

Report of the United Nations Board of Auditors

**On the financial statements of the United Nations Environment Programme
(UNEP)-Global Environment Trust Fund (GEF)**

For the year ended 31 December 2009

Report on the Financial Statements

We have audited the accompanying financial statements of the United Nations Environment Programme (UNEP)-Global Environment Facility (GEF)¹ Trust Funds, which comprise the statement of income and expenditure and changes in reserves and fund balance for the year ended 31 December 2009 and the statements of assets, liabilities, reserves and fund balance, and statements of cash flows for the period then ended. These financial statements should be read in conjunction with the notes and accounting policies of UNEP (A/65/5/Add.6).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in a format agreed to with the Global Environment Fund Trustee and in accordance with the United Nations system accounting standards, and for such internal control as management deems is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

¹ (a) Technical Cooperation Trust Fund for UNEP's implementation of the activities funded by the Global Environment Fund (GFL); (b) Technical Cooperation Trust Fund for the management of UNEP/GEF National Adaptation Programme of Action for Least Developed Countries (LDL); (c) Technical Cooperation Trust Fund for the implementation of the Global Environmental Facility Fee-Based System for Funding Projects (FBL); and (d) Technical Cooperation Trust Fund for the Management of UNEP/GEF Special Climate Change Fund Programme (CCL).

United Nations Nations Unies

BOARD OF AUDITORS
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Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit provides a reasonable basis for our audit opinion.

Opinion

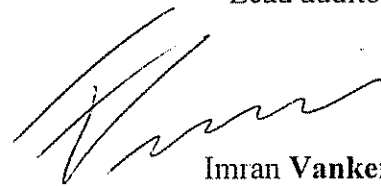
In our opinion, these summarised financial statements present fairly, in all material aspects, the financial position of the UNEP-GEF Trust Funds as at 31 December 2009 and their financial performance and cash flows for the period then ended, in accordance with the United Nations system accounting standards.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, the transactions of the UNEP-GEF operations that have come to our notice, or which we have tested as part of our audit, have in all significant respects been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.



Olivier Myard
Director of External Audit (France)
United Nations Board of Auditors
Lead auditor



Imran Vanker
Director of External Audit (South Africa)
United Nations Board of Auditors

Hu Xue Wen

Xue Wen Hu
Director of External Audit (China)
United Nations Board of Auditors

30 June 2010

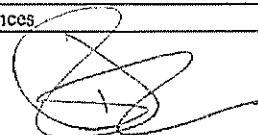
**TECHNICAL COOPERATION TRUST FUND FOR THE MANAGEMENT OF UNEP/GEF NATIONAL
ADAPTATION PROGRAMME OF ACTION FOR LEAST DEVELOPED COUNTRIES**

**STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCE
FOR THE BIENNIUM 2008-2009 ENDED 31 DECEMBER 2009**

	2009 \$ 000's	2008 \$ 000's	2008-2009 biennium \$ 000's
<u>Income</u>			
Voluntary contributions	110	515	625
Interest income	(160)	19	(141)
Miscellaneous income	-	-	-
Total income	(50)	534	484
<u>Expenditure</u>			
Staff and other personnel costs	16	60	76
Contractual services	54	45	99
Travel	(9)	18	9
Operating expenses	47	119	166
Acquisitions	(2)	28	26
Total expenditure	106	270	376
Excess / (shortfall) of income over expenditure	(156)	264	108
Reserves and fund balances, beginning of period	890	626	626
Reserves and fund balances, end of period	734	890	734

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE AS AT 31 DECEMBER 2009

<u>Assets</u>		
Cash pool - US dollar	583	735
Accounts receivable:-		
Inter-fund balances	-	13
Other	183	142
Other Assets	-	-
Total assets	766	890
<u>Liabilities</u>		
Unliquidated obligations	-	-
Accounts payable:		
Inter-fund balances	32	-
Other	-	-
Total liabilities	32	-
<u>Reserves and fund balances</u>		
Cumulative surplus	734	890
Total reserves and fund balances	734	890
Total liabilities, reserves and fund balances	766	890



**David Hastie
Chief Financial Officer**

Date: 28 April 2010

**TECHNICAL COOPERATION TRUST FUND FOR THE MANAGEMENT OF UNEP/GEF NATIONAL
ADAPTATION PROGRAMME OF ACTION FOR LEAST DEVELOPED COUNTRIES**

STATEMENT OF CASH FLOWS FOR THE BIENNIUM 2008-2009 ENDED 31 DECEMBER 2009

	2009	2008
	\$ 000's	\$ 000's
<u>Cash flows from operating activities</u>		
Net excess / (shortfall) of income over expenditure	(156)	264
<u>(Increase) / decrease in</u>		
Other accounts receivable	(41)	62
Other assets	-	1
Inter-fund balances	45	(12)
<u>Increase / (decrease) in</u>		
Unliquidated obligations	-	(46)
Other accounts payable	-	(19)
Less: interest income	160	(19)
<hr/>		
Net cash from operating activities	8	231
<hr/>		
<u>Cash flows from investing activities</u>		
(Increase) / decrease in cash pool	152	(250)
Plus: interest income	(160)	19
<hr/>		
Net cash flow from investing activities	(8)	(231)
<hr/>		
<u>Net increase / (decrease) in cash and term deposits</u>	-	-
Cash and term deposits, beginning of period	-	-
<hr/>		
Cash and term deposits, end of period	-	-

**TECHNICAL COOPERATION TRUST FUND FOR THE MANAGEMENT OF UNEP/GEF
NATIONAL ADAPTATION PROGRAMME OF ACTION FOR LEAST DEVELOPED COUNTRIES**

**NOTES TO THE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
AS AT 31 DECEMBER 2009**

	2009 \$ 000's	2008 \$ 000's
<u>Other Accounts Receivable</u>		
Staff members	-	-
Vendors	-	-
Specialised agencies	-	-
Other UN agencies	69	50
Other	-	-
Government	114	92
	<u>183</u>	<u>142</u>

Ageing of Other Accounts Receivable

Less than six months	80	20
Six months to one year	42	40
More than one year	-	40
More than two years	61	42
	<u>183</u>	<u>142</u>

**TECHNICAL COOPERATION TRUST FUND FOR THE MANAGEMENT OF UNEP/GEF SPECIAL
CLIMATE CHANGE FUND PROGRAMME**

**STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND
BALANCE FOR THE BIENNIUM 2008-2009 ENDED 31 DECEMBER 2009**

	2009 \$ 000's	2008 \$ 000's	2008-2009 biennium \$ 000's
<u>Income</u>			
Voluntary contributions	5,000	25	5,025
Interest income	41	-	41
Total income	5,041	25	5,066
<u>Expenditure</u>			
Staff and other personnel costs	196	-	196
Contractual services	2,468	16	2,484
Travel	30	-	30
Operating expenses	370	9	379
Total expenditure	3,064	25	3,089
Excess / (shortfall) of income over expenditure	1,977	-	1,977
Reserves and fund balances, beginning of period	-	-	-
Reserves and fund balances, end of period	1,977	-	1,977

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE AS AT 31 DECEMBER

<u>Assets</u>			
Cash pool - US dollar	5,125	-	
Accounts receivable:-			
Inter-fund balances	-	-	
Other	200	-	
Other Assets	-	-	
Total assets	5,325	-	
<u>Liabilities</u>			
Unliquidated obligations	3,064	-	
Accounts payable:			
Inter-fund balances	284	-	
Other	-	-	
Total liabilities	3,348	-	
<u>Reserves and fund balances</u>			
Cumulative surplus	1,977	-	
Total reserves and fund balances	1,977	-	
Total liabilities, reserves and fund balances	5,325	-	


David Hastie
Chief Financial Officer

Date: 28 April 2010

**TECHNICAL COOPERATION TRUST FUND FOR THE MANAGEMENT OF UNEP/GEF SPECIAL
CLIMATE CHANGE FUND PROGRAMME**

STATEMENT OF CASH FLOWS FOR THE BIENNIUM 2008-2009 ENDED 31 DECEMBER 2009

	2009 \$ 000's	2008 \$ 000's
<u>Cash flows from operating activities</u>		
Net excess / (shortfall) of income over expenditure	1,977	-
<u>(Increase) / decrease in</u>		
Other accounts receivable	(200)	-
Other assets		-
Inter-fund balances	284	-
<u>Increase / (decrease) in</u>		
Unliquidated obligations	3,064	-
Other accounts payable	-	-
Less: interest income	(41)	-
Net cash from operating activities	5,084	-
<u>Cash flows from investing activities</u>		
(Increase) / decrease in cash pool - US dollars	(5,125)	-
Plus: interest income	41	-
Net cash flow from investing activities	(5,084)	-
<u>Cash flows from financing activities</u>		
Savings on or cancellation of prior periods' obligations	-	-
Transfer from/(to) other funds	-	-
Refunds to donors	-	-
Net cash flow from financing activities	-	-
<u>Net increase / (decrease) in cash and term deposits</u>		
Cash and term deposits, beginning of period	-	-
Cash and term deposits, end of period	-	-

**TECHNICAL COOPERATION TRUST FUND FOR THE MANAGEMENT OF UNEP/GEF
SPECIAL CLIMATE CHANGE FUND PROGRAMME**

**NOTES TO THE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
AS AT 31 DECEMBER 2009**

	2009 \$ 000's	2008 \$ 000's
<u>Other Accounts Receivable</u>		
Staff members	-	-
Vendors	200	-
Specialised agencies	-	-
Other UN agencies	-	-
Other	-	-
Government	-	-
	200	-
<u>Ageing of Other Accounts Receivable</u>		
Less than six months	-	-
Six months to one year	200	-
More than one year	-	-
More than two years	-	-
	200	-
<u>Other Assets</u>		
Education Grant advances	-	-
Others	-	-
	-	-
<u>Other Accounts Payable</u>		
Governments	-	-
Staff members	-	-
Vendors	-	-
Specialised agencies	-	-
Other UN agencies	-	-
Other	-	-
	-	-

**TECHNICAL COOPERATION TRUST FUND FOR THE IMPLEMENTATION OF THE GLOBAL
ENVIRONMENTAL FACILITY FEE-BASED SYSTEM FOR FUNDING PROJECTS**

**STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCE
FOR THE BIENNIUM 2008-2009 ENDED 31 DECEMBER 2009**

	2009 \$ 000's	2008 \$ 000's	2008-2009 biennium \$ 000's
<u>Income</u>			
Voluntary contributions	6,243	1,622	7,865
Interest income	245	345	590
Miscellaneous income	-	-	0
Total income	6,488	1,967	8,455
<u>Expenditure</u>			
Staff and other personnel costs	7,422	7,259	14,681
Contractual services	179	53	232
Travel	923	565	1,488
Operating expenses	980	1,084	2,064
Acquisitions	139	96	235
Total expenditure	9,643	9,057	18,700
Excess / (shortfall) of income over expenditure	(3,155)	(7,090)	(10,245)
Prior year adjustment	-	(40)	(40)
Net excess / (shortfall) of income over expenditure	(3,155)	(7,130)	(10,285)
Savings on cancellation of prior periods' obligations	-	-	-
Transfer to other funds	-	-	-
Refunds to donors	-	-	-
Reserves and fund balances, beginning of period	13,040	20,170	20,170
Reserves and fund balances, end of period	9,885	13,040	9,885

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE AS AT 31 DECEMBER 2009

<u>Assets</u>		
Cash pool - US dollar	10,567	13,119
Accounts receivable:		
Inter-fund balances	-	155
Other	283	286
Other Assets	103	75
Total assets	10,953	13,635
<u>Liabilities</u>		
Unliquidated obligations	359	441
Accounts payable:		
Inter-fund balances	619	-
Other	90	154
Total liabilities	1,068	595
<u>Reserves and fund balances</u>		
Cumulative surplus	9,885	13,040
Total reserves and fund balances	9,885	13,040
Total liabilities, reserves and fund balances	10,953	13,635


David Hastie
 Chief Financial Officer

Date: 28 April 2010

**TECHNICAL COOPERATION TRUST FUND FOR THE IMPLEMENTATION OF THE GLOBAL
ENVIRONMENTAL FACILITY FEE-BASED SYSTEM FOR FUNDING PROJECTS**

STATEMENT OF CASH FLOWS FOR THE BIENNIUM 2008-2009 ENDED 31 DECEMBER 2009

	2009	2008
	\$ 000's	\$ 000's
<u>Cash flows from operating activities</u>		
Net excess / (shortfall) of income over expenditure	(3,155)	(7,130)
<u>(Increase) / decrease in</u>		
Other accounts receivable	3	(141)
Other assets	(28)	8
Inter-fund balances	774	4,033
<u>Increase / (decrease) in</u>		
Unliquidated obligations	(82)	(86)
Other accounts payable	(64)	82
Less: interest income	(245)	(345)
Net cash from operating activities	(2,797)	(3,579)
<hr/>		
<u>Cash flows from investing activities</u>		
(Increase) / decrease in cash pool - US dollars	2,552	3,234
Plus: interest income	245	345
Net cash flow from investing activities	2,797	3,579
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<u>Cash flows from financing activities</u>		
Savings on or cancellation of prior periods' obligations	-	-
Transfer from/(to) other funds	-	-
Refunds to donors	-	-
Net cash flow from financing activities	-	-
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<u>Net increase / (decrease) in cash and term deposits</u>	-	-
Cash and term deposits, beginning of period	-	-
Cash and term deposits, end of period	-	-

**TECHNICAL COOPERATION TRUST FUND FOR THE IMPLEMENTATION OF THE GLOBAL
ENVIRONMENT FACILITY FEE-BASED SYSTEM FOR FUNDING PROJECTS**

**NOTES TO THE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
AS AT 31 DECEMBER 2009**

	2009	2008
	\$ 000's	\$ 000's
<u>Other Accounts Receivable</u>		
Staff members	152	229
Vendors	-	3
Specialised agencies	112	50
Other UN agencies	19	3
Other	-	2
Government	-	-
	<u>283</u>	<u>286</u>

Ageing of Other Accounts Receivable

Less than six months	216	114
Six months to one year	62	168
More than one year	2	4
More than two years	3	-
	<u>283</u>	<u>286</u>

Other Assets

Education Grant advances	103	72
Others	-	3
	<u>103</u>	<u>75</u>

Other Accounts Payable

Governments	-	-
Staff members	46	98
Vendors	34	32
Specialised agencies	-	-
Other UN agencies	9	12
Other	1	11
	<u>90</u>	<u>154</u>

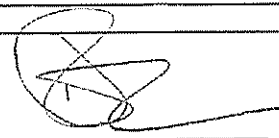
**TECHNICAL COOPERATION TRUST FUND FOR UNEP'S IMPLEMENTATION OF THE ACTIVITIES
FUNDED BY THE GLOBAL ENVIRONMENT FUND**

**STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCE
FOR THE BIENNIUM 2008-2009 ENDED 31 DECEMBER 2009**

	2009 \$ 000's	2008 \$ 000's	2008-2009 biennium \$ 000's
Income			
Voluntary contributions	46,877	61,354	108,231
Interest income	(1,063)	964	-99
Miscellaneous income	(14)	14	-
Total income	45,800	62,332	108,132
Expenditure			
Staff and other personnel costs	9,949	10,273	20,222
Contractual services	27,392	27,818	55,210
Travel	1,745	1,582	3,327
Operating expenses	10,211	9,946	20,157
Acquisitions	1,556	1,516	3,072
Total expenditure	50,853	51,135	101,988
Excess / (shortfall) of income over expenditure	(5,053)	11,197	6,144
Prior year adjustment	(82)	(24)	(106)
Net excess / (shortfall) of income over expenditure	(5,135)	11,173	6,038
Provisional savings on or cancellation of prior periods' obligations	-	1	1
Reserves and fund balances, beginning of period	64,720	53,546	53,546
Reserves and fund balances, end of period	59,585	64,720	59,585

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE AS AT 31 DECEMBER

Assets		
Cash and term deposits	-	-
Cash pool - US dollar	40,894	36,704
Accounts receivable:		
Voluntary contributions receivable	-	80
Inter-fund balances	-	1,676
Other	29,139	33,045
Other assets	23	32
Total assets	70,056	71,537
Liabilities		
Unliquidated obligations	3,817	1,999
Accounts payable:		
Inter-fund balances	2,061	-
Other	4,593	4,818
Total liabilities	10,471	6,817
Reserves and fund balances		
Cumulative surplus	59,585	64,720
Total reserves and fund balances	59,585	64,720
Total liabilities, reserves and fund balances	70,056	71,537



David Hastie
Chief Financial Officer

Date: 28 April 2010

**TECHNICAL COOPERATION TRUST FUND FOR UNEP'S IMPLEMENTATION OF THE
ACTIVITIES FUNDED BY THE GLOBAL ENVIRONMENT FUND**

STATEMENT OF CASH FLOWS FOR BIENNIUM 2008-2009 ENDED 31 DECEMBER 2009

	2009	2008
	\$ 000's	\$ 000's
<u>Cash flows from operating activities</u>		
Net excess / (shortfall) of income over expenditure	(5,135)	11,173
<u>(Increase) / decrease in</u>		
Voluntary contributions receivable	80	(80)
Other accounts receivable	3,906	9,213
Other assets	9	11
Inter-fund balances	3,737	1,975
<u>Increase / (decrease) in</u>		
Unliquidated obligations	1,818	(2,141)
Other accounts payable	(225)	(1,838)
Less: interest income	1,063	(964)
Net cash from operating activities	5,253	17,349
<u>Cash flows from investing activities</u>		
(Increase) / decrease in cash pool - US dollar	(4,190)	(18,314)
Plus: interest income	(1,063)	964
Net cash flow from investing activities	(5,253)	(17,350)
<u>Cash flow from financing activities</u>		
Savings on or cancellation of prior periods' obligations	-	1
Net cash flow from financing activities	-	1
<u>Net increase / (decrease) in cash and term deposits</u>		
Cash and term deposits, beginning of period	-	-
Cash and term deposits, end of period	-	-

**TECHNICAL COOPERATION TRUST FUND FOR UNEP'S IMPLEMENTATION OF THE ACTIVITIES
FUNDED BY THE GLOBAL ENVIRONMENT FUND**

**NOTES TO THE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
AS AT 31 DECEMBER 2009**

	2009 \$ 000's	2008 \$ 000's
<u>Other Accounts Receivable</u>		
Staff members	58	56
Vendors	3	2
Specialised agencies	8,396	6,895
Other UN agencies	13,049	18,125
Other	45	11
Government	7,588	7,955
	<u>29,139</u>	<u>33,045</u>

Ageing of Other Accounts Receivable

Less than six months	10,375	14,353
Six months to one year	6,941	3,317
More than one year	3,846	7,210
More than two years	7,977	8,165
	<u>29,139</u>	<u>33,045</u>

Other Assets

Education Grant advances	13	20
Others	10	12
	<u>23</u>	<u>32</u>

Other Accounts Payable

Governments	1,081	1,368
Staff members	66	35
Vendors	52	11
Specialised agencies	73	84
Other UN agencies	3,305	3,247
Other	16	73
	<u>4,593</u>	<u>4,818</u>