obtained prior to entering into an agreement with the supplier, as envisaged in the rules.

Audit arrangements for the United Nations Focal Point Operations in India

34. In its resolution 2790 A (XXVI) of 6 December 1971, the General Assembly endorsed the designation by the Secretary-General of the United Nations High Commissioner for Refugees to be the "focal point" for the co-ordination of assistance to East Pakistan refugees in India, from and through the United Nations system. Since it was not clear from the resolution how the "focal point" expenditures should be audited, the Board was not able to take up the audit of these operations during the year 1971. Subsequently, in June 1972, the Secretary-General requested the Board to undertake an examination of the accounts and financial statements and to report thereon to him, the High Commissioner and the General Assembly in the usual manner.

35. The Board's preliminary review in November 1972 and March 1973 at the Office of the High Commissioner comprised an examination of the accounting records and supporting documentation, including interim expenditure reports, which were submitted by the United Nations agencies and the Government of India. Furthermore, the Board has established contact with the Offices of UNICEF, FAO/WFP, WHO and the Auditor-General of India. At the time of the Board's examination, interim financial accounts had been prepared by the Office of the High Commissioner; however, the High Commissioner, the Government of India and the United Nations agencies which co-operated in this operation were unable to close their accounts in time to enable a complete audit and preparation of a final audit report.

36. The Office of the High Commissioner is engaged in obtaining final expenditure reports from the United Nations agencies and the Government of India. Expenditures incurred by the United Nations agencies will come under the scrutiny and audit of their respective external auditors. Pursuant to a Memorandum of Understanding between the Government of India and the Office of the High Commissioner, the Government of India is required to submit a comprehensive official account of aid received from the United Nations and an audit report of the account by the Auditor-General of India. When this is received, the Board will complete its examination and report thereon to the Secretary-General, the High Commissioner and the General Assembly.

37. In stressing the urgency of bringing this matter to a satisfactory conclusion, the Board has asked the United Nations agencies and the Government of India to expedite completion of their reports so that the final accounts of the focal point operation can be prepared, examined and reported upon to the General Assembly.

Follow-up action

Loan situation in Greece

38. A reference to the loan situation in Greece was made in paragraphs 7 to 9 of the last year's report of the Board of Auditors to the General Assembly. ^{1/} The Board had recommended, in the light of UNHCR's past experience and the slow progress being made in bringing the Greek loan situation under proper control, the revival of the proposal made to the Government of Greece in 1964 that ad hoc lump sum repayment of the loan instalments due may be made by the Government to UNHCR, without waiting for actual recoveries from each loan recipient.

39. The following table compares the position of the amounts given as loan and mortgage bonds issued at the end of each of the last three years:

^{1/} Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 7E (A/8707/Add.5), sect. C.

| | <u>1972</u> \$ | <u>1971</u> \$ | <u>1970</u> \$ |
|--|-------------------|-------------------|-------------------|
| Amount loaned by UNHCR | 3,193,640 | 3,112,796 | 3,085,736 |
| Number of housing units occupied and establishment assistance cases completed | 3,111 | 3,070 | 2,916 |
| Number of mortgage bonds issued | 2,331 | 1,963 | 1,570 |
| Number of provisional bonds issued | 626 | 957 | 1,235 |

40. The UNHCR Branch Office has been pursuing the matter with the Greek authorities. The Office suggested to the Government in February 1973 a formula whereby the Government of Greece would undertake to repay to the High Commissioner a percentage of loans as high as feasible in a number of yearly instalments to be decided upon by mutual agreement. The Board hopes that a final solution to the problem would be negotiated at the earliest possible date keeping in view the interests of UNHCR.

Submission of financial statements by operating partners

41. In paragraph 11 of last year's report, 1/ it was pointed out that, in respect of all UNHCR projects implemented either by governmental or private agencies, the relevant agreements require that the operational partners should submit to UNHCR interim as well as final financial statements by specified dates. As a result of a review, it was found that as many as 43 such statements were awaited at the end of 1972. The Board recommends that the overdue financial statements should be pursued vigorously and that, in addition, an over-all review of the situation by the Finance and Control Section of UNHCR, introduced in November 1972, should be carried out quarterly and suitable action taken at appropriate levels to expedite the submission of the financial statements.

Acknowledgement

42. The Board of Auditors records its appreciation for the co-operation and assistance extended by the High Commissioner, the Directors and staff of his office during the course of the work.

(Signed) J. E. ESCALLON O.
Controller-General
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Acting Auditor-General
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22 June 1973

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