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ADMINISTRATIVE AND FINANCIAL MATTERS

AUDITED FINANCIAL STATEMENTS FOR THE BIENNIUM 2000–2001

Report of the United Nations Board of Auditors

Note by the Executive Secretary

Addendum

Summary

This document contains the financial statements for the biennium 2000–2001 which have been audited by the United Nations Board of Auditors. The audit statement is provided in document FCCC/SBI/2002/10.

The Subsidiary Body for Implementation is invited to take note of the information contained in this document and the report of the external auditors. It may also wish to propose appropriate actions which may be included in the draft decisions on administrative and financial matters to be adopted by the Conference of the Parties at its eighth session.

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I. NARRATIVE FINANCIAL REPORT FOR THE BIENNIUM ENDED 31 DECEMBER 2001

1. The Executive Secretary has the honour to submit herewith the financial report, together with the accounts for the biennium 2000–2001 ended 31 December 2001, of the United Nations Framework Convention on Climate Change (UNFCCC). The report is presented in accordance with paragraph 16 of the Financial procedures for the Conference of the Parties to the United Nations Framework Convention on Climate Change, its subsidiary bodies and its permanent secretariat (FCCC/CP/1995/7/Add.1).

STATEMENT I

Statement of income and expenditure and changes in reserves and fund balances

I. Trust Fund for the Core Budget of UNFCCC

2. The amount of \$22,567,883 shown in statement I represents indicative contributions from governments. The amount of \$1,389,302 represents voluntary contributions paid by the host country to the core budget for the biennium 2000–2001 (schedules 1.1 and 1.2). In addition, \$954,500 was received as interest income and \$2,041 as other income and \$3,421,694 representing contributions not yet received, thus bringing the total expected income to \$24,913,726. Expenditures for the biennium 2000–2001 amounted to \$26,472,078, which resulted in a shortfall of income below expenditure of \$1,558,352. The prior period adjustments of \$73,396 decreased the shortfall to \$1,484,956. This shortfall is covered from the reserve and fund balances brought forward from the last biennium. The reserve and fund balance of the core budget amounted to \$7,232,179 at the end of December 2001.

II. Trust Fund for Participation in the UNFCCC Process

3. A total amount of \$2,856,434 was received during the biennium 2000–2001 as voluntary contributions from various governments (schedule 1.1). In addition \$61,130 was received as interest income and \$78,265 as other income. Thus the total income of the fund was \$2,995,829.

4. The total expenditure, which included \$1,990 as loss on exchange, was \$3,689,945, resulting in a shortfall of income over expenditure of \$694,116. The prior period adjustment of \$116,750 reduced the shortfall to \$577,366.

5. The reserve and fund balance of the fund was \$630,239 at the end of December 2001 due to a transfer of \$618,226 from the supplementary fund and \$111,898 savings from prior period obligations.

III. Trust Fund for Supplementary Activities

6. The voluntary contributions to the fund amounted to \$5,455,785 for the biennium 2000–2001 (schedule 1.1). Total income in this fund was \$5,873,315 after inclusion of interest income of \$410,403 and \$7,127 as miscellaneous income.

7. Total expenditure was \$3,426,960, which resulted in an excess of income over expenditure of \$2,446,355. The prior period adjustment of \$215,161 increased the excess to \$2,661,516.

8. The reserve and fund balance reached \$4,426,171 at the end of December 2001 after setting aside \$618,226 as unspent balances for various supplementary activities for refunding to governments.

IV. Trust Fund for the Special Annual Contribution from the Government of Germany

9. \$3,174,841 was received from the Government of Germany. Total income in this fund was \$3,286,734 after inclusion of \$111,893 as interest income.

10. The expenditure amounted to \$3,213,093, which resulted in an excess of income over expenditure of \$73,641. The prior period adjustment of \$32,624 increased the excess of income over expenditure to \$106,265.

11. Together with the savings on prior period expenditure of \$250,953 and the refund of \$320,312 to the Government of Germany, the fund balance amounted to \$675,496 at the end of December 2001.

V. Trust Fund for Technical Cooperation

12. UNFCCC entered into a basic agreement with the United Nations Fund for International Partnerships (UNFIP) on 23 August 1999 in which the latter agreed to provide grants for the implementation of specific projects. Following this agreement, a project was developed on "Engaging the private sector in clean development mechanism (CDM) project activities under the Kyoto Protocol", which would be facilitated by UNFCCC and implemented by the United Nations Development Programme, the United Nations Industrial Development Organization and the United Nations Conference on Trade and Development, with the United Nations Development Programme taking the lead.

13. The voluntary contributions to the fund amounted to \$1,500,000 for the biennium 2000–2001. Total income in this fund was \$1,527,671 after inclusion of interest income of \$27,671.

14. Total expenditure was \$442,978, which resulted in an excess of income over expenditure of \$1,084,693.

15. The reserve and fund balance reached \$1,084,693.

VI. Special Account for Programme Support Costs

16. The programme support cost income received during the biennium from voluntary contributions to the fund amounted to \$4,296,699 for the biennium 2000–2001. Total income in this fund was \$4,368,208 after inclusion of interest income of \$71,509.

17. Total expenditure was \$1,929,419, which resulted in an excess of income over expenditure of \$2,438,789.

18. The reserve and fund balance reached \$2,438,789.

STATEMENT II**Statement of assets, liabilities, reserves and fund balances****I. Trust Fund for the Core Budget of UNFCCC**

19. The assets of the fund amounted to \$11,024,576 and included cash of \$5,995,462, indicative contributions receivable of \$3,421,694, inter-fund balances receivable of \$744,723, other accounts receivable of \$862,697.
20. The liabilities consisted of other accounts payable of \$1,527,579, unliquidated obligations of \$2,005,520 and contributions received in advance of \$259,298.
21. The working capital reserve was \$1,122,877 by the end of 2001 and the cumulative surplus of the fund was \$6,109,302.

II. Trust Fund for Participation in the UNFCCC Process

22. Total assets of \$1,242,831 included cash of \$1,237,874 and other accounts receivable of \$4,957.
23. The liabilities consisted of inter-fund balances payable of \$128,198 and unliquidated obligations of \$484,394.
24. The cash operating reserve of the fund amounted to \$127,612 and the cumulative surplus to \$502,627 at the end of December 2001.

III. Trust Fund for Supplementary Activities

25. The assets of the fund amounted to \$6,282,220, including cash of \$6,257,602 and other accounts receivable of \$24,618.
26. The liabilities consisted of inter-fund balances payable of \$506,529, other accounts payable of \$1,108,804 and unliquidated obligations of \$240,716.
27. The cash operating reserve reached \$173,225 and the cumulative surplus was \$4,252,946.

IV. Trust Fund for the Special Annual Contribution from the Government of Germany

28. The total assets of the fund consisted of cash of \$1,082,764 and other accounts receivable of \$4,355.
29. The liabilities included inter-fund balances payable of \$141,207 and unliquidated obligations of \$270,416.
30. The cash operating reserve of the fund amounted to \$196,925 and the cumulative surplus to \$478,571 at the end of December 2001.

V. Trust Fund for Technical Cooperation

31. The assets of the fund amounted to \$1,148,821, which included cash of \$708,063, other accounts receivable of \$2,572 and operating funds provided to executing agencies of \$438,186.
32. The liabilities consisted of inter-fund balances payable of \$64,128.
33. The reserve for allocations amounted to \$438,186 and the cumulative surplus was \$646,507.

VI. Special Account for Programme Support Costs

34. The assets of the fund amounted to \$2,595,150, which included cash of \$2,586,634 and other accounts receivable of \$8,516.
35. The liabilities consisted of inter-fund balances payable of \$142,836 and unliquidated obligations of \$13,525.
36. The cash operating reserve reached \$445,670 and the cumulative surplus was \$1,993,119.

II. CERTIFICATION OF THE FINANCIAL STATEMENTS

17 May 2002

I certify that the appended financial statements of the United Nations Framework Convention on Climate Change, numbered I to IV, are fairly stated.

(Signed) Tahar Hadj-Sadok
Officer-in-Charge

Statement I

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE									
Statement of income and expenditure and changes in reserves and fund balances for the biennium 2000–2001 ended 31 December 2001 (US dollars)									
	Schedule or note reference	TRUST FUND FOR THE CORE BUDGET OF UNFCCC (FC)		TRUST FUND FOR PARTICIPATION IN THE UNFCCC PROCESS (FI)		TRUST FUND FOR SUPPLEMENTARY ACTIVITIES (FR)		TRUST FUND FOR THE SPECIAL ANNUAL CONTRIBUTION FROM THE GOVERNMENT OF GERMANY (FG)	
		<u>2001</u>	<u>1999</u>	<u>2001</u>	<u>1999</u>	<u>2001</u>	<u>1999</u>	<u>2001</u>	<u>1999</u>
INCOME:									
Indicative Contributions	Note 2 (g) (i)	22,567,883	19,577,064	-	-	-	-	-	-
Voluntary Contributions	Note 2 (g) (ii)	1,389,302	1,712,492	2,856,434	1,943,610	5,455,785	3,262,681	3,174,841	3,894,592
Received under Inter-Organization arrangements		-	1,385	-	-	-	-	-	-
Programme Support Cost Income	Note 10	-	-	-	-	-	-	-	-
Other/Miscellaneous Income									
Interest income	Note 2 (g) (iii)	954,500	548,707	61,130	106,791	410,403	213,738	111,893	97,216
Miscellaneous	Note 2 (g) (iv)	2,041	20,700	78,265	-	7,127	-	-	9,562
TOTAL INCOME		24,913,726	21,860,348	2,995,829	2,050,401	5,873,315	3,476,419	3,286,734	4,001,370
EXPENDITURE:									
Staff and other personnel costs		15,462,692	11,305,775	-	-	982,643	1,232,065	989,421	1,016,528
Travel		1,777,915	1,149,188	3,263,448	2,837,652	1,683,274	518,064	20,361	452,632
Contractual services		946,660	256,372	-	-	45,724	28,720	-	-
Operating expenses	Note 3	2,115,889	804,109	1,990	99,787	207,201	159,005	1,822,352	1,980,752
Acquisitions		1,250,792	699,299	-	-	10,561	2,962	15,161	21,162

Statement I (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE									
Statement of income and expenditure and changes in reserves and fund balances for the biennium 2000–2001 ended 31 December 2001 (US dollars)									
	Schedule or note reference	TRUST FUND FOR THE CORE BUDGET OF UNFCCC (FC)		TRUST FUND FOR PARTICIPATION IN THE UNFCCC PROCESS (FI)		TRUST FUND FOR SUPPLEMENTARY ACTIVITIES (FR)		TRUST FUND FOR THE SPECIAL ANNUAL CONTRIBUTION FROM THE GOVERNMENT OF GERMANY (FG)	
		<u>2001</u>	<u>1999</u>	<u>2001</u>	<u>1999</u>	<u>2001</u>	<u>1999</u>	<u>2001</u>	<u>1999</u>
Fellowships, grants and other		1,876,529	1,685,708	-	-	103,305	297,433	-	10,000
Total direct expenditure		23,430,477	15,900,451	3,265,438	2,937,439	3,032,708	2,238,249	2,847,295	3,481,074
Programme support costs		3,041,601	2,067,059	424,507	368,895	394,252	283,365	365,798	452,540
TOTAL EXPENDITURE		26,472,078	17,967,510	3,689,945	3,306,334	3,426,960	2,521,614	3,213,093	3,933,614
Prior period adjustments	Note 4	73,396	33,899	116,750	107,581	215,161	12,779	32,624	-
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		(1,484,956)	3,926,737	(577,366)	(1,148,352)	2,661,516	967,584	106,265	67,756
Transfers (to) from reserves and other funds		-		618,226	-	(618,226)	(915,003)	-	934,384
Refund to donors	Note 5	-		-	-	-	-	(320,312)	(363,550)
Savings on prior period obligations	Note 2 (e)	564,587	169,126	111,898	588,716	137,215	98,301	250,953	-
RESERVES AND FUND BALANCES: BEGINNING OF PERIOD		8,152,548	4,056,685	477,481	1,037,117	2,245,666	2,094,784	638,590	-
RESERVES AND FUND BALANCES: END OF PERIOD		7,232,179	8,152,548	630,239	477,481	4,426,171	2,245,666	675,496	638,590

Statement I (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE						
Statement of income and expenditure and changes in reserves and fund balances for the biennium 2000-2001 ended 31 December 2001 (US dollars)						
	Schedule or note reference	TRUST FUND FOR UNFCCC TECHNICAL COOPERATION (UNFIP) (FU)		SPECIAL ACCOUNT FOR UNFCCC PROGRAMME SUPPORT COSTS (ZR)		TOTAL
		2001	1999	2001	1999	
INCOME:						
Indicative contributions	Note 2 (g) (i)	-	-	-	-	19,577,064
Voluntary contributions	Note 2 (g) (ii)	1,500,000	-	-	-	10,813,375
Received under inter-organization arrangements		-	-	-	-	1,385
Programme support cost income	Note 10	-	-	4,296,699	-	-
Other/miscellaneous Income						
Interest income	Note 2 (g) (iii)	27,671	-	71,509	-	966,452
Miscellaneous	Note 2 (g) (iv)	-	-	-	-	30,262
TOTAL INCOME		1,527,671	-	4,368,208	-	31,388,538
EXPENDITURE:						
Staff and other personnel costs						
Travel		165,385	-	1,914,714	-	13,554,368
Contractual services		56,772	-	9,810	-	4,957,536
Operating expenses		184,727	-	4,316	-	285,092
Acquisitions		-	-	-	-	3,043,653
Fellowships, grants and other		-	-	579	-	723,423
Total direct expenditure		36,094	-	-	-	1,993,141
Programme support costs		442,978	-	1,929,419	-	24,557,213
TOTAL EXPENDITURE		442,978	-	1,929,419	-	27,729,072

<p align="center">UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE</p> <p align="center">Statement of income and expenditure and changes in reserves and fund balances for the biennium 2000-2001 ended 31 December 2001 (US dollars)</p>						
	Schedule or note reference	TRUST FUND FOR UNFCCC TECHNICAL COOPERATION (UNFIP)		SPECIAL ACCOUNT FOR UNFCCC PROGRAMME SUPPORT COSTS (ZR)		TOTAL
		<u>2001</u>	<u>1999</u>	<u>2001</u>	<u>1999</u>	
Prior period adjustments	Note 4	-	-	-	-	437,931
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		1,084,693	-	2,438,789	-	4,228,941
Transfers (to) from reserves and other funds		-	-	-	-	-
Refund to donors	Note 5	-	-	-	-	(320,312)
Savings on prior period obligations	Note 2 (e)	-	-	-	-	1,064,653
RESERVES AND FUND BALANCES: BEGINNING OF PERIOD		-	-	-	-	11,514,285
RESERVES AND FUND BALANCES: END OF PERIOD		1,084,693	-	2,438,789	-	16,487,567
						11,514,285

Statement II

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE Statement of assets, liabilities, reserves and fund balances for the biennium 2000–2001 as at 31 December 2001 (US dollars)									
	Schedule or note reference	TRUST FUND FOR THE CORE BUDGET OF UNFCCC (FC)		TRUST FUND FOR PARTICIPATION IN THE UNFCCC PROCESS (FI)		TRUST FUND FOR SUPPLEMENTARY ACTIVITIES (FR)		TRUST FUND FOR THE SPECIAL ANNUAL CONTRIBUTION FROM THE GOVERNMENT OF GERMANY (FG)	
		2001	1999	2001	1999	2001	1999	2001	1999
ASSETS									
Cash and term deposits	Notes 2 (f), 6	5,995,462	8,757,365	1,237,874	1,626,285	6,257,602	2,654,746	1,082,764	1,387,239
Accounts receivable:									
Indicative contributions receivable from Member States	Sched. 1.1	3,421,694	1,191,651	-	-	-	-	-	-
Due from United Nations General Fund		744,723	14,315	-	-	-	-	-	-
Other accounts receivable	Note 7	862,697	648,326	4,957	15,896	24,618	83,208	4,355	84,669
Deferred charges		-	5,516	-	-	-	-	-	-
Operating funds provided to executing agencies		-	30,000	-	536,628	-	-	-	-
TOTAL ASSETS		11,024,576	10,647,173	1,242,831	2,178,809	6,282,220	2,737,954	1,087,119	1,471,908
LIABILITIES									
Contributions/payments received in advance	Sched. 1.1	259,298	414,698	-	-	-	-	-	-
Unliquidated obligations		2,005,520	1,712,830	484,394	1,153,036	240,716	162,110	270,416	778,971
Accounts payable		-	-	128,198	548,292	506,529	162,566	141,207	54,347
Due to United Nations General Fund		-	-	-	-	1,108,804	167,612	-	-
Other accounts payable	Note 8	1,527,579	367,097	-	-	-	-	-	-
TOTAL LIABILITIES		3,792,397	2,494,625	612,592	1,701,328	1,856,049	492,288	411,623	833,318

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE									
Statement of assets, liabilities, reserves and fund balances									
for the biennium 2000–2001 as at 31 December 2001									
(US dollars)									
	Schedule or note reference	TRUST FUND FOR THE CORE BUDGET OF UNFCCC (FC)		TRUST FUND FOR PARTICIPATION IN THE UNFCCC PROCESS (FI)		TRUST FUND FOR SUPPLEMENTARY ACTIVITIES (FR)		TRUST FUND FOR THE SPECIAL ANNUAL CONTRIBUTION FROM THE GOVERNMENT OF GERMANY (FG)	
		2001	1999	2001	1999	2001	1999	2001	1999
RESERVES AND FUND BALANCES									
Operating reserve	Note 9	-	-	127,612	286,604	173,225	163,857	196,925	273,798
Working capital reserve	Note 9	1,122,877	689,754	-	-	-	-	-	-
Reserve for allocations		-	-	-	-	-	-	-	-
Cumulative surplus (deficit)		6,109,302	7,462,794	502,627	190,877	4,252,946	2,081,809	478,571	364,792
TOTAL RESERVES AND FUND BALANCES		7,232,179	8,152,548	630,239	477,481	4,426,171	2,245,666	675,496	638,590
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		11,024,576	10,647,173	1,242,831	2,178,809	6,282,220	2,737,954	1,087,119	1,471,908

Statement II (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE Statement of assets, liabilities, reserves and fund balances for the biennium 2000–2001 as at 31 December 2001 (US dollars)							
	Schedule or note reference	TRUST FUND FOR UNFCCC TECHNICAL COOPERATION (UNFIP) (FU)		SPECIAL ACCOUNT FOR UNFCCC PROGRAMME SUPPORT COSTS (ZR)		TOTAL	
		2001	1999	2001	1999		2001
ASSETS							
Cash and term deposits	Notes 2 (f), 6	708,063	-	2,586,634	-	17,868,399	14,425,635
Accounts receivable:							
Indicative contributions receivable from Member States	Sched. 1.1	-	-	-	-	3,421,694	1,191,651
Inter-fund balances receivable		-	-	-	-	-	14,315
Other accounts receivable	Note 7	2,572	-	8,516	-	907,715	832,099
Deferred charges		-	-	-	-	-	5,516
Operating funds provided to executing agencies		438,186	-	-	-	438,186	566,628
TOTAL ASSETS		1,148,821	-	2,595,150	-	22,635,994	17,035,844
LIABILITIES							
Contributions/payments received in advance	Sched. 1.1	-	-	-	-	259,298	414,698
Unliquidated obligations		-	-	13,525	-	3,014,571	3,806,947
Accounts payable							
Inter-fund balances payable		64,128	-	142,836	-	1,552,211	765,205
Other accounts payable	Note 8	-	-	-	-	1,322,347	534,709
TOTAL LIABILITIES		64,128	-	156,361	-	6,148,427	5,521,559

Statement II (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE							
Statement of assets, liabilities, reserves and fund balances for the biennium 2000–2001 as at 31 December 2001 (US dollars)							
	Schedule or note reference	TRUST FUND FOR UNFCCC TECHNICAL COOPERATION (UNFIP) (FU)		SPECIAL ACCOUNT FOR UNFCCC PROGRAMME SUPPORT COSTS (ZR)		TOTAL	
		2001	1999	2001	1999		2001
RESERVES AND FUND BALANCES							
Operating reserve	Note 9	-	-	445,670	-	943,432	724,259
Working capital reserve	Note 9	-	-	-	-	1,122,877	689,754
Reserve for allocations		438,186	-	-	-		
Cumulative surplus (deficit)		646,507	-	1,993,119	-	14,421,258	10,100,272
TOTAL RESERVES AND FUND BALANCES		1,084,693	-	2,438,789	-	16,487,567	11,514,285
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		1,148,821	-	2,595,150	-	22,635,994	17,035,844

Statement III

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE										
Statement of cash flows for the biennium 2000–2001 ended 31 December 2001										
(US dollars)										
	FC		FI		FR		FQ		ZG	
	2001	1999	2001	1999	2001	1999	2001	1999	2001	2001
CASH FLOWS FROM OPERATING ACTIVITIES:										
Net excess (shortfall) of income over expenditures (statement I)	(1,484,956)	3,926,737	(577,366)	(1,148,352)	2,661,516	967,584	106,265	67,756	1,084,693	2,438,789
(Increase) decrease in contributions receivable	(2,230,043)	120,075	-	-	-	-	-	-	-	-
(Increase) decrease in other accounts receivable	(208,855)	326,028	10,939	(15,096)	58,590	79,497	80,314	(84,669)	(2,572)	(8,516)
(Increase) decrease in other assets	30,000	(35,516)	536,628	(536,628)	-	-	-	-	(438,186)	-
Increase (decrease) in contributions received in advance	(155,400)	369,477	-	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	(1,160,482)	107,791	-	(279,576)	941,192	148,945	-	-	-	-
Increase (decrease) in unliquidated obligations	292,690	506,104	(668,642)	22,836	78,606	39,692	(508,555)	778,971	-	13,525
Less: interest income received	(954,500)	(548,707)	(61,130)	(106,791)	(410,403)	(213,738)	(111,893)	(97,216)	(27,671)	(71,509)
NET CASH FROM OPERATING ACTIVITIES	(3,550,582)	4,771,989	(759,571)	(2,063,607)	3,329,501	1,021,980	(433,869)	664,842	616,264	2,372,289
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES:										
(Increase) decrease in due from United Nations General Fund	(730,408)	187,275	-	1,113,543	-	-	-	-	-	-
Increase (decrease) in due to United Nations General Fund	-	-	(420,094)	548,292	343,963	124,059	86,860	54,347	64,128	142,836
Plus: interest income received	954,500	548,707	61,130	106,791	410,403	213,738	111,893	97,216	27,671	71,509

Statement III (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE										
Statement of cash flows for the biennium 2000–2001 ended 31 December 2001										
(US dollars)										
	FC		FI		FR		FQ		ZG	
	2001	1999	2001	1999	2001	1999	2001	1999	2001	2001
NET CASH FROM INVESTING AND FINANCING ACTIVITIES	1,538,128	735,982	(358,964)	1,768,626	754,366	337,797	198,753	151,563	91,799	214,345
CASH FLOWS FROM OTHER SOURCES:										
Savings on prior period obligations	564,587	169,126	111,898	588,716	137,215	98,301	250,953	-	-	-
Other adjustments to fund balance	-	-	618,226	-	(618,226)	(915,003)	(320,312)	570,834	-	-
NET CASH FROM OTHER SOURCES	564,587	169,126	730,124	588,716	(481,011)	(816,702)	(69,359)	570,834	-	-
NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS	(2,761,903)	5,677,097	(388,411)	293,735	3,602,856	543,075	(304,475)	1,387,239	708,063	2,586,634
CASH AND TERM DEPOSITS AT BEGINNING OF PERIOD	8,757,365	3,080,268	1,626,285	1,332,550	2,654,746	2,111,671	1,387,239	-	-	-
CASH AND TERM DEPOSITS AT END OF PERIOD	5,995,462	8,757,365	1,237,874	1,626,285	6,257,602	2,654,746	1,082,764	1,387,239	708,063	2,586,634

Statement IV

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE					
<u>The core budget</u> : statement of appropriations for the biennium 2000–2001 ended 31 December 2001 (US dollars)					
Budget classification	Approved budget	Expenditures			Balance
		Disbursements	Unliquidated obligations	Total	
Executive Direction and Management	1,523,230	1,080,787	46,587	1,127,374	395,856
<u>Planning, Coordination and Emerging Issues:</u>					
Coordination and Management	895,170	742,619	28,872	771,491	123,679
Cooperative Mechanisms	973,800	540,366	44,319	584,685	389,115
Emissions Trading	578,400	361,917	6,246	368,163	210,237
Planning, Coordination and Emerging Issues	2,447,370	1,644,902	79,437	1,724,339	723,031
<u>Science and Technology:</u>					
Coordination and Management	1,877,180	1,948,728	72,404	2,021,132	(143,952)
Methodology and Science Technology	1,746,000	1,259,145	152,052	1,411,197	334,803
Science and Technology	1,021,000	675,053	65,792	740,845	280,155
Science and Technology	4,644,180	3,882,927	290,248	4,173,175	471,005
<u>Implementation:</u>					
Coordination and Management	1,049,180	1,012,318	120,379	1,132,697	(83,517)
Implementation Process	1,361,900	800,854	38,429	839,283	522,617
Annex I Implementation	1,900,900	1,446,885	50,489	1,497,374	403,526
Non-Annex I Implementation	2,104,400	1,434,501	139,235	1,573,736	530,664
Implementation	6,416,380	4,694,558	348,532	5,043,090	1,373,290
<u>Information, Outreach and Administrative Services:</u>					
Coordination and Management	800,750	913,949	45,809	959,758	(159,008)
Information Support	1,957,790	1,649,990	408,525	2,058,515	(100,725)
Outreach	431,680	277,377	44,889	322,266	109,414
Information, Outreach and Administrative Services	3,190,220	2,841,316	499,223	3,340,539	(150,319)
<u>Intergovernmental and Conference Affairs:</u>					
Coordination and Management	762,530	781,486	42,641	824,127	(61,597)
Intergovernmental and Legal Affairs	645,000	491,453	28,905	520,358	124,642
Conference Support	1,479,100	1,613,269	107,474	1,720,743	(241,643)
Secretariat-wide costs	2,570,000	2,575,801	395,329	2,971,130	(401,130)
Intergovernmental and Conference Affairs	5,456,630	5,462,009	574,349	6,036,358	(579,728)
Preparation for the sixth session of the Conference of the Parties	884,956	1,784,908	167,144	1,952,052	(1,067,096)
Total	24,562,966	21,391,407	2,005,520	23,396,927	1,166,039

Schedule 1.1

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE							
Status of indicative contributions as at 31 December 2001							
(US dollars)							
Trust Fund for the Core Budget of UNFCCC (FC)	Indicative contribution receivable as at 01.01.2000	Contribution received in advance as at 01.01.2000	Indicative contribution for 2000-2001 and adjustment of prior periods	Collections 2000-2001	Indicative contribution received in advance for 2002	Indicative contribution receivable as at 31.12.2001	Member State
	100	-	656	775	19	-	Albania
	14,389	-	17,049	23,718	-	7,720	Algeria
	-	-	673	-	-	673	Angola
	-	1,536	438	-	1,098	-	Antigua and Barbuda
	106,428	-	247,139	260,710	-	92,857	Argentina
	3,421	-	872	-	-	4,293	Armenia
	-	102,247	341,298	222,091	-	16,960	Australia
	4	-	207,177	207,181	-	-	Austria
	23,732	-	1,634	-	-	25,366	Azerbaijan
	-	5,250	2,950	-	2,300	-	Bahamas
	1,065	-	3,829	-	-	4,894	Bahrain
	3,248	-	2,188	-	-	5,436	Bangladesh
	727	-	1,861	1,880	-	708	Barbados
	-	-	4,672	4,672	-	-	Belarus
	114,596	-	245,042	356,068	-	3,570	Belgium
	196	-	218	414	-	-	Belize
	-	780	438	-	342	-	Benin
	-	953	218	-	735	-	Bhutan
	1,254	-	1,641	2,895	-	-	Bolivia
	-	-	441	-	-	441	Bosnia and Herzegovina
	-	42	2,188	2,501	355	-	Botswana
	-	87	405,620	136,579	-	268,954	Brazil

Schedule 1.1 (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE							
Status of indicative contributions as at 31 December 2001							
(US dollars)							
Trust Fund for the Core Budget of UNFCCC (FC)	Indicative contribution receivable as at 01.01.2000	Contribution received in advance as at 01.01.2000	Indicative contribution for 2000-2001 and adjustment of prior periods	Collections 2000-2001	Indicative contribution received in advance for 2002	Indicative contribution receivable as at 31.12.2001	
<u>Member State</u>							
Bulgaria	-	3,765	2,627	-	1,138	-	
Burkina Faso	377	-	438	707	-	108	
Burundi	759	-	218	-	-	977	
Cambodia	1,407	-	329	-	-	1,736	
Cameroon	3,897	-	2,403	-	-	6,300	
Canada	-	-	580,121	591,883	11,762	-	
Cape Verde	1,661	-	327	-	-	1,988	
Central African Republic	1,642	-	218	-	-	1,860	
Chad	1,561	-	218	-	-	1,779	
Chile	16,318	-	36,590	46,062	-	6,846	
China	45	-	277,887	277,917	-	15	
Colombia	-	2,597	32,337	25,150	-	4,590	
Comoros	1,561	-	218	-	-	1,779	
Congo	1,293	-	435	-	-	1,728	
Cook Islands	-	-	218	363	145	-	
Costa Rica	4,462	-	3,942	5,258	-	3,146	
Côte d'Ivoire	3,312	-	1,969	-	-	5,281	
Croatia	-	41	7,555	16,892	9,378	-	
Cuba	2,801	-	5,912	8,373	-	340	
Cyprus	-	34	7,879	7,402	-	443	
Czech Republic	-	2,025	32,451	30,426	-	-	
Democratic People's Republic of Korea	11,415	-	2,620	-	-	14,035	
Democratic Republic of the Congo	1,402	-	1,200	2,151	-	451	
Denmark	25	-	158,111	151,368	-	6,768	

Schedule 1.1 (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE							
Status of indicative contributions as at 31 December 2001							
(US dollars)							
Trust Fund for the Core Budget of UNFCCC (FC)	Indicative contribution receivable as at 01.01.2000	Contribution received in advance as at 01.01.2000	Indicative contribution for 2000-2001 and adjustment of prior periods	Collections 2000-2001	Indicative contribution received in advance for 2002	Indicative contribution receivable as at 31.12.2001	
<u>Member State</u>							
Djibouti	196	-	218	340	-	74	
Dominica	1,561	-	218	-	-	1,779	
Dominican Republic	1,592	-	4,164	5,736	-	20	
Ecuador	2,079	-	4,926	8,157	1,152	-	
Egypt	12,575	-	15,985	19,626	-	8,934	
El Salvador	3,470	-	3,287	6,757	-	-	
Equatorial Guinea	-	-	110	-	-	110	
Eritrea	-	953	218	-	735	-	
Estonia	-	128	2,405	3,858	1,581	-	
Ethiopia	2,579	-	1,092	3,876	205	-	
European Community	-	-	546,349	546,195	-	154	
Fiji	-	16	875	844	-	15	
Finland	-	23,161	116,803	95,596	1,954	-	
France	-	-	1,427,163	1,431,418	4,255	-	
Gabon	1,559	-	3,171	-	-	4,730	
Gambia	-	-	218	800	582	-	
Georgia	14,531	-	1,311	-	-	15,842	
Germany	-	1	2,152,805	2,152,804	-	-	
Ghana	-	7	1,311	-	-	1,304	
Greece	27,519	-	97,851	104,284	-	21,086	
Grenada	1,561	-	218	1,779	-	-	
Guatemala	3,473	-	4,930	8,403	-	-	
Guinea	1,930	-	656	-	-	2,586	
Guinea-Bissau	1,509	-	218	-	-	1,727	

Schedule 1.1 (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE							
Status of indicative contributions as at 31 December 2001							
(US dollars)							
Trust Fund for the Core Budget of UNFCCC (FC)	Indicative contribution receivable as at 01.01.2000	Contribution received in advance as at 01.01.2000	Indicative contribution for 2000-2001 and adjustment of prior periods	Collections 2000-2001	Indicative contribution received in advance for 2002	Indicative contribution receivable as at 31.12.2001	
Member State							
Guyana	1,561	-	218	-	-	1,779	
Haiti	377	-	438	-	-	815	
Honduras	1,962	-	877	-	-	2,839	
Hungary	6,972	-	26,362	33,333	-	1	
Iceland	-	25	7,111	6,950	-	136	
India	76	-	70,263	31,053	-	39,286	
Indonesia	18,178	-	42,561	36,384	-	24,355	
Iran (Islamic Republic of)	84,862	-	45,368	102,326	-	27,904	
Ireland	-	2,303	56,943	101,588	46,948	-	
Israel	13,848	-	83,956	90,395	-	7,409	
Italy	10,011	-	1,151,578	1,199,106	37,517	-	
Jamaica	-	5,860	1,092	-	4,768	-	
Japan	-	67,436	4,396,471	2,231,573	-	2,097,462	
Jordan	-	25	1,533	840	-	668	
Kazakhstan	44,627	-	8,405	5,461	-	47,571	
Kenya	1,318	-	1,641	2,842	-	117	
Kiribati	196	-	218	429	15	-	
Kuwait	10,701	-	30,207	27,994	-	12,914	
Kyrgyzstan	-	-	381	-	-	381	
Lao People's Democratic Republic	-	953	218	-	735	-	
Latvia	-	2,781	2,947	1,747	1,581	-	
Lebanon	67	-	3,059	3,536	410	-	
Lesotho	-	421	327	2,163	2,257	-	
Libyan Arab Jamahiriya	4,301	-	20,839	-	-	25,140	

Schedule 1.1 (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE							
Status of indicative contributions as at 31 December 2001							
(US dollars)							
Trust Fund for the Core Budget of UNFCCC (FC)	Indicative contribution receivable as at 01.01.2000	Contribution received in advance as at 01.01.2000	Indicative contribution for 2000-2001 and adjustment of prior periods	Collections 2000-2001	Indicative contribution received in advance for 2002	Indicative contribution receivable as at 31.12.2001	
<u>Member State</u>							
Liechtenstein	-	25	1,313	1,476	188	-	
Lithuania	-	2,796	3,502	465	-	241	
Luxembourg	39	-	16,199	14,911	-	1,327	
Madagascar	107	-	656	861	98	-	
Malawi	577	-	438	800	-	215	
Malaysia	17,339	-	45,989	57,362	-	5,966	
Maldives	-	953	218	639	1,374	-	
Mali	1,826	-	438	-	-	2,264	
Malta	1,506	-	3,173	4,546	-	133	
Marshall Islands	-	196	218	-	-	22	
Mauritania	1,561	-	218	-	-	1,779	
Mauritius	-	1,297	2,189	671	-	221	
Mexico	37,769	-	228,477	183,251	-	82,995	
Micronesia (Federated States of)	-	688	218	470	940	-	
Monaco	-	480	875	1,082	687	-	
Mongolia	-	968	327	741	1,382	-	
Morocco	-	21	9,410	10,257	868	-	
Mozambique	-	872	218	-	654	-	
Myanmar	-	34	1,971	1,716	-	221	
Namibia	-	431	1,531	2,207	1,107	-	
Nauru	196	-	218	-	-	414	
Nepal	2,118	-	875	2,695	-	298	
Netherlands	4	-	369,813	356,930	-	12,887	

Schedule 1.1 (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE							
Status of indicative contributions as at 31 December 2001							
(US dollars)							
Trust Fund for the Core Budget of UNFCCC (FC)	Indicative contribution receivable as at 01.01.2000	Contribution received in advance as at 01.01.2000	Indicative contribution for 2000-2001 and adjustment of prior periods	Collections 2000-2001	Indicative contribution received in advance for 2002	Indicative contribution receivable as at 31.12.2001	
<u>Member State</u>							
New Zealand	46	-	50,662	48,362	-	2,346	
Nicaragua	352	-	218	1,396	826	-	
Niger	1,742	-	327	-	-	2,069	
Nigeria	-	13,830	10,309	-	3,521	-	
Niue	-	283	218	-	65	-	
Norway	39	-	137,856	133,448	-	4,447	
Oman	2	-	12,370	22,173	9,801	-	
Pakistan	10,469	-	13,128	4,458	-	19,139	
Palau	-	-	200	-	-	200	
Panama	-	483	3,395	2,360	-	552	
Papua New Guinea	-	29	1,421	1,482	90	-	
Paraguay	4,001	-	3,284	-	-	7,285	
Peru	34	-	23,864	-	-	23,898	
Philippines	14,809	-	19,925	11,636	-	23,098	
Poland	-	15,457	60,193	44,736	-	-	
Portugal	74,377	-	98,036	172,391	-	22	
Qatar	-	10	7,330	-	-	7,320	
Republic of Korea	-	104,596	299,704	115,421	-	79,687	
Republic of Moldova	17,036	-	1,306	-	-	18,342	
Romania	47	-	12,581	20,131	7,503	-	
Russian Federation	-	11,221	249,172	236,400	-	1,551	
Rwanda	129	-	218	-	-	347	
Saint Kitts and Nevis	-	953	218	-	735	-	
Saint Lucia	-	1,906	329	-	1,577	-	

Schedule 1.1 (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE							
Status of indicative contributions as at 31 December 2001							
(US dollars)							
Trust Fund for the Core Budget of UNFCCC (FC)	Member State	Indicative contribution receivable as at 01.01.2000	Contribution received in advance as at 01.01.2000	Indicative contribution for 2000-2001 and adjustment of prior periods	Collections 2000-2001	Indicative contribution received in advance for 2002	Indicative contribution receivable as at 31.12.2001
	Saint Vincent and the Grenadines	696	-	218	-	-	914
	Samoa	-	-	218	198	-	20
	San Marino	-	772	438	-	334	-
	Sao Tome and Principe	-	-	218	-	-	218
	Saudi Arabia	208,023	-	122,393	330,742	326	-
	Senegal	2,494	-	1,203	3,781	84	-
	Seychelles	-	557	438	-	119	-
	Sierra Leone	1,561	-	218	-	-	1,779
	Singapore	20	-	62,981	63,001	-	-
	Slovakia	-	632	8,538	7,022	-	884
	Slovenia	-	21	15,551	28,308	12,778	-
	Solomon Islands	-	-	218	-	-	218
	South Africa	-	65	84,919	149,823	64,969	-
	Spain	-	33	560,525	566,629	6,137	-
	Sri Lanka	2,344	-	3,067	3,646	-	1,765
	Sudan	2,851	-	1,421	-	-	4,272
	Suriname	753	-	655	-	-	1,408
	Swaziland	-	772	438	-	334	-
	Sweden	-	25,061	230,970	210,890	4,981	-
	Switzerland	-	7	272,302	170,005	-	102,290
	Syrian Arab Republic	11,881	-	15,876	7,055	-	20,702
	Tajikistan	520	-	544	-	-	1,064
	Thailand	56	-	48,770	35,290	-	13,536
	The Former Yugoslav Republic of Macedonia	416	-	1,096	-	-	1,512

Schedule 1.1 (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE							
Status of indicative contributions as at 31 December 2001							
(US dollars)							
Trust Fund for the Core Budget of UNFCCC (FC)	Indicative contribution receivable as at 01.01.2000	Contribution received in advance as at 01.01.2000	Indicative contribution for 2000-2001 and adjustment of prior periods	Collections 2000-2001	Indicative contribution received in advance for 2002	Indicative contribution receivable as at 31.12.2001	
Member State							
Togo	1,642	-	218	-	-	1,860	
Tonga	118	-	218	318	-	18	
Trinidad and Tobago	3,285	-	3,501	9,158	2,372	-	
Tunisia	1,937	-	6,456	3,037	-	5,356	
Turkmenistan	2,097	-	982	-	-	3,079	
Tuvalu	1,561	-	218	1,699	-	80	
Uganda	-	1,447	986	-	461	-	
Ukraine	71,327	-	26,454	97,781	-	-	
United Arab Emirates	12,341	-	41,807	24,885	-	29,263	
United Kingdom of Great Britain and Northern Ireland	20	-	1,166,433	1,113,661	-	52,792	
United Republic of Tanzania	1,655	-	766	-	-	2,421	
United States of America	-	-	5,138,171	5,138,171	-	-	
Uruguay	4,676	-	13,479	4,974	-	13,181	
Uzbekistan	-	4,072	3,925	1,242	1,389	-	
Vanuatu	1,561	-	218	3,410	1,631	-	
Venezuela	59,355	-	40,516	94,560	-	5,311	
Viet Nam	-	-	2,413	2,413	-	-	
Yemen	2,992	-	1,857	-	-	4,849	
Yugoslavia	9,229	-	5,026	3,638	-	10,617	
Zambia	1,826	-	438	-	-	2,264	
Zimbabwe	-	303	1,858	-	-	1,555	
Total	1,191,651	414,698	22,567,883	20,182,440	259,298	3,421,694	

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

Schedule 1.2

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE	
Status of voluntary contributions as at 31 December 2001 (US dollars)	
Country/trust fund	Voluntary contributions received in 2000 and 2001
I. <u>Trust Fund for the Core Budget of UNFCCC (FC)</u>	
Germany	1,389,302
Total	1,389,302
II. <u>Trust Fund for Participation in the UNFCCC Process (FI)</u>	
Canada	103,306
Denmark	63,686
European Community	218,545
Finland	29,812
France	56,650
Germany	100,000
Japan	360,000
Netherlands	464,888
Norway	87,456
Portugal	10,000
Sweden	94,819
Switzerland	48,632
United Kingdom	393,640
United States	825,000
Total	2,856,434

Schedule 1.2 (continued)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE	
Status of voluntary contributions as at 31 December 2001 (US dollars)	
Country/trust fund	Voluntary contributions received in 2000 and 2001
III. <u>Trust Fund for Supplementary Activities (FR)</u>	
Australia	59,260
Bahrain	1,857
Canada	213,285
Denmark	115,000
Finland	134,271
Iceland	30,000
Ireland	5,150
Japan	200,000
Monaco	883
Netherlands	479,882
Norway	123,685
Sweden	100,000
Switzerland	29,103
United Kingdom	171,580
United States	3,791,829
Total	5,455,785
IV. <u>Trust Fund for the Special Annual Contribution from the Government of Germany (FG)</u>	
Germany	3,174,841
Total	3,174,841
V. <u>Trust Fund for UNFCCC Technical Cooperation (UNFIP) (FU)</u>	
UNFIP	1,500,000
Total	1,500,000
GRAND TOTAL	14,376,362

III. NOTES TO THE FINANCIAL STATEMENTS

Note 1 Statement of purpose

The permanent secretariat of UNFCCC was established on 1 January 1996 with the following purposes:

- (a) To make arrangements for sessions of the Conference of the Parties and its subsidiary bodies established under the Convention and to provide them with services as required;
- (b) To compile and transmit reports submitted to it;
- (c) To facilitate assistance to the affected developing country Parties, on request, particularly those in Africa, in the compilation and communication of information required under the Convention;
- (d) To coordinate its activities with the secretariats of other relevant international bodies and conventions;
- (e) To enter, under the guidance of the Conference of the Parties, into such administrative and contractual arrangements as may be required for the effective discharge of its functions;
- (f) To prepare reports on the execution of its functions under this Convention and present them to the Conference of the Parties;
- (g) To perform such other secretariat functions as may be determined by the Conference of the Parties.

Note 2 Accounting policies

The following are the main accounting policies of UNFCCC:

- (a) Rules and procedures

The accounts of the Convention are maintained in accordance with the Financial Regulations of the United Nations, its own Financial Rules and the United Nations System Common Accounting Standards (A/48/530) as recognized by General Assembly resolution 48/216 C of 23 December 1993 and subsequent revisions.

Under the financial procedures adopted by the Conference of the Parties, the Executive Secretary prepares the administrative core budget for the following biennium and submits it to the Conference of the Parties for its consideration and approval. The approved budget constitutes authority for the Executive Secretary to issue allotments, incur obligations and make payments for the purposes for which the appropriations were approved. The COP approved a core budget of \$27.9 million, out of which the equivalent of DM 3 million was paid by the host Government and \$3.7 million from unspent balances from previous financial periods. The remaining amount is raised by all Parties, who are invited to make contributions based on an adjusted United Nations scale of assessment.

- (b) Accounting convention

The accounts are prepared on a historical cost basis, modified to the extent that the cost of all property acquired is charged as an expense in the year of purchase except for the period under review where

property donated in kind by the host Government was valued using the average United Nations rate of exchange.

The UNFCCC normal accounting period is a biennium consisting of two consecutive calendar years. The UNFCCC accounts are maintained on a "fund accounting" basis. Separate funds for general or special purposes may be established by the Conference of the Parties or the Executive Secretary. Each fund is maintained as a distinct financial and accounting entity, with a separate self-balancing, double-entry group of accounts.

(c) Contingent liabilities

The expenditures do not include possible costs to cover contingencies under appendix D to the United Nations staff rules, for personnel financed under resources obtained from contributions.

(d) Income tax refund policy

The UNFCCC salaries are charged to the budget on a net basis during the year in which the services have been rendered. Income tax refunds are charged to the year in which they are made to the staff member.

(e) Unliquidated obligations

Unliquidated obligations are expenditures based on firm obligations entered into, but not disbursed, in the financial period. Unliquidated obligations for the current period in respect of all UNFCCC activities remain valid for 12 months following the end of the period to which they relate.

All prior period unliquidated obligations as at 31 December are recorded as savings on the prior period's obligation.

(f) Cash and term deposits

Funds on deposit in interest-bearing bank accounts, time deposits and call accounts are shown in the statements of assets and liabilities as cash. All term deposits are placed in line with the United Nations investment policies and guidelines.

(g) Income

(i) Assessed contributions from Parties

Income from indicative contributions is recognized on an accrual basis based on the budget approved by the Conference of the Parties.

(ii) Voluntary contributions

Voluntary contributions to UNFCCC trust funds, which include funds received under inter-organization arrangements, are recorded as income when received.

(iii) Interest income

Interest income is based only on amounts received and accrued from cash and term deposits relating to the financial period. Interest due from cash and term deposits made in the financial period but not maturing until future periods is recorded as accounts receivable.

(iv) Miscellaneous income

Refunds of expenditures charged to prior financial periods, net gains on exchange, moneys accepted for which no purpose is specified and proceeds from the sale of surplus property are credited to miscellaneous income.

(v) Contributions

All contributions to the secretariat's activities are deposited with the United Nations Office at Geneva. UNFCCC operates an imprest account in Deutschmarks to cover its expenditure in Bonn. Reports on the utilization of the imprest account are submitted to the United Nations Office at Geneva on a regular basis.

(h) Translation of currencies

The financial statements of UNFCCC are presented in United States dollars, which is the currency best suited to its operations. As per United Nations accounting standards, transactions in other currencies are recorded in United States dollars by applying the United Nations operational rate of exchange at the time of the transaction. Realized exchange losses are charged to the appropriate budgetary account.

Note 3 Trust fund expenditures

The total direct expenditure of \$34,948,315 in statement I includes an exchange loss of \$64,014 in the operating expenses.

Note 4 Prior period adjustments

This represents an adjustment of programme support costs of \$138,405 relating to a saving of 1999 unliquidated obligations of \$1,064,653, and \$60,976, being the contribution from the Government of Sweden received in 1999, but not identified for the trust fund FI.

Note 5 Refund to donors

This represents the refund of DM 623,344, being the unspent balance in 1997, to the Government of Germany.

Note 6 Cash and term deposits (in United States dollars)

	As at 31 December 2001
Imprest – Bonn	97,023
Imprest – meetings/conferences	781,228
Interest-bearing bank deposits maturing within twelve months	<u>16,990,148</u>
Total	<u>17,868,399</u>

Note 7 Other accounts receivable (in United States dollars)

	As at 31 December 2001
Education grant advances	218,525
Travel advances	257,354
Salary advances	86,719
Value added tax	30,929
Accrued interest receivable	105,879
Other	<u>208,309</u>
Total	<u>907,715</u>

Note 8 Other accounts payable (in United States dollars)

	As at 31 December 2001
Miscellaneous payables	150,000
Unspent balance of Conference of the Parties Third session	908,804
Reserve for appendix D	122,138
Other	<u>141,405</u>
Total	<u>1,322,347</u>

Note 9 Operating and working capital reserves

Operating reserves are established at 15 per cent (FR and FQ) and 10 per cent (FI) of the total annual expenditure under the voluntary general trust funds, while an operating reserve for the programme support account (ZR) is maintained at 20 per cent of annual programme support income earned. The working capital reserve is maintained at 8.3 per cent of the total annual expenditure under the core budget (FC). These reserves are to cover unforeseen shortfalls, uneven cash flows, unplanned costs and other financial contingencies. For the reporting period there was no need to draw on the operating reserves and therefore the level of reserves was reported as being \$943,432 (operating reserve) and \$1,122,877 (working capital reserve) (statement II).

Note 10 Programme support

UNFCCC retains 13 per cent of the actual expenditures of all established UNFCCC trust funds under a separate account (ZR), subject to specific exceptions made by the Controller. When a project is shared between UNFCCC and another United Nations agency, programme support charges are also shared accordingly between the two organizations, with the combined amount not exceeding 13 per cent. For the reporting period, an amount of \$4,296,699 was generated as programme support income, \$4,226,158 from trust funds and \$70,541 from the special account for the Third session of the Conference of the Parties (statement I).

Note 11 Non-expendable inventory

The inventory of non-expendable property as at 31 December 2001 included furniture and equipment valued at an acquisition cost of DM 2,205,896.

Note 12 Disclosure as to participation in the United Nations Joint Staff Pension Fund

UNFCCC is a member organization of the United Nations Joint Staff Pension Fund, which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The financial obligation of the organization to the Fund consists of its mandated contribution at the rate established by the United Nations General Assembly together with its share of any actuarial deficiency payments that might become payable pursuant to article 36 of the Fund's regulations.

Note 13 Other donations in kind

There were no donations in kind reported during the period.

Note 14 Comparative prior period figures

The Trust Fund for UNFCCC Technical Cooperation (FU) was established in June 2000 and the Special Account for UNFCCC Programme Support Costs (ZR) was established effective January 2000. Accordingly, no comparative prior period figures are available.

Note 15 Other financial implications

In addition to the above statements, UNFCCC received advances totalling \$2,477,369 from three Host Governments for UNFCCC conferences held at the venues offered by the respective Governments, against which \$1,557,153 was expended. Any balances after closure of the accounts will be refunded to the Governments in question.
