

United Nations  Nations Unies

BOARD OF AUDITORS

NEW YORK

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Report of the United Nations Board of Auditors

**on the financial statements of the United Nations Development Programme
Global Environment Trust Fund
for the year ended 31 December 2010**

Report on the financial statements

We have audited the accompanying summarized financial statements of the United Nations Development Programme (UNDP)-Global Environment Trust Fund (GEF), which comprise the statement of income and expenditure for the year ended 31 December 2010 (Statement I), the statement of assets, liabilities, reserves and fund balances as at 31 December 2010 (Statement II), the statement of cash flows for the year then ended (Statement III), and the notes to the financial statements. These financial statements were derived from the unaudited interim financial statements of UNDP for the twelve months ended 31 December 2010.

Administrator's responsibility for the financial statements

The Administrator of UNDP 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.

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 evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

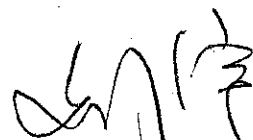
Opinion

In our opinion, these summarized financial statements present fairly, in all material aspects, the financial position of the UNDP-GEF as at 31 December 2010 and its financial performance and cash flows for the year 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 UNDP-GEF 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 Instrument for the establishment of the Trust Fund.

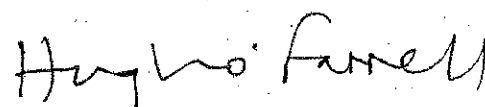
For and on behalf of
the United Nations Board of Auditors



Yu LIU
Director of External Audit (China)
Chairman (Audit Operations Committee)



Lufuno Ravhuhali
Director of External Audit (South Africa)
(Lead auditor)



Hugh O'Farrell
Director of External Audit (United Kingdom of Great Britain and Northern Ireland)

3 May 2012