

UNITED NATIONS



NATIONS UNIES

BOARD OF AUDITORS

NEW YORK

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## AUDIT OPINION

The Board of Auditors of the United Nations has audited the financial statements of the of the United Nations Development Programme (UNDP), for the biennium ended 31 December 2005 from which the summarized financial statements of United Nations Development Programme – Global Environment Trust Fund (GEF) for the year ended 31 December 2005 were derived. In the report of the United Nations Board of Auditors on the UNDP financial statements, dated 28 July 2006, an unqualified opinion (with emphasis of matters) was expressed.

For a better understanding of the Trust Fund's accounting policies, financial position and the results of its operations for the period and of the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements of United Nations Development Programme (UNDP) from which the summarized financial statements were derived and the audit report of the United Nations Board of Auditors thereon.

These summarized financial statements are prepared in a format agreed to with the Global Environment Fund Trustee, and comprise only of a statement of Income and Expenditure for the year ended 31 December 2005, a summarized statement of project commitments from GEF Funds, and an extract of notes to the financial statements. These summarized financial statements are the responsibility of the Administrator of UNDP. My responsibility is to express an opinion on these summarized financial statements based on my audit.

I conducted my audit in accordance with the common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency, and with International Standards on Auditing. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Administrator of UNDP, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for the audit opinion.

In my opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived, and in accordance with the United Nations System Accounting Standards.

Furthermore, in my opinion, the transactions of UNDP – Global Environment Trust Fund that have come to my notice or which I have tested as part of my audit, have in all significant respects been in accordance with the Instrument for the establishment of the Trust Fund.



**Imran Vanker**  
Director of External Audit, South Africa  
United Nations Board of Auditors


1<sup>st</sup> December 2006

TRUST FUND FOR THE GLOBAL ENVIRONMENT FACILITY  
 STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2005  
 FOR GEF TRUSTEE  
 IN US THOUSANDS OF DOLLARS

		2005	2004
<b>INCOME</b>			
Voluntary contributions	note 1	300 719	105 404
Interest income		1 705	623
Other income		161	137
		<u>302 585</u>	<u>106 164</u>
<b>EXPENDITURE</b>			
Programme expenditure		175 487	144 065
Administrative costs		16 914	15 424
Other expenditure		1	9
		<u>192 402</u>	<u>159 498</u>
<b>Excess (Shortfall) of income over expenditure</b>		110 183	( 53 334)
Savings on prior biennium's obligations			( 224)
Refunds to donors and transfers to/from Other Funds		271	( 17 897)
<b>Reserves &amp; fund balances , beg of period</b>		36 177	91 730
<b>Reserves &amp; fund balances , end of period</b>		<u>146 631</u>	<u>20 275</u>

<b>APPROVED UNDP PROJECT COMMITMENTS FROM GEF FUNDS</b>		Cumulative to 31 December 2005 (US\$ Thousand)
Full-sized Technical assistance		1 201 536
Small Grants Programme		219 320
Medium-sized		91 290
Enabling Activity		104 386
Pre-Investment Facility (PRIF) and other		18 742
Project Preparation and Development Facility - Block A (PDF-A)		8 057
Project Preparation and Development Facility - Block B (PDF-B)		68 913
Project Preparation and Development Facility - Block C (PDF-C)		1 879
<b>Total approved project commitments</b>		<u>1 714 123</u>

I certify, that to the best of my knowledge, the information contained in this statement and attached notes properly reflects the activities for the Global Environment Facility financed from contributions received from the World Bank, as GEF Trustee.

  
 Darshak Shah  
 Director and Comptroller  
 Office of Finance and Administration  
 United Nations Development Programme

GEF TRUST FUND FOR THE GLOBAL ENVIRONMENT FACILITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005  
 IN US THOUSANDS OF DOLLARS

1) Voluntary Contributions comprise:

	2005	2004
	<i>(In US thousands dollars)</i>	<i>(In US thousands dollars)</i>
GEF Trustee on behalf of the World Bank	300 719	105 404
Total Voluntary contributions	300 719	105 404

2) This Statement of Income and Expenditure has been prepared on a modified accrual basis of accounting except for voluntary contributions which are on a cash basis in line with UNDP accounting policies. Therefore this statement includes the following unliquidated obligations as expenses:

	2005	2004
	<i>(In US thousands dollars)</i>	<i>(In US thousands dollars)</i>
Unliquidated obligations-Projects	12 908	10 184
Unliquidated obligations-Administrative	0	( 51)
Total Unliquidated obligations	12 908	10 133

Prior biennium's obligations not used are recorded as savings in the subsequent period.

3) Outstanding advances receivable/(payable) made to executing agencies:

	2005	2004
	<i>(In US thousands dollars)</i>	<i>(In US thousands dollars)</i>
Government	15 557	13 390
Executing Agencies	1 121	( 8 878)
Total outstanding advances receivable/(payable)	16 678	4 512

4) Amounts due to UNDP:

	2005	2004
	<i>(In US thousands dollars)</i>	<i>(In US thousands dollars)</i>
Amounts due to UNDP	58 156	43 592
Amounts due to UNDP	58 156	43 592

5) Unexpended Resources

The GEF Trust Fund has received letters of commitments from the World Bank as trustee to the Global Environment Facility for \$2,015,524,459.