

UNITED NATIONS



NATIONS UNIES

BOARD OF AUDITORS

NEW YORK

FAX: (212) 963-3684

AUDIT OPINION

I have audited the Statement of Assets, Liabilities, Reserves and Fund Balance as at 31 December 2005, Statement of Income and Expenditures and Changes on Reserves and Fund Balance and Statement of Cash Flows of the United Nations Environment Programme (UNEP) Trust Fund for the Global Environment Facility (GEF) for the financial period ended 31 December 2005. The financial statements are the responsibility of UNEP management. My responsibility is to express an opinion on the 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 in conformity with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 financial statements present fairly, in all material respects, the financial position of the Trust fund for the GEF as at 31 December 2005 and the results of operations and cash flows for the period then ended.

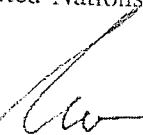
Furthermore, in my opinion, the transactions of the Trust Fund for the GEF that have come to my notice or which I have tested as part of my audit, have in all significant respects been in accordance with the Instrument for the establishment of the Global Environment Facility and the decisions taken by the GEF Council.

Without qualifying my audit opinions expressed above, we draw attention to our findings on the following matters:

- (a) The value of non-expendable property included as part of the items disclosed in Note 8 to the financial statements of the United Nations Development Programme for the biennium ended 31 December 2005 was stated at acquisition cost, while items in the inventory report were stated at market value;

- (b) The project auditor rendered a qualified opinion on programme expenditure totaling \$1.2 million implemented by three Governments, due to the inability of the project implementers to provide sufficient documentation covering such expenditure.

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 Environment Programme from which the summarized financial statements were derived and the audit report of the United Nations Board of Auditors thereon.


Sabiniano G. Cabatuan
Director, External Audit, Philippines
United Nations Board of Auditors

17 October 2005

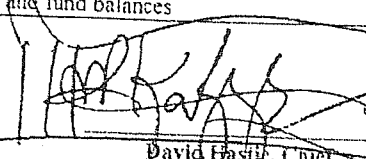
TECHNICAL COOPERATION TRUST FUND FOR UNEP'S IMPLEMENTATION OF THE ACTIVITIES
FUNDED BY THE GLOBAL ENVIRONMENT FUND

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCE
FOR THE BIENNIUM 2004-2005 ENDED 31 DECEMBER 2005

	2005 \$ 000's	2004 \$ 000's	2004-05 Biennium \$ 000's
Income			
Voluntary contributions	64,789	24,621	89,410
Interest income	394	293	687
Miscellaneous income	(49)	49	-
Total income	65,134	24,963	90,097
Expenditure			
Staff and other personnel costs	13,579	14,029	27,608
Contractual services	22,743	27,091	49,834
Travel	2,766	3,244	6,010
Operating expenses	10,639	10,004	20,643
Acquisitions	2,486	2,684	5,170
Other expenditures	-	-	-
Total expenditure	52,213	57,052	109,265
Excess / (shortfall) of income over expenditure	12,921	(32,089)	(19,168)
Prior year adjustment	(58)	(1,278)	(1,336)
Net excess / (shortfall) of income over expenditure	12,863	(33,367)	(20,504)
Provisional savings on or cancellation of prior periods' obligations	-	5	5
Reserves and fund balances, beginning of period	43,251	76,613	76,613
Reserves and fund balances, end of period	56,114	43,251	56,114

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE AS AT 31 DECEMBER 2005

Assets		
Cash and term deposits	567	-
Cash pool - US Dollar	23,487	17,158
Accounts Receivable		
inter-fund balances	5,289	-
Other	37,749	35,056
Other Assets	84	279
Total assets	67,176	52,487
Liabilities		
Unliquidated obligations	7,856	5,828
Accounts Payable		
inter-fund balances	-	1,149
Other	3,206	2,259
Total liabilities	11,062	9,236
Reserves and fund balances		
Cumulative surplus	56,114	43,251
Total reserves and fund balances	56,114	43,251
Total liabilities, reserves and fund balances	67,176	52,487

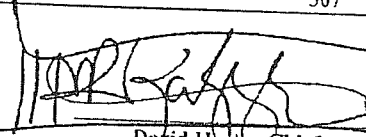

David Basile, Chief
Budget and Financial Management Service, UNON.

Date: 27 April 2006

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

STATEMENT OF CASH FLOWS FOR THE BIENNIUM 2004-2005 ENDED 31 DECEMBER 2005

	2005 \$ 000's	2004 \$ 000's	2004 -05 Biennium \$ 000's
<u>Cash flows from operating activities</u>			
Net excess / (shortfall) of income over expenditure	12,863	(33,367)	(20,504)
<u>(Increase) / decrease in</u>			
Other accounts receivable			-
Other Assets	(2,699)	(2,937)	(5,636)
Interfund balances	195	(206)	(11)
<u>Increase / (decrease) in</u>	(6,438)	(20,107)	(26,545)
Other accounts payable			-
Unliquidated obligations	947	(980)	(33)
Less: interest income	2,028	2,825	4,853
	(394)	(293)	(687)
<u>Net cash from operating activities</u>	<u>6,502</u>	<u>(55,065)</u>	<u>(48,563)</u>
<u>Cash flows from investing activities</u>			
(Increase) / decrease in cash pool	(6,329)	(17,158)	(23,487)
Plus: interest income	394	293	687
<u>Net cash flow from investing activities</u>	<u>(5,935)</u>	<u>(16,865)</u>	<u>(22,800)</u>
<u>Cash flow from financing activities</u>			
Savings on or cancellation of prior periods' obligations	-	5	5
<u>Net cash flow from financing activities</u>	<u>-</u>	<u>5</u>	<u>5</u>
<u>Net increase / (decrease) in cash and term deposits</u>			
Cash and term deposits, beginning of period	567	(71,925)	(71,358)
Cash and term deposits, end of period	-	71,925	71,925
	567	-	567


David Hastie, Chief
Budget and Financial Management Service, UNON

Date: 27 April 2006

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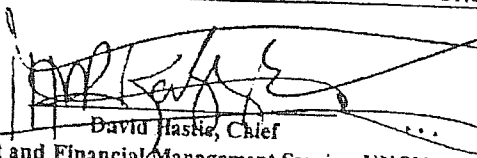
TECHNICAL COOPERATION TRUST FUND FOR THE IMPLEMENTATION OF THE GLOBAL ENVIRONMENTAL FACILITY FEE-BASED SYSTEM FOR FUNDING PROJECTS

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCE FOR THE BIENNIUM 2004-2005 ENDED 31 DECEMBER 2005

	2005 \$ 000's	2004 \$ 000's	2004-05 Biennium \$ 000's
Income			
Voluntary contributions			
Interest income	3,773	10,944	14,717
Total income	4,363	11,336	15,699
Expenditure			
Staff and other personnel costs	5,765	3,602	9,367
Contractual services	110	236	346
Travel	529	505	1,034
Operating expenses	82	135	217
Total expenditure	6,486	4,478	10,964
Excess / (shortfall) of income over expenditure	(2,123)	6,858	4,735
Prior year adjustment	(100)	(1)	(101)
Net excess / (shortfall) of income over expenditure	(2,223)	6,857	4,634
Reserves and fund balances, beginning of period	22,572	15,715	15,715
Reserves and fund balances, end of period	20,349	22,572	20,349

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE AS AT 31 DECEMBER 2005

Assets		
Cash and term deposits	-	-
Cash pool - US Dollar	-	-
Accounts Receivable	20,645	22,080
Inter-fund balances	-	708
Other	304	92
Other Assets	94	61
Total assets	21,043	22,941
Liabilities		
Unliquidated obligations	265	308
Accounts Payable	324	-
Inter-fund balances	105	61
Other	694	369
Total liabilities	694	369
Reserves and fund balances		
Cumulative surplus	20,349	22,572
Total reserves and fund balances	20,349	22,572
Total liabilities, reserves and fund balances	21,043	22,941


David Hastie, Chief
Budget and Financial Management Service, UNON

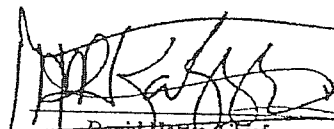
Date: 27 April 2006

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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 2004-2005 ENDED 31 DECEMBER 2005

	2005 \$ 000's	2004 \$ 000's	2004-05 Biennium \$ 000's
Cash flows from operating activities			
Net excess / (shortfall) of income over expenditure			
(Increase) / decrease in	(2,223)	6,857	4,634
Other accounts receivable			
Other assets	(212)	14	(198)
Interfund balances	(33)	(57)	(90)
Increase / (decrease) in	1,032	(781)	251
Other accounts payable			
Unliquidated obligations	44	(84)	(40)
Less: interest income	(43)	140	97
	(590)	(392)	(982)
Net cash from operating activities	(2,025)	5,697	3,672
Cash flows from investing activities			
(Increase) / decrease in cash pool			
Plus: interest income	1,435	(6,089)	(4,654)
	590	392	982
Net cash flow from investing activities	2,025	(5,697)	(3,672)
Net increase / (decrease) in cash and term deposits			
Cash and term deposits, beginning of period	-	-	-
Cash and term deposits, end of period	-	-	-


 David Hastie, Chief
 Budget and Financial Management Service, UNON
 Date: 27 April 2006

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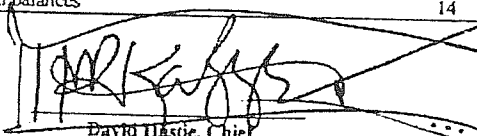
TECHNICAL COOPERATION TRUST FUND FOR THE UNEP/GEF STRATEGIC PARTNERSHIP

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCE
FOR THE BIENNium 2004-2005 ENDED 31 DECEMBER 2005

	2005 \$ 000's	2004 \$ 000's	2004-05 Biennium \$ 000's
Income			
Interest income	-	1	1
Miscellaneous income	-	7	7
Total income	-	8	8
Expenditure			
Staff and other personnel costs	-	101	101
Contractual services	-	15	15
Operating expenses	-	1	1
Total expenditure	-	117	117
Excess / (shortfall) of income over expenditure	-	(109)	(109)
Prior year adjustment	-	(3)	(3)
Net excess / (shortfall) of income over expenditure	-	(112)	(112)
Reserves and fund balances, beginning of period	7	119	119
Reserves and fund balances, end of period	7	7	7

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE AS AT 31 DECEMBER 2005

Assets		
Cash pool - US Dollar	14	75
Total assets	14	75
Liabilities		
Unliquidated obligations	1	15
Accounts payable	4	46
Inter-fund balances	2	7
Total liabilities	7	68
Reserves and fund balances		
Cumulative surplus	7	7
Total reserves and fund balances	7	7
Total liabilities, reserves and fund balances	14	75


David Hastie, Chief
Budget and Financial Management Service, UNON

Date: 27 April 2006

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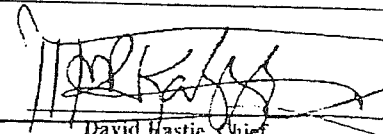
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TECHNICAL COOPERATION TRUST FUND FOR THE UNEP/GEF STRATEGIC
PARTNERSHIP

STATEMENT OF CASH FLOWS FOR THE BIENNIUM 2004-2005 ENDED 31 DECEMBER
2005

	2005 \$ 000's	2004 \$ 000's	2004-05 Biennium \$ 000's
Cash flows from operating activities			
Net excess / (shortfall) of income over expenditure	-	(112)	(112)
Increase / (decrease) in			
Other accounts payable	(5)	3	(2)
Unliquidated obligations	(14)	8	(6)
Interfund balances	(42)	45	3
Less: interest income	-	(1)	(1)
Net cash from operating activities	(61)	(57)	(118)
Cash flows from investing activities			
(Increase) / decrease in cash pool	61	56	117
Plus: interest income	-	1	1
Net cash flow from investing activities	61	57	118
Net increase / (decrease) in cash and term deposits			
Cash and term deposits, beginning of period	-	-	-
Cash and term deposits, end of period	-	-	-

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David Hastie, Chief
Budget and Financial Management Service, UNON

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Date: 27 April 2006

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