Report of the United Nations Board of Auditors
(Audit opinion)

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

for the year ended 31 December 2008

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 statements of income and expenditure and changes in
reserves and fund balance, statements of assets, liabilities, reserves and fund
balance, and statements of cash flows for the period then ended, and the
explanatory notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these
financial statements 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 (LDB); (c) Technical Cooperation Trust Fund for
the implementation of the Global Environmental Facility Fee-Based System for Funding Projects (FBL); Technical
Cooperation Trust Fund for the Management of UNEP/GEF Special Climate Change Fund Programme (CCL); and
(e) Technical Cooperation Trust Fund for the UNEP/GEF Strategic Partnership (SPL).
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 our audit provides a reasonable basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material aspects, the financial position of the UNEP-GEF Trust Funds as at 31 December 2008 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 UNEP-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 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

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

8 February 2010