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ANNUAL REVIEW OF THE FINANCIAL SITUATION, 1983

Report of the Administrator

Summary

In this report, the Administrator provides a comprehensive financial review of the activities financed from the UNDP account during 1983 and of the financial position as at the end of that year. The report includes estimates of anticipated resources and expenditures for 1984 and 1985, and provides information on cost-sharing activities. In addition, information is provided on the utilization of accumulated non-convertible currencies, the collection of outstanding accounts receivable, the placement of UNDP funds, the Operational Reserve, and the status of Special Programme Resources and of the Special Measures Fund for the Least Developed Countries. This report also provides information on the status of the Reserve for Construction Loans to Governments and related matters, in accordance with paragraph 5 of decision 82/30; information on support cost flexibility arrangements, in accordance with paragraph 8 of decision 82/36; and details concerning a request received from the International Telecommunication Union for additional support cost reimbursement relating to its implementation of UNDP-financed projects. The report concludes with the Administrator's recommendations as set forth in paragraph 40.

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INTRODUCTION

1. In accordance with established procedures, a comprehensive financial review of the activities financed from the UNDP account 1/ during 1983 and a forecast of activities during 1984 and 1985 are presented in this report. Additionally, in response to Governing Council decisions 82/30 and 82/36, the reports of the Administrator on the status of the Reserve for Construction Loans to Governments and related matters and on agency support cost flexibility arrangements have been incorporated in this review. To facilitate this review, supporting financial information has been presented in the following five groupings:

(a) Financial statements and schedules

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|---------------|---|---|
| Statement I | : | Statement of income and expenditure for the year ended 31 December 1983 |
| Statement II | : | Statement of assets and liabilities as at 31 December 1983 |
| Statement III | : | Summary of movement in subsidiary programme funds and revenue reserve for the year ended 31 December 1983 |
| Schedule 1 | : | Contributions outstanding as at 31 December 1983 |
| Schedule 2 | : | Expenditures in 1983 by agency |
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(b) Variance analysis 1983: forecasts vs. actuals

Annex table 1 : Income and expenditure for 1983

Annex table 2 : Assets and liabilities as at 31 December 1983

Annex table 3 : Cash flow statement for the period 1 January to 31 December 1983

(c) Estimates for 1984 and 1985

Annex table 4 : Forecast of income and expenditure for 1984 and 1985

Annex table 5 : Estimated balance sheets as at 31 December 1984 and 1985

Annex table 6 : Estimated cash flow statement for the period 1 January 1984 to 31 December 1984

Annex table 7 : Estimates of accumulated non-convertible currencies as at 31 December 1984

(d) Agency support cost flexibility arrangements

Annex table 8 : Agency support costs in 1983 under flexibility arrangements: forecasts vs. actual

Annex table 9 : Forecast of 1984 agency support costs under flexibility arrangements

(e) Status of the Reserve for Construction Loans to Governments

Annex table 10 : Investments of the Reserve for Construction Loans to Governments at 31 December 1983

Annex table 11 : Loans under consideration for financing from the Reserve for Construction Loans to Governments as at 31 December 1983

I. INCOME AND EXPENDITURE

2. Statements I and II provide a summary of the financial activities of UNDP during 1983 and of its financial position as at 31 December 1983. An overview of income and expenditure for 1982 and 1983, forecasts for 1984 and annual percentage changes are presented in the following summary:

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Comparative analysis of
income and expenditure for 1982, 1983 and 1984
 (Actuals for 1982 and 1983, forecast for 1984)
 (Millions of US dollars)

	<u>1982</u>	<u>Percentage change 1982/1983</u>	<u>1983</u>	<u>Percentage change 1983/1984</u>	<u>1984 Forecast</u>
INCOME:					
Voluntary contributions	680.0	2.6	697.8	1.1	705.2
Cost-sharing contributions	75.3	25.4	94.4	21.8	115.0
Special Measures Fund for the Least Developed Countries	16.4	(1.8)	16.1	(9.9)	14.5
Government Cash Counterpart Contributions (GCCC)	8.1	(33.3)	5.4	48.1	8.0
Extrabudgetary income	5.7	21.1	6.9	26.1	8.7
Miscellaneous income (net)	<u>7.2</u>	175.0	<u>17.6</u>	46.0	<u>25.0</u>
Total income	<u>792.7</u>	5.8	<u>838.2</u>	3.8	<u>876.4</u>
EXPENDITURE:					
Indicative planning figures	567.8	(17.8)	466.6	7.2	500.0
Cost sharing	62.2	10.5	68.7	45.6	100.0
Special Programme Resources, Special Industrial Services and GCCC	16.7	(20.4)	13.3	65.4	22.0
Special Measures Fund for the Least Developed Countries	13.8	(16.7)	11.5	30.4	15.0
Total programme expenditure:	<u>660.5</u>	(15.2)	<u>560.1</u>	13.7	<u>637.0</u>
Agency support costs	85.1	(14.1)	73.1	13.1	82.7
UNDP administrative and programme support costs	104.1	4.7	109.0	11.1	121.1
Extrabudgetary expenditure	3.0	40.0	4.2	126.2	9.5
Other	6.4	(28.1)	4.6	13.0	5.2
Total expenditure	<u>859.1</u>	(12.6)	<u>751.0</u>	13.5	<u>855.5</u>
Net excess of income over expenditure	(66.4)		87.2		20.9

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3. Total income in 1983 amounted to \$838.2 million and total expenditure \$751.0 million. This resulted in a surplus of income over expenditure of \$87.2 million which is attributable as follows:

(Millions of US dollars)

(a) Surplus of main programme income over expenditure	62.7
(b) Surplus of cost-sharing income over expenditure	18.2
(c) Surplus of income from Special Measures Fund for LDCs over expenditure;	4.6
(d) Excess of GCCC expenditure over income; and	(1.0)
(e) Surplus of extra-budgetary income over expenditure	2.7
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Net surplus of income over expenditure	87.2
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As a result of the surplus of main programme income over expenditure, the revenue reserve of UNDP, which was in deficit to the extent of \$5.7 million at 31 December 1982, became a surplus of \$57.9 million as at 31 December 1983.

4. As in the annual review of the financial situation for 1982 (DP/1983/43), the Administrator is providing the Council with comprehensive financial information on the activities financed from the UNDP account. Annex tables 1, 2 and 3 illustrate the actual financial activities of UNDP in 1983, as compared with the forecasts presented to the thirtieth session. As shown in Annex table 1, total income in 1983 amounted to \$838.2 million which was only \$4.0 million lower than had been forecast. Income received from voluntary contributions amounted to \$697.8 million (including \$1.0 million relating to future years' pledges) which was higher than the forecast by \$4.4 million, mainly because most Governments paid their pledges before the end of the year. This subject is discussed further in chapter X below. Miscellaneous income, which consists mainly of investment income and gains or losses on exchange and revaluation of currencies, amounted to \$17.4 million as against the forecast of \$10 million. This was primarily because in 1983 the US dollar did not strengthen in value vis-a-vis other currencies to the extent assumed in the forecast and, as a consequence, losses on exchange and revaluation of currencies were less than anticipated.

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5. Total expenditure in 1983 amounted to \$751.0 million which was lower than the forecast by \$119.9 million. The shortfall occurred mostly in expenditures relating to the main field programme and cost sharing. These are explained further in chapter II. Administrative and programme support costs were \$5.8 million less than had been estimated. These savings resulted from several factors including reduced costs, as expressed in US dollars, due to the strengthening of the US dollar, lower than anticipated inflationary rates in many locations and the continuation of the recruitment freeze imposed by the Administrator which produced a vacancy rate higher than had been estimated.

6. With respect to Annex table 2, which presents a Balance sheet variance analysis, it may be noted that the level of the revenue reserve as at 31 December 1983 was \$57.9 million as against the forecast of a negative balance of \$37.7 million. This was primarily due to a net surplus of income over expenditure relating to the main programme of \$62.7 million actually incurred in 1983, as compared with the forecast of an excess of expenditure over income of \$31.9 million. There were corresponding differences between forecasts and actuals in the assets of UNDP, particularly in the level of investments and of operating funds held by the agencies. The amounts available for short-term investments at year end were higher than anticipated because of improvements in the payment pattern of donors and reductions in programme expenditure. The increased level of operating funds held by the agencies is partly the result of certain unexpected savings realized at year end by the cancellation of some 1982 obligations by some agencies which had not been reflected in earlier expenditure forecasts by the agencies. Operating fund balances, however, are subject to periodic fluctuations in the range of approximately \$10 million to \$40 million, and it is expected that an average level of \$25.0 million would be maintained during 1984.

7. Cash, letters of credit and investments as at 31 December 1983, exclusive of investments made on behalf of fully funded reserves, ^{2/}, amounted to \$304.9 million, which can be compared with \$243.6 million as at 31 December 1982. Cash balances as at 31 December 1983 amounted to \$19.2 million (excluding holdings in accumulated non-convertible currencies), of which \$2.1 million was held in the central account of UNDP and \$17.1 million represented the operating cash balances in the field offices.

II. PROGRAMME EXPENDITURE

8. Field programme expenditure in 1983 amounted to \$560.1 million, of which \$466.6 million represented expenditure against IPFs, \$68.7 million against cost sharing and \$24.8 million against supplementary programmes in the UNDP account. The details of expenditure by agency and source of fund are shown in Schedule 2 in the annex to this report.

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9. The summary below presents, for comparison purposes, expenditures for 1982 and 1983 and forecasts of expenditure for 1984. It also shows earlier forecasts for these years provided in DP/1983/43. Total programme expenditure of \$560.1 million in 1983 represents a reduction of \$100.4 million from 1982 or approximately 15.2 per cent. In order to provide for a smooth transition to a lower level of programming resulting from the decision in 1982 to reduce the IPF planning targets to 55 per cent of the illustrative IPFs, the Administrator had set progressively declining limitations on IPF expenditures during the years 1983 through 1985. Thus, as reported last year, the limitations on IPF expenditures for 1983 and 1984 had been set at \$530 million and \$500 million respectively. However, actual IPF expenditures for 1983 amounted to only \$466.6 million, or a shortfall of \$63.4 million or 12 per cent from the forecast. Several factors contributed to this decline in programme expenditure. The continued strength of the US dollar in 1983 had a moderating impact on programme expenditure. Additionally, cautious planning by many Governments and resident representatives resulted in major reductions in project budget approvals occurring in 1983 itself, rather than more gradually as planned earlier. An additional contributory factor for the lower levels of expenditure were the savings realized in 1983 from the cancellation of some obligations by executing agencies which had been originally established in 1982 and subsequently found to be unnecessary. Cost-sharing expenditures during 1983 of \$68.7 million were also influenced by the factors enumerated above; there was, therefore, a shortfall of \$26.3 million from the forecast of \$95.0 million.

Programme expenditure and forecast for 1982-1984
(Millions of US dollars)

	1982	1983		1984	
	Final expenditure	Forecast in DP/1983/43	Expenditure	Forecast in DP/1983/43	Current forecast
IPF	567.8	530.0	466.6	500.0	500.0
Cost sharing	62.2	95.0	68.7	125.0	100.0
Special Programme					
Resources	5.0	8.0	4.0	9.0	10.0
SIS	3.1	3.0	3.0	3.5	3.0
Special Measures					
Fund for LDCs	13.8	15.0	11.5	15.0	15.0
GCCC	8.6	13.6	6.3	13.3	9.0
TOTAL	660.5	664.6	560.1	665.8	637.0

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10. In reviewing IPF programme expenditures in the third programming cycle, the Administrator would like to call attention to the combined picture for 1982 and 1983 in order to facilitate an examination of the expenditure trends in these years as well as to provide the basis on which projections for the rest of the cycle have been formulated. The following summary shows the annual average of the actual programme expenditures in 1982 and 1983 as compared with the annual average of the estimated expenditure in 1984 and 1985:

	<u>Average annual programme expenditure</u> (Millions of US dollars)		
	<u>1982 and 1983</u>		<u>1984 and 1985</u>
	<u>Estimate in</u> <u>DP/1982/49</u>	<u>Actual</u>	<u>Estimate</u>
IPF	550.0	517.2	520.0
Cost sharing	60.0	65.4	110.0
Other	<u>36.5</u>	<u>27.6</u>	<u>38.4</u>
Total	646.5	610.2	668.4
	<u>=====</u>	<u>=====</u>	<u>=====</u>

Taken together, IPF expenditures for 1982 and 1983 represent a gradual adjustment on the part of UNDP to a lower level of programming in the third cycle. As such an adjustment can only be achieved over several years, expenditures in individual years may show some variations. Thus, expenditure during 1982 exceeded the forecast, but the reverse was true for 1983 when there was shortfall from the forecast. However, the average annual IPF expenditure for these two years combined amounts to \$517.2 million which is approximately the expenditure level expected to be maintained during the remaining years of the third cycle. The Administrator would also like to call attention to the favorable overall effect on the programme of reduced rates of inflation experienced in many countries and the moderating impact which the strength of the US dollar has had on programme expenditure. In this connection it may be pointed out that average expert costs in UNDP-financed projects have increased less than 3 per cent annually in the last two years in comparison with annual increases of 9 to 17 percent during the second programming cycle. This subject is discussed further in DP/1984/20, the Mid-term review of the third programming cycle, 1982-1986.

11. The summary in paragraph 9 above provides a comparison of the forecasts of expenditure for 1984 with the preliminary forecast included in DP/1983/43. The Administrator intends to continue to impose an expenditure limitation of \$500 million on 1984 IPF expenditure and to increase the IPF expenditure target to \$540 million in 1985. The reductions in the levels of expenditure achieved in 1982 and 1983 now make possible gradual but modest increases in programme delivery during the last years of the third programming cycle, thus permitting the continuation of programming for the cycle at the

level of 55 per cent of the illustrative IPFs. However, the Administrator will continue to carefully monitor the build up of programme budgets and take appropriate action to keep available resources and expenditures in balance.

III. COST-SHARING ARRANGEMENTS

12. Total cost-sharing expenditure during the year amounted to \$68.7 million exclusive of support costs. Of this amount, \$39.7 million was expended as project cost-sharing, \$8.4 million as programme cost sharing and \$20.6 million as third-party cost-sharing. Even though there was a considerable shortfall of \$26.3 million from the forecast of \$95.0 million, the amount apportioned to cost sharing in 1983 showed an increase of \$6.5 million, or 10.5 per cent over 1982. Cost sharing expenditure increased from 9.4 per cent in 1982 to 12.2 per cent in 1983. The cost-sharing programme has thus continued to grow substantially and, except for a temporary decline in 1981, has shown consistent annual increases since 1977.

13. Income from cost-sharing contributions increased from \$75.3 million in 1982 to \$94.4 million in 1983, or an increase of 25 per cent. Of this amount, \$50.3 million was contributed as project cost-sharing, \$20.9 million as programme cost-sharing and \$23.2 million as third-party cost-sharing. Schedule 4(a) (total cost-sharing income by recipient country) and Schedule 4(b) (third-party cost-sharing income by donor) provide further information on cost-sharing income during 1983. The following summarizes the movement in the balances of cost-sharing contributions held by UNDP during 1983:

Millions of US dollars

Balance of cost-sharing contributions held by UNDP as at 31 December 1982	41.9
Cost-sharing income during 1983	94.4
Cost-sharing expenditure during 1983	(68.7)
Support cost thereon	(<u>7.6</u>)
Increase in balance held	<u>18.1</u>
Balance as at 31 December 1983	60.0

14. Even though the cost-sharing programme is expected to continue to grow, such increases are likely to be more gradual from the levels actually achieved in 1983. Accordingly the estimates of cost-sharing income and expenditure in

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1984 have been revised down to \$115 million and \$100 million respectively from the estimates provided last year of \$135 million and \$125 million respectively. However, cost sharing income and expenditure are expected to increase again to \$130 million and \$120 million respectively in 1985.

IV. SPECIAL MEASURES FUND FOR LDCs

15. The balance of resources available for this Fund as at 31 December 1982 was \$19.9 million. An additional amount of \$16.1 million was pledged and paid during 1983. The expenditure for 1983 amounted to \$11.5 million, against the forecast of \$15.0 million in DP/1983/43. The balance of the resources available as at 31 December 1983 was therefore \$24.5 million. The information is summarized below:

(Millions of US dollars)

Balance as at 31 December 1982	19.9
Income received during 1983	16.1
Expenditure during 1983	<u>(11.5)</u>
Increase in balance held	<u>4.6</u>
Balance as at 31 December 1983	<u>24.5</u>

As at 31 December 1983, total resources for the Special Measures Fund for LDCs since the inception of the Fund in 1973 amounted to \$130.8 million (excluding pledges of \$17.1 million for 1984). Of this amount, \$106.3 million was spent during the period 1973-1983, leaving a balance of \$24.5 million as available resources for future expenditure. Against this balance, unspent budgets at the end of 1983 amounted to \$12.1 million. The Administrator will continue to monitor the progress of the Fund to ensure that available resources are promptly programmed. Additional information on the Special Measures Fund is provided in DP/1984/13, Implementation of the SNPA for the LDCs for the 1980s.

V. SPECIAL PROGRAMME RESOURCES

16. During 1983, expenditure chargeable to Special Programme Resources amounted to \$4.0 million. Of this, \$1.5 million were expended for disaster-related projects and \$2.5 million for other activities, including assistance to the Palestinian people. The total allocation of resources for Special Programme Resources for the third programming cycle, 1982-1986, currently amounts to \$45.9 million which is 55 per cent of the approved

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allocation of \$83.5 million, in line with the provisions of Governing Council decision 80/30. The carry over from the second cycle, as authorized by the Governing Council in its decision 81/25, has been recalculated to be \$8.7 million. This carry over, together with the approved allocation of \$45.9 million, provides a combined allocation of \$54.6 million for the third cycle. Against this amount, commitments amounting to \$22.9 million have been approved, leaving an uncommitted balance of \$31.7 million.

VI. FINANCIAL FORECASTS

17. The Administrator presents in annex tables 4, 5 and 6 his forecasts of programme activities in 1984 and 1985. These forecasts show that after the decline in recent years, a modest upturn in UNDP resources is now underway. Current estimates of voluntary pledges for 1984 and 1985 are \$705 million and \$758 million respectively which represent increases of 4.3 per cent and 7.5 per cent over the previous years. Based on these estimates, and assuming that payments against pledges would be promptly made, it is expected that collection of contributions in 1984 and 1985 would amount to \$705.2 million and \$751 million respectively. It is also expected that cost-sharing income, as stated in paragraph 13 above, will also increase from \$94.4 million in 1983 to \$115 million in 1984 and \$130 million in 1985.

18. It is expected that these planned increases in resources should permit a corresponding increase in programme delivery. However, the increases in programme expenditure are likely to be more gradual and modest, as it may not be possible nor desirable to increase budgetary levels dramatically. The Administrator has therefore established IPF expenditure targets for 1984 and 1985 of \$500 million and \$540 million respectively. Based on these estimates, UNDP would have a surplus of total income over total expenditure of \$20.9 million in 1984 and \$8.1 million in 1985. As a result, the balance of the Revenue Reserve, representing the net assets of UNDP relating to its main programmes, will increase from its current level of \$57.9 million at the end of 1983 to \$77.8 million at the end of 1984 and \$86.7 million at the end of 1985. The Administrator continues to establish programme parameters such that the usable resources of the Revenue Reserve are kept as low as possible and a balance between resource inflows and outflows on an annual basis is maintained. The small positive balances of the Revenue Reserve which may be built up in 1984 and 1985 are likely to be temporary and are expected to be drawn down again with the increase in programme expenditures in the last years of the third programming cycle.

19. The projection of cash flows during 1984, shown in annex table 6, indicates a modest improvement in the liquidity situation of UNDP in that year. This is attributable to reduced expenditures and an improved pattern of payment of government contributions. Assuming that Governments continue to make prompt payments of pledges as they did in 1983, it is not considered likely that UNDP's Operational Reserve would need to be drawn upon during 1984.

VII. PLACEMENT OF UNDP FUNDS

20. For the financial year 1983, the total net return on UNDP investments was approximately \$17.4 million or 4.3 per cent. This resulted from interest earnings averaging \$36.2 million or 9.0 per cent, less a loss of \$18.8 million (averaging 4.1 per cent) from exchange rate changes. This compares with a total net return of \$3.9 million (1.0 per cent) in 1982, of which \$44.5 million (11.2 per cent) was from interest earnings and a loss of \$40.6 million (10.2 per cent) from exchange rate changes. The US dollar continued to strengthen vis-a-vis other major currencies in 1983 which again resulted in losses on exchange. These losses can be attributed to the following four sources: (a) non-US dollar holdings in the Operational Reserve which, as previously reported to the Council, is held in a basket of currencies, as shown in the summary included in paragraph 22 below; (b) holdings of accumulating non-convertible currencies; (c) currencies held by UNDP in the currency of payment of the pledge which will be utilized for operational purposes; and (d) other losses resulting from conversions of currencies, delays in notification of deposits and other transactions. The distribution in 1983 was:

	(Millions of US dollars)	
	<u>31 Dec. 1982</u>	<u>31 Dec. 1983</u>
Losses on the Operational Reserve	16.0	4.1
Losses on accumulating non-convertible currency holdings	6.0	3.0
Losses on currencies held for operational purposes	16.8	9.8
Other losses	<u>1.8</u>	<u>1.9</u>
Total	40.6	18.8
	<u><u> </u></u>	<u><u> </u></u>

21. Placements for the benefit of developing countries increased from \$44.5 million as at 31 December 1982 to \$48.5 million as at 31 December 1983, primarily in World Bank bonds, the proceeds of which are used for the developing countries. This increase was achieved consistent with UNDP's policy of placing funds only in short-term instruments and with the objectives of safety, liquidity and availability of funds.

VIII. STATUS OF THE OPERATIONAL RESERVE

22. As authorized by the Governing Council in its decision 79/31, the Operational Reserve is currently funded at the level of \$200 million. The composition of the Operational Reserve as at 31 December 1983 compared with 31 December 1982 is as follows:

(Millions of US dollars)

31 Dec. 1982 31 Dec. 1983

Investments

Australian dollars	-	3.0
Canadian dollars	7.0	10.0
Deutsche mark	40.0	40.0
Japanese yen	20.0	20.0
Netherlands guilders	16.0	16.0
Norwegian kroner	4.0	2.0
Swiss francs	7.5	9.0
UK pounds sterling	5.5	-
US dollars	100.0	100.0
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Authorized level	200.0	200.0
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IX. UTILIZATION OF ACCUMULATED NON-CONVERTIBLE CURRENCIES

23. UNDP holdings of accumulated non-convertible currencies amounted to \$33.5 million as at 31 December 1983 (excluding an amount equivalent to \$1.4 million which represents the balance of contributions to the Trust for the Training of Specialists from Developing Countries in the USSR). This balance, as indicated in annex table 7, represents a net decrease of \$3.3 million from 31 December 1982 and is \$2.4 million lower than the level projected in DP/1983/43. This net decrease includes the effect of depreciation in terms of US dollars in the value of UNDP holdings of these currencies amounting to \$3.0 million. It may be noted that in the absence of the impact of the changes in exchange rates, the value of these currencies would have actually increased by \$0.3 million. Assuming the same level of pledges and constant exchange rates, it is projected that the holdings of these currencies would amount to \$33.9 million at 31 December 1984 and \$33.0 million at 31 December 1985.

X. COLLECTION OF OUTSTANDING CONTRIBUTIONS RECEIVABLE

24. A detailed listing of the outstanding contributions receivable by country and by major type of receivable is provided in Schedule 1 in the annex to this report. The total amount of outstanding voluntary contributions decreased from \$35.4 million to \$10.2 million. The Administrator is pleased to report that the payment of contributions by Governments was encouraging as most major donors had paid their pledges before the end of the year. He would continue to emphasize, however, the importance to UNDP of such payments being made as early in the year as possible.

XI. FLEXIBILITY ARRANGEMENTS RELATING TO AGENCY SUPPORT COSTS

25. Current UNDP arrangements relating to reimbursement of support costs to executing agencies eligible for support cost reimbursement are contained in detailed guidelines issued by the Administrator in January 1982 under the authority granted by the Governing Council in its decision 81/40 adopted at its twenty-eighth session. These guidelines were appended to his report DP/1982/93 on support cost flexibility arrangements to the twenty-ninth session, DP/1982/93.

26. Annex table 8 shows a comparison of forecast and actual amounts relating to programme delivery and associated support costs for the five agencies eligible for support cost flexibility in 1983. The forecast of \$4.3 million of support cost reimbursement for these agencies was based on detailed data submitted by them early in 1983 for that year and represents the amounts initially authorized by the Administrator. Actual reimbursement for 1983, on a provisional basis, amounted to \$4.4 million and represents an average of 18 per cent on programme delivery for these agencies.

27. Estimates of 1984 programme expenditures and support cost reimbursements for agencies likely to be eligible for flexibility are provided in annex table 9. The table provides a breakdown of the estimated 1984 total support cost reimbursements as between the standard 13 per cent rate and the flexibility portion. For these agencies, taken as a group, UNDP is expected to provide support costs at an average of 18 per cent of estimated programme delivery as compared with the standard 13 per cent for agencies under the normal arrangements. The table also shows that UNDP's reimbursement to these agencies, including the flexibility payments, will only finance an average of 80 per cent of the total costs which the agencies expect to incur in support of UNDP-financed projects. The remaining 20 per cent will be met by the agencies from sources other than UNDP reimbursements.

XII. RESERVE FOR CONSTRUCTION LOANS TO GOVERNMENTS AND RELATED MATTERS

28. In accordance with decision 82/30 of the Council, a report on the Reserve for Construction Loans to Governments and related matters is included in this review. Annex table 10 shows the list of investments held on behalf of this Reserve as at 31 December 1983. The balance of loans outstanding amounts to \$7.2 million. Loans currently under consideration, a listing of which is provided in annex table 11, amount to \$15.4 million. Of these, the loans relating to office accommodation do not exceed the 20 per cent of the Reserve authorized by the Council for this purpose.

29. While an amendment to the loan granted to Equatorial Guinea in 1981 provides for the construction of four additional housing units, no new loan was approved during 1983. The construction of housing units financed from

the Reserve continues to suffer from the delays and difficulties reported to the Council last year (DP 1983/43). The Administrator therefore believes that in order to expedite matters, he should have the option of using the funds of the Reserve in cases where Governments cannot fulfill some of their obligations under the standard loan agreement. This would relate principally to the provision of technical expertise prior to and during construction, and to the financing of those pre-construction activities which concern servicing of loan sites.

30. The Administrator will continue to make full use of all the measures available to him under his authority to meet situations of acute housing shortages experienced by field personnel.

XIII. ITU REQUEST FOR ADDITIONAL SUPPORT COST REIMBURSEMENT

31. The Administrator has received a request from the Chairman of the Administrative Council of the International Telecommunication Union (ITU), through the Secretary-General of ITU, for consideration of additional support cost reimbursement in connection with ITU's implementation of UNDP-financed projects. The Administrator has agreed to bring this request to the attention of the Governing Council at its thirty-first session.

32. In August 1983, the Chairman of the Administrative Council of ITU informed the Administrator that at its thirty-eight session in May 1983, the Administrative Council approved the final budgets for the years 1983 and 1984 of the Special Accounts of the Technical Co-operation Department, which include the administrative and operational support costs relating to ITU's implementation of projects financed by UNDP and by trust funds. The Administrative Council noted with concern that, as a result of the reduced scale of operations foreseen for years 1983 and 1984, there was a possibility of deficits arising in the Special Accounts budgets for the years 1983 and 1984, despite major economy measures which the Administrative Council had approved involving a staff reduction commensurate with the reduced work programme. These deficits were estimated at approximately 450,000 Swiss francs by the end of 1983, increasing to approximately 1,000,000 Swiss francs by the end of 1984.

33. Subsequently, at the request of UNDP, ITU provided additional financial information in support of its request for an increase in support cost reimbursement, including projections of its delivery of projects financed by UNDP and by ITU trust funds as well as details of its actual and projected support cost income and expenditure for the years 1981 through 1984. This information is summarized in annex table 12. The Secretary-General of ITU has also drawn attention to Resolution No. 16 adopted at its Plenipotentiary Conference held in Nairobi in 1982, which is reproduced in the appendix to annex table 12, and in particular, to that part of the resolution

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(paragraph 2, following "resolves") which stipulates that the administrative and operational service costs resulting from ITU's participation in the UNDP programme shall be included in a separate part of its budget to which the support cost payments received from UNDP should also be credited as income.

34. ITU has since informed UNDP that the actual deficit incurred in the Technical Co-operation Special Account for the year 1983 amounted to 1,944,000 Swiss francs (equivalent to US \$891,743, as at 31 December 1983) compared with the original estimate of approximately 450,000 Swiss francs.

35. After reviewing the information provided by ITU, UNDP informed the Union's Secretary-General of its own views concerning this request. It pointed out that in its view Resolution No. 16 did not require that UNDP reimbursements should fully cover ITU's costs in supporting UNDP-financed projects and did not preclude partial financing of those costs from ITU's ordinary budget. This is consistent with the situation existing under UNDP's partnership relationship with agencies, most if not all of which provided some financial support from their regular budgets for their UNDP-related technical co-operation activities. UNDP also noted that in paragraph 2 (under "instructs the Administrative Council") of Resolution No. 16 the Administrative Council is required "to take into account the decisions of the Governing Council of the UNDP with regard to support cost payments for the executing agencies, when establishing the credits required to cover the total administrative and service costs to be incurred as a result of the Union's participation in the UNDP."

36. In response to this, the Secretary-General of ITU has informed UNDP that he intends to place this matter before the Administrative Council of ITU at its meeting in Geneva in April 1984. He further informed that he would request that Council to consider Resolution No. 16 not in isolation, but in relation to previous resolutions of the ITU Plenipotentiary Conference and to take into account the difficulties which ITU has experienced in this regard which, he stated, arise from several factors, including the location of ITU headquarters, currency fluctuations, the absence of a regular programme of technical co-operation and the success of the ITU programme financed by UNDP which has taken ITU above the flexibility rule applicable to smaller agencies.

37. The Governing Council will be informed of the results of the meeting in April 1984 of the ITU Administrative Council by an oral report at the Council's thirty-first session.

38. Requests in recent prior years for additional support cost reimbursement for ITU have been based on the effect of currency exchange fluctuations, for which the applicable guidelines and procedures were established in paragraph 5 of decision 81/40. It should be noted that ITU's request this year is not made on that basis, as the circumstances do not meet the criteria set down in that decision, but rather appears to be based mainly on an interpretation of the effect of Resolution No. 16 of the ITU Administrative Council.

39. The Administrator awaits with interest the results of the ITU Administrative Council's further discussions on this subject, as referred to above. In his opinion, however, based on the information he has received from ITU to date, a clear justification for reimbursement of additional support costs to ITU for 1983 has not yet been established.

XIV. RECOMMENDATION OF THE ADMINISTRATOR

40. In the light of the information provided above, the Administrator recommends that the Governing Council consider adopting a decision along the following lines, which would need to be supplemented by a decision regarding the ITU request for additional support cost reimbursement, taking into account any additional information made available at the thirty-first session of the Council:

The Governing Council,

Having considered the report of the Administrator on the review of the financial situation in 1983 (DP/1983/53),

Taking into account the observations and comments made by its members thereon,

1. Takes note of the steps being taken by the Administrator to ensure that the level of programme delivery is consistent with existing and projected resource availability;
2. Expresses satisfaction at the prompt payment of pledges by many donors and urges all Governments to continue making such payments as early in the year as possible;
3. Calls upon all Governments to increase their voluntary contributions to the Programme on a more predictable, continuous and assured basis.

Notes

1/ The UNDP account includes all resources, except those derived from trust funds.

2/ These are the Operational Reserve of \$200 million and the Reserve for the Construction Loans to Governments of \$25 million.

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Annex

STATEMENT I

Statement of income and expenditure for the year
ended 31 December 1982
(Millions of US dollars)

<u>1982</u>		<u>1983</u>
INCOME		
<u>Contributions from Governments</u>		
679.7	Voluntary pledges	697.8
0.3	Assessed programme costs	-
16.4	Voluntary pledges for the Special Measures Fund for the Least Developed Countries	16.1
75.3	Cost-sharing contributions	94.4
<u>8.1</u>	Cash counterpart contributions for projects	<u>5.4</u>
779.8		813.7
<u>0.8</u>	Add: Exchange adjustments on collection of contributions	<u>0.2</u>
780.6		813.9
5.7	UNDP Extrabudgetary income	6.9
<u>6.4</u>	Miscellaneous income (net)	<u>17.4</u>
12.1		24.3
792.7	TOTAL INCOME	838.2
EXPENDITURE		
<u>Programme expenditure</u>		
567.8	From indicative planning figures for projects	466.6
5.0	From Special Programme Resources	4.0
3.1	From the Special Industrial Services	3.0
13.8	From the Special Measures Fund for the Least Developed Countries	11.5
62.2	From Government cost-sharing contributions	68.7
<u>8.6</u>	From Government cash counterpart contributions	<u>6.3</u>
660.5		560.1
5.5	UNDP sectoral support costs	4.2
<u>85.1</u>	Reimbursement of programme support costs to participating and executing agencies	<u>73.1</u>
751.1		637.4
1.8	Expert hiatus financing and extended sick leave costs	1.1
<u>(0.9)</u>	Adjustments to prior year's programme expenditure and programme support costs (net)	<u>(0.7)</u>
752.0		637.8
104.1	UNDP biennial budget expenditure	109.0
<u>3.0</u>	UNDP extra-budgetary expenditure	<u>4.2</u>
107.1		113.2
859.1	TOTAL EXPENDITURE	751.0
<u>(66.4)</u>	EXCESS OF INCOME OVER EXPENDITURE	<u>87.2</u>

STATEMENT II

Statement of assets and liabilities
as at 31 December 1982
(Millions of US dollars)

<u>1982</u>		<u>1983</u>
ASSETS		
	<u>Cash</u>	
2.5	Convertible currencies	1.9
0.2	Usable non-convertible currencies	0.2
36.1	Accumulated non-convertible currencies	34.9
<u>15.5</u>	Cash at field offices	<u>17.1</u>
54.3		54.1
0.6	Government letters of credit	0.1
<u>188.7</u>	Investments	<u>250.7</u>
243.6		304.9
	<u>Advances and accounts receivable</u>	
	Operating funds provided by UNDP to participating and executing agencies	40.1
10.0	Due from trust funds administered by UNDP	0.6
0.5	Other accounts receivable and deferred charges	31.5
41.2	Accrued interest	<u>6.1</u>
<u>5.7</u>		78.3
57.4		
	Investments of the Operational Reserve	200.0
200.0	Construction loans of the Reserve for Construction Loans to Governments	7.2
6.6	Investments of the Reserve for Construction Loans to Governments	<u>17.8</u>
<u>18.4</u>		225.0
225.0		
	Contributions pledged by Governments for current and prior years	72.2
90.5		680.4
616.5		
	LIABILITIES AND RESERVES	
	<u>Liabilities</u>	
56.2	Accounts payable	70.0
173.5	Unliquidated obligations of participating and executing agencies	139.2
0.4	Due to United Nations	-
	Due to the United Nations Fund for Population Activities	0.1
4.0	Due to trust funds administered by UNDP	21.0
2.0	Junior Professional Officers' programme	<u>1.4</u>
<u>0.5</u>		231.7
236.6		
	Contributions pledged by Governments	72.2
90.5		
	<u>Unexpended contributions</u>	
	For the Special Measures Fund for the Least Developed Countries	24.5
19.9	For Government cost-sharing contributions	60.0
42.6	For Government cash counterpart contributions	3.7
4.8	For extra-budgetary activities	<u>5.4</u>
<u>2.7</u>		93.6
70.0		
	<u>Reserves</u>	
200.0	Operational Reserve	200.0
25.0	Reserve for Construction Loans to Governments	25.0
<u>(5.7)</u>	Revenue Reserve	<u>57.9</u>
219.3		282.9
616.5		680.4

STATEMENT III

Summary of movement in subsidiary programme funds and Revenue Reserve for the
year ended 31 December 1983
(Millions of United States dollars)

	<u>Special Measures Fund for the Least Developed Countries</u>	<u>Government cost-sharing contributions</u>	<u>Government cash counterpart contributions</u>	<u>Extrabudgetary activities</u>	<u>Revenue Reserve</u>	<u>Total</u>
Balance at 1 January 1983	19.9	42.6	4.7	2.7	(5.7)	64.4
Adjustment to opening balance <u>a/</u>	(0.1)	(0.8)	-	-	0.9	-
Income Received in 1982	<u>16.1</u>	<u>94.5</u>	<u>5.4</u>	<u>6.9</u>	<u>715.3</u>	<u>838.2 c/</u>
Less: Expenditure during 1983:						
Programme expenditure	11.5	68.7 <u>b/</u>	6.3	-	473.7	560.1 <u>d/</u>
Reimbursement of programme support costs to participating and executing agencies	-	7.6	0.1	-	65.4	73.1 <u>d/</u>
Other expenditure	-	-	-	<u>4.2</u>	<u>113.6</u>	<u>117.8</u>
Total expenditure	11.5	76.3	6.4	4.2	652.7	751.0 <u>c/</u>
Excess of income over expenditure (expenditure over income)	<u>4.6</u>	<u>18.2</u>	<u>(1.0)</u>	<u>2.7</u>	<u>62.6</u>	<u>87.2 c/</u>
Balance at 31 December 1983 (Statement II)	<u>24.5</u>	<u>60.0</u>	<u>3.7</u>	<u>5.4</u>	<u>57.9</u>	<u>151.5</u>

a/ Transfer between reserves resulting from adjustments to prior year expenditure.

b/ Amount includes \$97,070 gain on exchange on collection of contributions.

c/ As shown on statement I.

d/ As shown on schedule 2 to the nearest \$'000.

Schedule 1
Contributions outstanding as at 31 December 1983,
for 1983 and prior years
(US Dollars)

Country or organization	Voluntary contributions	Voluntary programme costs	Special Measures Fund for the Least Developed Countries	Assessed programme costs	Govt. cash counterpart contributions	Cost sharing	Total
Algeria	36 878	-	-	-	509 185	1 115 924	1 661 987
Antigua and Barbuda	-	99 713	-	-	-	-	99 713
Arab Gulf Programme for UN Development Organizations	-	-	-	-	-	1 394 185	1 394 185
Argentina	248 400	-	-	-	-	6 739 900	6 988 300
Australia	-	-	-	-	-	15 500	15 500
Bahamas	-	-	-	-	-	23 331	23 331
Bahrain	-	-	-	-	-	447 708	447 708
Barbados	-	-	-	-	-	6 000	6 000
Belgium	-	-	-	-	-	54 564	54 564
Belize	55 556	-	-	-	-	25 750	81 306
Benin	547	-	-	-	-	-	547
Bolivia	35 000	248 000	-	-	12 943	253 263	549 206
Brazil	1 636 486	-	-	-	117 665	505 206	2 259 357
Burundi	44 974	-	2 580	-	-	-	47 554
Cameroon	244	192 867	-	-	133 396	-	326 507
Canada	-	-	-	-	-	77 223	77 223
Central African Customs and Economic Union	-	-	-	-	-	3 300	3 300
Chile	-	-	-	-	-	15 000	15 000
Colombia	90 498	10 868	-	-	388 907	311 833	802 106
Congo	-	-	-	-	-	330 893	330 893
Cook Islands	-	40 325	-	-	-	54 227	94 552
Costa Rica	177 704	160 000	-	-	-	329 779	667 483
Czechoslovakia	-	25 612	-	-	-	20	25 632
Democratic Kampuchea	1 454	-	-	-	-	-	1 454
Democratic Yemen	-	-	-	-	-	497 507	497 507
Djibouti	4 034	-	-	-	11 046	35 000	50 080
Dominica	-	84 400	-	-	-	6 000	90 400
Dominican Republic	-	-	-	-	-	9 500	9 500
Ecuador	556 156	271 471	-	-	304 764	196 151	1 328 542
Egypt	-	-	21 166	-	800 025	305 137	1 126 328
El Salvador	68 000	331 590	-	-	-	180 050	579 640
Ethiopia	-	-	-	-	-	8 000	8 000
Finland	-	-	-	-	-	4 262	4 262
France	363 636	-	-	-	-	-	363 636
Gabon	-	-	-	-	-	4 923 258	4 923 258
Germany, Federal Republic of	-	-	-	-	-	4 829	4 829
Greece	217 648	96 000	-	-	-	-	313 648
Grenada	13 078	88 983	-	-	-	-	102 061
Guatemala	-	4 612	-	-	69 550	274 229	348 391
Guyana	176 217	26 667	-	-	-	6 000	208 884
Haiti	5 000	-	-	-	-	17 888	22 888
Holy See	2 000	-	-	-	-	-	2 000
Honduras	-	6 000	-	-	100 000	1 839 217	1 945 217
India	-	-	-	-	-	300 404	300 404
Indonesia	-	-	-	-	-	1 022 934	1 022 934
Inter-American Development Bank	-	-	-	-	-	200 000	200 000
Iran, Islamic Rep. of	-	-	-	-	1 560	-	1 560
Iraq	-	-	-	-	-	54 075	54 075
Israel	34 507	-	-	-	-	-	34 507
Italy	-	-	-	-	-	304 577	304 577
Ivory Coast	176 337	-	-	-	-	42 015	218 352
Jamaica	-	-	-	-	-	297 062	297 062
Jordan	260 000	-	-	-	-	64 104	324 104
Kenya	-	-	-	-	1 498	560 443	561 941
Kuwait	-	-	-	-	-	982 913	982 913
Lao, People's Democratic Republic	19 600	-	-	-	-	-	19 600
Latin American Centre for Development Administration	-	-	-	-	-	509	509
Lebanon	680 000	183 814	-	-	-	296 100	1 159 914
Lesotho	51 035	-	-	-	-	-	51 035
Liberia	175 000	-	-	-	-	-	175 000

Schedule 1 (cont'd)
Contributions outstanding as at 31 December 1983,
for 1983 and prior years
(US Dollars)

Country or organization	Voluntary contributions	Voluntary programme costs	Special Measures Fund for the Least Developed Countries	Assessed programme costs	Govt. cash counterpart contributions	Cost sharing	Total
Libyan Arab Jamahiriya	-	-	-	-	-	4 526 961	4 526 961
Malawi	-	-	257	-	-	62 283	62 540
Malayasia	-	-	-	-	10 592	-	10 592
Mauritania	-	66 247	-	-	-	-	66 247
Mauritius	220	3 955	-	-	-	-	4 175
Mekong Committee	-	-	-	-	21 274	-	21 274
Mexico	-	-	-	-	-	117 421	117 421
Montserrat	11 111	22 057	-	-	-	-	33 168
Morocco	18 378	-	-	-	126 743	76 151	221 272
Nepal	11 500	-	-	-	-	247 807	259 307
Netherlands	-	-	-	-	-	1 753 451	1 753 451
Netherlands Antilles	-	-	-	-	-	440	440
Nicaragua	6 191	90 539	-	-	-	42 394	139 124
Niger	-	-	-	-	-	606 303	606 303
Nigeria	1 342 282	-	-	-	-	1 552 788	2 895 070
Oman	-	-	-	-	-	272 824	272 824
Organization of Petroleum Exporting Countries	-	-	-	-	-	1 054 212	1 054 212
Panama	-	-	-	-	-	17 447	17 447
Papua New Guinea	-	13 117	-	-	-	3 166	16 283
Paraguay	80 000	-	-	-	-	183 947	263 947
Peru	429 647	262 880	-	-	-	95 920	788 447
Philippines	316 599	-	-	-	-	-	316 599
Portugal	-	2 673	-	-	-	316 846	319 519
Qatar	-	-	-	-	-	436 817	436 817
Saint Christopher and Nevis	294	26 807	-	-	-	6 000	33 101
Saint Lucia	1 000	92 554	-	-	-	6 000	99 554
Saint Vincent and the Grenadines	-	69 120	-	-	-	-	69 120
Samoa	6 250	-	-	-	-	-	6 250
Saudi Arabia	-	-	-	-	3 557 989	10 805 098	14 363 087
Senegal	281 223	-	-	-	63 952	-	345 175
Seychelles	1 000	-	-	-	-	-	1 000
Sierra Leone	85 941	-	-	-	-	-	85 941
Somalia	-	-	-	-	1 230 042	-	1 230 042
Spain	-	-	-	71 528	-	-	71 528
Sri Lanka	97 328	-	-	-	885	39 152	137 365
Sudan	1 400 000	-	-	-	39 063	192 575	1 631 638
Swaziland	-	-	-	-	-	15 080	15 080
Sweden	-	-	-	-	-	12 912	12 912
Switzerland	-	-	-	-	-	25 975	25 975
Thailand	-	-	-	-	10 095	-	10 095
Togo	5 327	242 131	-	-	-	-	247 458
Tokelau	-	-	-	-	-	75 000	75 000
Trust Territory of the Pacific Islands	-	-	-	-	5 000	-	5 000
Tunisia	12 744	-	-	-	96 748	14 676	124 168
Turkey	403	-	-	-	18 834	77 640	96 877
Uganda	9 174	-	-	-	-	882 174	891 348
United Arab Emirates	675 000	-	-	-	-	1 534 145	2 209 145
United Kingdom	-	-	-	-	-	153 520	153 520
United Nations	-	-	-	-	-	22 050	22 050
United Nations Educational Scientific and Cultural Organization	-	-	-	-	-	13 000	13 000
United Republic of Tanzania	32 868	-	-	-	-	-	32 868
United States of America	-	-	-	-	-	750 703	750 703
Upper Volta	3 874	-	-	-	-	-	3 874
Uruguay	-	-	-	-	-	367 871	367 871
Vanuatu	-	-	-	-	-	23 720	23 720
Venezuela	-	268 979	-	-	40 819	78 815	388 613
Viet Nam	-	-	-	-	12 500	-	12 500
World Bank	-	-	-	-	-	62 713	62 713
Yemen	22 413	-	-	-	-	1 206 766	1 229 179
Yugoslavia	175 331	-	-	-	-	-	175 331
Zambia	54 418	-	-	-	-	-	54 418
Miscellaneous	-	-	-	-	-	95 628	95 628
Total	10 210 505	3 031 981	24 003	71 528	7 685 075	51 964 161	72 987 253

Schedule 2
1983 expenditure by agency a/
(Thousands of US dollars)

ID/1984/53
 English
 Annex
 Page 6

Agency	Indicative planning figures (IPFs)					Special Programme Resources	Special Industrial Services	Special Measures Fund for Least Developed Countries	Government cash counterpart contributions	Sub total	Programme support costs	Total
	Country	Regional	Inter- regional	Global	Total							
UNITED NATIONS	74 042	3 229	347	-	77 618	82	-	1 025	526	79 251	10 482	89 733
ECA	-	4 015	-	-	4 015	224	-	4	-	4 243	552	4 795
ECE	-	679	-	-	679	-	-	-	-	679	94	773
ECIA	-	1 587	-	-	1 587	93	-	-	-	1 680	253	1 933
ECWA	-	500	-	-	500	-	-	-	-	500	65	565
ESCAP	-	6 641	-	-	6 641	-	-	-	140	6 781	840	7 621
UNIDO	44 754	1 388	50	-	46 192	103	3 006	880	14	50 195	7 022	57 217
UNCTAD	5 460	4 668	2 665	-	12 793	8	-	229	-	13 030	1 822	14 852
UNHCR	11 599	-	-	-	11 599	514	-	225	-	12 338	1 604	13 942
ILO	36 366	3 923	329	-	40 618	44	-	2 467	129	43 258	6 032	49 290
FAO	100 739	11 507	1 757	701	114 704	629	-	1 140	1 903	118 376	15 956	134 332
UNESCO	37 662	3 944	129	-	41 735	23	-	14	51	41 823	5 805	47 628
ICAO	25 291	2 255	-	-	27 546	-	-	74	13	27 633	3 865	31 498
WHO	9 576	3 126	308	1 519	14 529	8	-	861	1 041	16 439	2 161	18 600
WORLD BANK	24 991	4 291	3 111	2 349	34 742	281	-	161	2 032	37 216	3 505	40 721
UPU	707	822	-	-	1 529	72	-	-	-	1 601	352	1 953
ITU	17 034	4 212	-	-	21 246	-	-	333	23	21 602	2 737	24 339
WMO	7 716	3 470	-	-	11 186	41	-	91	-	11 318	1 672	12 990
IMO	3 748	1 837	315	-	5 900	-	-	61	-	5 961	1 133	7 094
WIPO	650	600	-	-	1 250	-	-	-	-	1 250	275	1 525
IAEA	2 793	885	-	-	3 678	-	-	-	12	3 690	812	4 502
IDB	-	8	-	-	8	-	-	-	-	8	-	8
WTO	428	258	-	-	686	-	-	112	-	798	104	902
AFESD	-	330	-	-	320	-	-	-	-	320	43	373
AsDB	2 899	-	-	-	2 899	-	-	(1)	-	2 898	377	3 275
GOVERNMENTS	10 595	2 632	8	-	13 235	44	-	1 262	-	14 541	189 b/	14 730
UNV	3 540	613	12	-	4 165	-	-	294	337	4 796	-	4 796
UNDP	16 756	5 001	669	10 307	32 733	1 956	-	3 074	70	37 833	5 394	43 227
TOTAL (inclusive of Cost sharing)	437 346	72 421	9 700	14 876	534 343	4 122	3 006	12 306	6 291	560 068	73 146	633 214
Charged to: Sources of funds as per column heading	377 312	65 718	8 758	14 806	466 595	4 052	3 006	11 463	6 291	491 407	65 551	556 958
Cost-sharing	60 034	6 701	942	70	67 748	70	-	843	-	68 661	7 595	76 256
TOTAL (inclusive of Cost-sharing)	437 346	72 419	9 700	14 876	534 343	4 122	3 006	12 306	6 291	560 068	73 146	633 214

a/ Cost-sharing expenditure is included, where applicable.

b/ Programme support costs paid to executing agencies as cooperating agencies participating in government-executed projects.

Schedule 3

Investments as at 31 December 1983
(US dollars)

<u>1982</u>	<u>Type</u>	<u>Currency</u>	<u>1983</u>
<u>Interest-bearing current accounts</u>			
1 003 029		Austrian schillings	4 780
2 402		Belgian francs	338
12 218		CFA francs (Cameroon)	99
132 296		Canadian dollars	60 635
80 497		Danish kroner	27 774
160 454		Deutsche mark	110 979
62 837		Finnish markkaa	14 731
20 354		French francs	16 852
232		Israeli shekels	715
59 378		Italian lire	522
217 571		Japanese yen	242 019
77 674		Netherlands guilders	14 382
-		New Zealand dollars	28 396
-		Norwegian kroner	833 698
64 235		Pounds sterling	197 732
1 323		CFA francs (Senegal)	77 981
11 834		Swedish kronor	1 111
19 924		Swiss francs	15 622
1 567 235		United States dollars	4 129 394
<u>3 493 493</u>			<u>5 598 967</u>
<u>Interest-bearing accounts</u>			
<u>10 454 673</u>		United States dollars	<u>27 017 801</u>
<u>Call accounts</u>			
		United States dollars	780 000
		Belgium francs	509 545
		Canadian dollars	1 463 415
		Danish kroner	751 020
		Deutsche mark	392 593
		Finnish markkaa	325 000
		French francs	303 030
		Italian lire	110 429
		Netherlands guilders	330 033
		Norwegian kroner	235 334
		Pounds sterling	802 920
		Swedish kronor	202 500
		Swiss francs	311 926
<u>18 069 974</u>			<u>6 517 745</u>
<u>Deposits-at-notice</u>			
<u>811 240</u>		Japanese yen	<u>897 435</u>
<u>Time-deposits</u>			
80 408 980		United States dollars	16 488 495
3 365 385		Australian dollars	657 408
-		Austrian schillings	121 053
1 020 408		Belgian francs	7 605 455
3 731 707		Canadian dollars	1 869 919
1 600 000		Danish kroner	2 040 816
12 400 000		Deutsche mark	2 962 963
200 000		Finnish markkaa	517 241
2 773 723		French francs	8 606 060
1 162 791		Indian rupees	-
2 047 782		Italian lire	920 245
13 968 000		Japanese yen	7 159 375
821 429		New Zealand dollars	1 100 000
26 327 273		Netherlands guilders	9 313 531
507 042		Norwegian kroner	320 000
480 000		Pakistan rupees	1 200 300
4 054 054		Swedish kronor	4 775 000
950 704		Swiss francs	-
<u>155 819 278</u>	Total		<u>210 657 861</u>
<u>188 648 658</u>	Grand Total		<u>250 689 809</u>
			/...

Schedule 4(a)

Income received under cost-sharing arrangements
(Thousands of US Dollars)

Country	Project cost-sharing		Programme cost-sharing		Third-party cost-sharing	
	Received in 1983	Cumulative total	Received in 1983	Cumulative total	Received in 1983	Cumulative total
Afghanistan	-	1 077	-	-	(388)	580
Algeria	1 952	10 922	-	-	-	-
Argentina	1 844	3 295	-	-	-	-
Bahamas	201	1 060	-	-	-	-
Bahrain	439	9 099	-	-	-	-
Bangladesh	-	-	-	-	-	2 447
Barbados	-	100	-	-	-	-
Belize	-	24	-	-	-	-
Benin	-	193	-	-	-	-
Bermuda	50	125	-	-	-	-
Bhutan	-	-	-	-	1 137	1 137
Bolivia	1 084	7 326	-	-	-	171
Botswana	-	415	161	1 700	-	-
Brazil	3 339	15 610	1 458	19 621	20	20
British Virgin Islands	60	120	-	-	-	-
Brunei	-	69	-	-	-	-
Bulgaria	30	30	-	-	-	-
Burma	-	-	-	-	8	8
Burundi	-	2 365	-	-	-	-
Cameroon	-	6 938	-	-	-	-
Cayman Islands	7	74	-	-	-	-
Chile	576	1 228	-	-	-	20
China	1 979	1 979	-	-	7 122	7 122
Colombia	1 509	5 474	-	-	-	-
Congo	119	119	996	3 030	-	-
Cook Islands	33	88	-	-	-	-
Costa Rica	247	293	-	-	40	297
Cyprus	24	34	-	-	-	-
Czechoslovakia	-	220	-	-	-	-
Dem. People's Rep. of Korea	150	150	-	-	-	-
Democratic Yemen	388	388	-	-	20	20
Djibouti	18	118	-	-	-	-
Dominican Republic	352	609	-	-	-	-
Ecuador	503	3 884	-	-	-	1 000
Egypt	401	2 696	-	-	-	11 124
El Salvador	45	839	-	-	-	-
Gabon	1 872	4 621	303	1 774	-	-
Ghana	-	7	-	-	-	-
Greece	-	334	-	-	-	-
Guatemala	359	2 940	-	-	-	-
Guinea	206	432	-	-	-	-
Guinea-Bissau	-	-	-	-	-	668
Guyana	210	272	-	-	250	250
Haiti	182	1 166	-	-	-	346
Honduras	2 568	5 647	-	-	1 671	2 105
Iceland	-	133	-	-	-	-
India	244	6 934	-	-	-	-
Indonesia	757	3 334	4 330	6 030	-	14
Iran, Islamic Rep. of	-	28 527	-	-	-	-
Iraq	436	6 927	-	-	-	-
Ivory Coast	325	3 543	(154)	5 193	-	46
Jamaica	232	457	2 930	2 930	123	123
Jordan	773	1 859	-	-	(68)	-
Kenya	-	45	(187)	-	202	202
Kuwait	351	13 803	-	-	-	-
Lebanon	11	457	-	-	-	79
Lesotho	-	-	-	-	653	653
Liberia	-	-	-	-	-	1 134
Libyan Arab Jamahiriya	4 126	10 269	-	-	-	-
Madagascar	-	48	-	-	-	-
Malawi	125	125	-	-	-	-
Malaysia	-	630	1 000	3 000	-	-
Maldives	-	-	-	-	-	452
Mali	-	-	-	-	-	1 603
Mexico	910	2 178	-	-	-	-
Morocco	137	629	-	-	-	-
Mozambique	-	-	-	-	259	259
Nepal	382	382	-	-	1 140	1 170
Netherlands	-	-	-	-	-	42 a/
Netherlands Antilles	(60)	117	580	2 298	-	-
Nicaragua	191	316	-	-	-	-
Niger	-	-	-	-	-	300
Nigeria	514	12 704	1 721	16 548	-	-
Oman	1 837	5 878	-	-	-	-

Schedule 4(a) (cont'd)

Country	Project cost sharing		Programme cost sharing		Third-party cost sharing	
	Received in 1983	Cumulative total	Received in 1983	Cumulative total	Received in 1983	Cumulative total
Panama	1 103	2 173	600	1 200	-	-
Papua New Guinea	28	178	-	-	-	-
Paraguay	256	2 411	-	-	-	108
Peru	643	1 508	-	-	-	108
Philippines	31	31	-	-	-	-
Poland	-	274	-	-	-	-
Portugal	76	923	-	-	-	-
Qatar	1 003	4 834	-	5	-	-
Rwanda	-	161	-	-	-	441
Saudi Arabia	8 280	32 066	(154)	1 856	-	-
Sierra Leone	-	-	-	-	80	80
Singapore	-	204	-	-	-	-
Somalia	4	14	-	-	533	990
Sri Lanka	145	360	-	-	15	15
Sudan	589	3 587	-	297	62	4 481
Suriname	-	32	-	157	-	150
Swaziland	399	1 178	-	-	-	362
Thailand	-	25	-	-	-	-
Togo	-	181	-	-	-	-
Trinidad and Tobago	-	95	5 740	11 940	-	-
Trust Territory of the Pacific Islands	140	299	-	-	-	-
Tunisia	32	514	-	-	-	-
Turkey	295	13 395	-	3	-	-
Turks and Caicos Islands	3	3	-	-	-	-
Uganda	25	299	-	-	-	-
United Arab Emirates	1 323	14 171	-	-	-	-
United Republic of Tanzania	(1 134)	5 189	1 154	1 154	-	68
Uruguay	487	2 403	355	355	-	-
Vanuatu	6	18	-	-	-	-
Venezuela	2 087	13 533	-	-	10	10
Yemen	288	9 313	-	-	1 800	19 781
Zaire	-	182	-	-	-	-
Zimbabwe	-	-	-	-	(6)	78
Africa regional	-	2 946	-	-	2 368	12 311
Arab regional	1 072	7 516	-	-	2 547	8 770
Asia regional	700	3 150	-	-	89	2 493
Europe regional	-	-	28	144	-	-
Latin America regional	360	1 030	-	-	2 232	8 320
Interregional	-	-	-	-	1 264	4 143
Global	-	-	-	-	70	1 661
<hr/>						
TOTAL	50 279	315 871	20 861	79 235	23 253	97 762
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

a/ This amount held in favour of the Netherlands Government pending confirmation of its application.

Schedule 4(b)

Income received under third party cost sharing arrangements
(By Donor)
(Thousands of US dollars)

<u>Donor</u>	<u>Recipient country/region</u>	<u>Amount in 1983</u>	<u>Cumulative amount 1975 - 1983</u>
Algeria	Africa Regional	-	199
	Interregional	-	25
	Subtotal	-	224
Arab Fund for Economic and Social Development	Arab States Regional	-	20
Arab Gulf Programme for UN Development Organizations	Guinea-Bissau	-	250
	Haiti	-	346
	Maldives	-	452
	Mali	-	500
	Niger	-	300
	Sierra Leone	80	80
	Global	70	70
	Subtotal	150	1 998
Australia	Egypt	-	227
Austria	Egypt	-	420
Belgium	Mali	-	1 103
Canada	Burma	8	8
	Democratic Yemen	20	20
	Egypt	-	1 000
	Jamaica	36	36
	Sudan	62	962
	Latin America Regional	840	864
	Interregional	330	760
	Subtotal	1 296	3 650
Caribbean Development Bank	Latin America Regional	34	170
Central African Development Bank	Africa Regional	3	252
Denmark	Egypt	-	498
East African Development Bank	Africa Regional	-	46
Economic Commission for Europe	Yemen Arab Republic	-	3 009
Finland	Lebanon	-	79
	Somalia	46	67
	Subtotal	46	146
Germany, Federal Republic of	Paraguay	-	108
	United Republic of Tanzania	-	43
	Yemen	-	1 611
	Africa Regional	65	65
	Asia Regional	-	62
	Interregional	128	128
	Subtotal	193	2 017
Greece	Egypt	-	500
India	Interregional	-	50
Indonesia	Interregional	-	100
Inter-American Development Bank	Latin America Regional	200	600
International Fund for Agricultural Development	Latin America Regional	150	600
International Monetary Fund	Latin America Regional	135	135
International Telecommunication Union	Brazil	20	20
Iran, Islamic Rep. of	Arab Regional	-	2 003
Israel	Latin America Regional	-	50

Schedule 4(b) (cont'd)

<u>Donor</u>	<u>Recipient country/region</u>	<u>Amount in 1983</u>	<u>Cumulative amount 1975 - 1983</u>
Italy	China	7 122	7 122
	Egypt	-	237
	Africa Regional	-	1 427
	Interregional	-	210
	Subtotal	7 122	8 996
Japan	Egypt	-	1 000
Kuwait	Interregional	-	30
Latin American Association for Integration	Latin America Regional	74	201
Latin American Centre for Development Administration	Latin America Regional	57	57
Libyan Arab Jamahiriya	Africa Regional	-	97
Morocco	Africa Regional	-	64
Netherlands	Afghanistan	(388)	580
	Bangladesh	-	257
	Bhutan	1 137	1 137
	Bolivia	-	171
	Costa Rica	-	257
	Ecuador	-	1 000
	Egypt	-	2 000
	Guinea-Bissau	-	418
	Honduras	1 671	2 105
	Jordan	(68)	-
	Liberia	-	1 134
	Peru	-	108
	Sudan	-	1 234
	Suriname	-	150
	Swaziland	-	362
	United Republic of Tanzania	-	25
	Yemen	-	12 199
	Africa Regional	-	215
	Latin America Regional	-	100
	Lesotho	653	653
	Nepal	1 140	1 140
	Netherlands Programme	-	42 a/
	Subtotal	4 145	25 287
Norway	Egypt	-	543
	Somalia	18	54
	Interregional	601	601
	Subtotal	619	1 198
Organization of Petroleum Exporting Countries	Egypt	-	1 500
	Africa Regional	2 300	6 406
	Arab Regional	2 547	6 747
	Asia Regional	-	2 000
	Latin America Regional	-	3 500
	Interregional	-	1 899
	Global	-	1 591
	Subtotal	4 847	23 643
Saudi Arabia	Yemen	1 800	2 300
Sweden	Egypt	-	920
	Kenya	202	202
	Sri Lanka	15	15
	Sudan	-	2 285
	Interregional	155	155
	Subtotal	372	3 577
Switzerland	Bangladesh	-	2 190
	Chile	-	20
	Egypt	-	500
	Ivory Coast	-	46
	Nepal	-	30
	Rwanda	-	441
	Asia Regional	-	31
	Subtotal	-	3 258

Schedule 4(b) (cont'd)

<u>Donor</u>	<u>Recipient country/region</u>	<u>Amount in 1983</u>	<u>Cumulative amount 1975 - 1983</u>
United Kingdom	Egypt	-	1 770
	Guyana	250	250
	Yemen	-	662
	Subtotal	250	2 682
United Nations	Mozambique	259	259
United Nations Centre for Human Settlements	Zimbabwe	(6)	78
United Nations Children's Fund	Interregional	50	50
United Nations Educational, Scientific and Cultural Organization	Venezuela	10	10
United Nations Environment Programme	Indonesia	-	14
United Nations Trust Fund for Sudano-Sahelian Activities	Africa Regional	-	2 600
United States of America	Costa Rica	40	40
	Jamaica	87	87
	Somalia	469	869
	Africa Regional	-	400
	Asia Regional	89	400
	Latin America Regional	676	1 896
	Subtotal	1 361	3 692
Venezuela	Egypt	-	10
West African Development Bank	Africa Regional	-	539
World Bank	Latin America Regional	66	147
	Interregional	-	135
	Subtotal	66	282
TOTAL		23 253	97 762

a/ This amount held in favour of the Netherlands Government pending confirmation of its application.

Annex table 1. Income and expenditure for 1983
(Millions of US dollars)

	<u>Forecast a/</u>	<u>Actual b/</u>	<u>Variance</u>
<u>Income</u>			
Voluntary contributions and voluntary programme cost	691.9	696.8	4.9
Assessed programme cost	-	-	-
Special Measures Fund for LDCs	14.2	16.1	1.9
Cost-sharing	110.0	94.4	(15.6)
GCCC	<u>14.6</u>	<u>5.4</u>	<u>(9.2)</u>
	830.7	812.7	(18.0)
Extrabudgetary income	-	6.9	6.9
Miscellaneous income	10.0	17.4	7.4
Prepayment of contributions	1.5	1.0	(0.5)
Other adjustments	<u>-</u>	<u>0.2</u>	<u>0.2</u>
Total Income	<u>842.2</u>	<u>838.2</u>	<u>(4.0)</u>
<u>Expenditures</u>			
Main field programme	541.0	473.6	(67.4)
Cost-sharing	95.0	68.7	(26.3)
Special Measures Fund LDCs	15.0	11.5	(3.5)
GCCC	13.6	6.3	(7.3)
Sectoral support costs	4.5	4.2	(0.3)
Agency support costs	85.5	73.1	(12.4)
Hiatus financing and other	1.5	1.1	(0.4)
Adjustments to prior years' programme expenditure	-	(0.7)	(0.7)
UNDP administrative and programme support costs	114.8	109.0	(5.8)
Extrabudgetary expenditures	<u>-</u>	<u>4.2</u>	<u>4.2</u>
Total Expenditure	<u>870.9</u>	<u>751.0</u>	<u>(119.9)</u>
Excess of expenditure over income	<u>(28.7)</u>	<u>87.2</u>	<u>(115.9)</u>

a/ As provided in DP/1983/43, table 4.

b/ As shown in Statement I.

Annex table 2. Assets and Liabilities as at 31 December 1983
(Millions of US dollars)

	<u>Forecast a/</u>	<u>Actual b/</u>	<u>Variance</u>
<u>Assets:</u>			
<u>Cash and Investments</u>			
Convertible currencies	3.0	1.9	(1.1)
Usable non-convertible currencies	1.0	0.2	(0.8)
Accumulated non-convertible currencies	36.0	34.9	(1.1)
Cash at field offices	15.0	17.1	2.1
Govt letters of credit		0.1	0.1
Investments	<u>129.1</u>	<u>250.7</u>	<u>121.6</u>
	<u>184.1</u>	<u>304.9</u>	<u>120.8</u>
<u>Advances and accounts receivable</u>			
Operating fund held by agencies	25.0	40.1	15.1
Due from trust funds	0.5	0.6	0.1
Other accounts receivable			
deferred charges	37.0	31.5	(5.5)
Accrued interest	<u>3.0</u>	<u>6.1</u>	<u>3.1</u>
	<u>249.6</u>	<u>383.2</u>	<u>133.6</u>
<u>Liabilities:</u>			
Accounts payable	60.0	70.0	10.0
Unliquidated obligations	146.5	139.2	(7.3)
Due to United Nations, UNFPA, trust funds and JPO programme	<u>7.5</u>	<u>22.5</u>	<u>15.0</u>
	<u>214.0</u>	<u>231.7</u>	<u>17.7</u>
<u>Unexpended contributions:</u>			
For Special Measures Fund			
for LDCs	19.1	24.5	5.4
For cost-sharing	46.2	60.0	13.8
For GCCC	5.3	3.7	(1.6)
For extra-budgetary activities	<u>2.7</u>	<u>5.4</u>	<u>2.7</u>
	<u>287.3</u>	<u>325.3</u>	<u>38.0</u>
<u>Net Assets</u>			
(Revenue reserve)	(37.7)	57.9	95.6
<u>Net Assets</u>			
(exclusive of non-convertible currencies)	(73.7)	23.0	96.7

a/ As provided in DP/1983/43, Table 5
b/ As shown in Statement II.

Annex table 3. Cash flow statement for the period
1 January 1983 to 31 December 1983 a/
(Millions of US dollars)

	Forecast			Actual		Net cumulative balance
	Inflow b/	Outflow	Net cumulative balance	Inflow c/	Outflow	
Opening balance	192.0 ^{e/}					
January	35.4	77.5	149.9	44.8	74.9	161.9
February	30.0	66.3	113.6	34.2	65.6	130.5
March	59.4	60.2	112.8	66.1	75.5	121.1
April	101.5	82.0	132.3	76.9	61.2	136.8
May	44.6	80.0	96.9	124.4	66.1	195.1
June	105.8	67.4	135.6	62.1	62.7	194.5
July	95.8	78.8	153.3	71.5	59.7	206.3
August	64.1	78.5	137.9	97.3	66.6	237.0
September	68.4	77.0	129.3	27.0	55.2	208.8
October	119.5	72.6	176.2	97.1	68.0	237.9
November	61.2	80.2	157.2	105.8	66.1	277.6
December	59.2	83.4	133.0	41.7	63.1	252.9
	1 036.9	903.9		1 040.9	784.7	
Plus: (Decrease)/Increase in accumulating currencies	0.1		0.1	(3.3)		(3.3)
	1 037.0		133.1	1 037.6		252.9 ^{d/}
	=====		=====	=====		=====

a/ Estimates based on forecasts of income and disbursements for
UNDP-Financed activities (DP/1983/43).

b/ Inflows include estimated investment income

c/ Includes actual investment income

d/ Represented by: Cash - Convertible currencies 1.9
Usable non-convertible currencies 0.2
Letters of credit 0.1
Investments 250.7^{e/}
252.9

e/ Excluding investments of the Operational Reserve

Annex table 4. Forecast of income and expenditure for 1984 and 1985
(Millions of US dollars)

<u>Income</u>	<u>1984</u>	<u>1985</u>
Voluntary contributions	704.2 <u>a/</u>	751.0 <u>a/</u>
Special Measures Fund for LDCs	14.5	16.0
Cost-sharing	115.0	130.0
GCCC	8.0	10.0
	<hr/>	<hr/>
	841.7	907.0
Extrabudgetary income	8.7	9.8
Miscellaneous income	25.0	25.0
Prepaid contributions	1.0	1.0
	<hr/>	<hr/>
	<u>876.4</u>	<u>942.8</u>
 <u>Expenditure</u>		
Main programme	513.0	556.2
Cost sharing	100.0	120.0
Special Measures Fund for LDCs	15.0	14.0
GCCC	9.0	9.0
Sectoral support Costs	4.0	3.5
Agency support costs	82.7	90.7
Hiatus financing and other	1.2	1.2
UNDP programme support and Administrative services	121.1	130.2
Extrabudgetary expenditure	9.5	9.9
	<hr/>	<hr/>
	<u>855.5</u>	<u>934.7</u>
 Excess of income over expenditure	 <u>20.9</u>	 <u>8.1</u>
 <u>a/ Forecast of income are calculated as follows:</u>		
Pledges receivable for prior years on 1 January	13.2	13.0
Pledges for current year, including pledges not yet announced	705.0	758.0
	<hr/>	<hr/>
	718.2	771.0
 <u>less:</u>		
Forecast of balance of pledges receivable at 31 December	13.0	19.0
Amounts collected in 1983	1.0	1.0
	<hr/>	<hr/>
	<u>704.2</u>	<u>751.0</u>
	<hr/> <hr/>	<hr/> <hr/>

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Annex table 5. Estimated balance sheets as at 31 December 1984
and 31 December 1985
(Millions of US dollars)

	Balance sheet 31 Dec.'83	Balance sheet 31 Dec.'84	Balance sheet 31 Dec.'85
<u>ASSETS:</u>			
<u>Cash and Investments</u>			
Convertible currencies	1.9	2.0	3.0
Usable non-convertible currencies	0.2	0.2	0.3
Accumulated non-convertible currencies	34.9	33.9	31.0
Cash at field offices	17.1	15.0	16.0
Letters of Credit	0.1	0.0	0.0
Investments	250.7	306.8	319.7
	<hr/>	<hr/>	<hr/>
	304.9	357.9	370.0
<u>Advances and accounts receivable</u>			
Operating funds held by agencies	40.1	25.0	25.0
Due from trust funds	0.6	0.5	0.5
Other Accounts Receivable deferred charges	31.5	30.0	35.0
Accrued Interest	6.1	7.0	8.0
	<hr/>	<hr/>	<hr/>
	<u>383.2</u>	<u>420.4</u>	<u>438.5</u>
<u>LIABILITIES</u>			
Accounts Payable	70.0	70.0	70.0
Unliquidated obligations Due to United Nations, UNFPA trust funds and JPO programme	139.2	160.0	170.0
	<hr/>	<hr/>	<hr/>
	231.7	248.0	258.0
<u>Unexpended Contributions:</u>			
For Special Measures Fund for LDCs	24.5	24.0	26.0
Cost-sharing	60.0	63.5	60.0
CCCC	3.7	2.5	3.3
Extra-budgetary activities	5.4	4.6	4.5
	<hr/>	<hr/>	<hr/>
	<u>325.3</u>	<u>342.6</u>	<u>351.8</u>
<u>Net Assets</u>			
(Revenue Reserve)	57.9	77.8	86.7
<u>Net Assets</u>			
(exclusive of Non-convertible currencies)	23.0	43.9	55.7

Annex table 6. Cash flow statement for the period
1 January 1984 to 31 December 1984 a/
(Millions of US dollars)

	<u>Inflow</u>	<u>Outflow</u>	<u>Net Cumulative balance</u>
Opening balance			253 <u>c/</u>
January	9	77	185
February	11	52	144
March	60	76	128
April	135	62	201
May	91	67	225
June	56	63	218
July	131	60	289
August	65	68	286
September	32	72	246
October	146	75	317
November	85	74	328
December	54	72	310
Total inflow/outflow	875	818	
Closing balance			310 <u>b/ c/</u>

a/ Relates to the total income and expenditure of the UNDP Account, exclusive of accumulating non-convertible currencies and investments of the Operational Reserve and Reserve for Construction Loan to Governments.

b/ Excludes projected decrease of \$0.4 million due to change in balance of accumulating non-convertible currencies

c/ Balances represented as follows:

	<u>Opening balance (actual)</u>	<u>Closing balance (estimate)</u>
Cash-Convertible currencies	2	2
Usable Non convertible currencies	-	-
Letters of Credit	-	-
Investments	251	308
	253	310
		7...

Annex table 7. Estimates of accumulated non-convertible currencies
as at 31 December 1984
(Thousands of US dollars) a/

	Balance as at 31 Dec. 1982 <u>a/</u>	Balance as at 31 Dec. 1983 <u>b/</u>	Estimated 1984 receipts <u>b/c/</u>	Estimated 1984 expenditures <u>b/c/</u>	Estimated balance As at 31 Dec 1984 <u>b/</u>
Albania	82	87	6	-	93
Bulgaria	2 298 <u>f/</u>	2 215	675	645	2 245
Cuba	1 991	2 561	783	130	3 214
Czechoslovakia	1 957	1 839	569	617	1 791
German Democratic Republic	3 788	3 434	333	439	3 328
Hungary	328	3	667	891	(221)
Iran, Islamic Republic of	5 628	5 467	-	770	4 697
Poland	1 768	1 752	584	430	1 906
Romania	1 071	1 006	568	422	1 152
Turkey	662	-	-	-	-
Union of Soviet Socialist Republics <u>e/</u>	14 796 <u>g/</u>	14 307 <u>g/</u>	1 935 <u>g/</u>	1 749 <u>h/</u>	14 493 <u>h/</u>
Yugoslavia	<u>2 415</u>	<u>801 <u>i/</u></u>	<u>1 029</u>	<u>1 457</u>	<u>373</u>
	36 784	33 472	7 149	7 550	33 071
	=====	=====	=====	=====	=====

a/ Based on United Nations rate of exchange in effect 31 December 1982.

b/ Based on United Nations rate of exchange in effect 31 December 1983.

c/ Non-convertible portion.

d/ Based on 1983 utilization.

e/ Includes Byelorussian and Ukrainian Soviet Socialist Republics.

f/ Includes \$252,000 equivalent representing Government contribution to the UN Regular Budget transferred to UN in 1983.

g/ Excludes contribution to the Trust Fund for the Training of Specialists from Developing countries in the USSR.

h/ Excludes equivalent \$1,808,000 in roubles to be exchanged for developing countries currencies. Should exchange be completed in 1984, the balance of rouble holdings will be reduced to 12,685,000.

i/ US dollar equivalent reduced due to 100% devaluation of dinar during 1983

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Annex table 8. Agency support costs in 1983 under flexibility arrangements:
forecasts versus actuals for 1983
(Thousands of US dollars)

	<u>IAEA</u>	<u>IMO</u>	<u>UPU</u>	<u>WIPO</u>	<u>WMO</u>	<u>Total for all agencies</u>
1. <u>Delivery of UNDP-financed projects</u>						
Forecast	3 700	5 000	2 000	1 500	11 500	23 700
Actual	3 690	5 961	1 601	1 250	11 318	23 820
2. <u>Support cost at 13%</u>						
Forecast	481	650	260	195	1 495	3 081
Actual	480	777	208	163	1 471	3 099
3. <u>Flexibility requirement</u>						
Forecast	296	450	180	135	177	1 238
Actual	332	356	144	112	339	1 283
4. <u>Total support costs (item 2 + item 3)</u>						
Forecast	777	1 100	440	330	1 672	4 319
Actual	812	1 133	352	275	1 810	4 382
5. <u>% of total support costs to programme delivery (item 4/item 1)</u>						
Forecast	21%	22%	22%	22%	15%	18%
Actual	22%	19%	22%	22%	16%	18%

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Annex table 9. Forecasts of 1984 Agency support costs
under flexibility arrangements
(Thousands of US dollars)

	<u>IAEA</u>	<u>IMO</u>	<u>UPU</u>	<u>WIPO</u>	<u>WMO</u>	<u>Total for all agencies</u>
1. Delivery of UNDP-financed projects	<u>2 900</u>	<u>5 000</u>	<u>1 900</u>	<u>1 750</u>	<u>11 700</u>	<u>23 250</u>
2. Support cost at 13% (13% x item 1)	377	650	247	227	1 521	3 022
3. Flexibility requirement	<u>261</u>	<u>450</u>	<u>171</u>	<u>158</u>	<u>362</u>	<u>1 402</u>
4. UNDP-reimbursable support costs on UNDP-financed projects (item 2 + item 3)	638	1 100	418	385	1 883*	4 424
5. Percentage of UNDP-reimbursable support costs to delivery of UNDP-financed projects (item 4/item 1)	22%	22%	22%	22%	16%	19%
6. Total agency support cost on UNDP-financed projects	783	1 306	947	555	1 883	5 474
7. Percentage of UNDP-reimbursable support costs to agency's total support costs (item 4/item 6)	81%	84%	44%	69%	100%	81%

* Under review.

Annex table 10. Investments of the Reserve for Construction Loans to Governments
as at 31 December 1983
 (US dollars)

A. Construction loans

<u>Borrower</u>	<u>Repayment period of loan</u>	<u>Balance 31 December 1983</u>	<u>1983 Approval Loans</u>	<u>Disburse- ments made in 1983</u>	<u>Repayment due in 1983</u>	<u>Received in 1983</u>	<u>Balance 31 December 1983</u>
United Republic of Tanzania, Government of	1975-84	57 169	-	-	28 088	28 088	29 081
Botswana, Government of	1975-89	340 251	-	-	43 697	43 697	296 554
Malawi, Government of							
- Phase I	1975-90	140 617	-	-	16 769	17 482	123 135
- Phase II	1976-91	112 867	-	-	11 662	11 853	101 014
- Phase III	1980-95	53 305	-	-	2 713	2 761	50 544
- Phase IV <u>a/</u>		344 083	-	536 468	-	-	880 551
East African Community <u>b/</u>	1976-90	390 279	-	-	-		
Lesotho, Government of	1976-90	359 770	-	-	39 704	19 680	340 090
Rwanda, Government of	1976-90	95 997	-	-	11 403	11 403	84 594
Swaziland, Government of	1976-90	271 146	-		29 962	29 432	241 714
Burundi, Government of	1976-91	202 850	-	-	17 644	17 644	185 206
Benin, Government of	1978-93	328 809	-	-	26 411	26 411	302 398
Democratic Yemen, Government of <u>a/</u>		1 180 080	-	11 801	-	-	1 191 881
People's Republic of Angola Government of <u>a/</u>		2 262 845	-	-	-	-	2 308 290
Equatorial Guinea, Government of <u>a/</u>		482 912	-	160 252	-	-	643 164
Total		6 622 980	-	753 966	228 053	208 451	7 168 495

B. Investments

<u>Type</u>	<u>Currency</u>	<u>Interest Rate</u>	<u>Amount</u>
Time deposits	US dollars	9.8000	1 831 505
	US dollars	10.4375	6 000 000
	US dollars	9.8750	5 000 000
	US dollars	9.8750	5 000 000
Total			17 831 505
<u>Grand Total</u>			(Statement II) 25 000 000

a/ New housing loan. Repayment period will start when houses are completed.

b/ No payments received during 1983.

c/ Excess payment of the loan applied to the principal.

Annex table 11. Loans under consideration for financing from the
Reserve for Construction Loans to Governments
as at 31 December 1983
(US dollars)

Country	Purpose	For housing	For office accommodation	Total	Remarks
Burundi	27 houses	1 000 000	-	1 000 000	Under negotiation
Cape Verde	12 apartments	500 000	-	500 000	Under negotiation
Comoros	20 houses	1 000 000	-	1 000 000	Tentative
Djibouti	12 apartments	1 000 000	-	1 000 000	Under negotiation
Ethiopia	36 apartments	1 500 000	-	1 500 000	Tentative
Guinea-Bissau	50 apartments and Office	1 500 000	250 000	1 750 000	Tentative
Lesotho	35 apartments	1 000 000	-	1 000 000	Tentative
Madagascar	Office	-	1 300 000	1 000 000	Under negotiation
Maldives	Office	-	260 000	200 000	Under negotiation
Sierra Leone	12 houses	750 000	-	750 000	Tentative
Swaziland	10 houses	1 000 000	-	1 000 000	Tentative
Uganda	Housing	1 000 000	-	1 000 000	Under negotiation
Zambia	Housing and Office	1 000 000	1 300 000	2 000 00	Housing tentative Office under negotiation
		12 250 00	3 110 000	15 360 000	

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Annex table 12. ITU total support cost expenditure and reimbursement on its
Technical Co-operation Programme
(Swiss Francs)

	1981	%	1982	%	1983	%	1984	%
<u>Support cost expenditure</u>								
Technical Co-operation Special Account (UNDP and FIT)	9 845 200	71	10 287 800	74	9 740 600 <u>a/</u>	61	9 987 000	58
ITU regular budget	3 989 000	29	3 535 000	26	6 032 000	39	7 275 000	42
Total UNDP//FIT + ITU	13 834 200	100	13 822 800	100	15 772 600	100	17 262 000	100
<u>Support cost reimbursement</u>								
UNDP	7 924 100	54	7 990 800	59	5 689 700 <u>a/</u>	41	6 531 000	40
FIT	2 187 900	15	1 644 400	12	1 879 200 <u>a/</u>	13	2 177 000	13
ITU	3 989 000	28	3 535 000	26	6 032 000	44	7 275 000	45
Sundry	395 100	3	409 900	3	222 700 <u>a/</u>	2	305 000	2
ITU Special Fund	1 900	-	1 300	-	5 000 <u>a/</u>	-	-	-
	14 498 00	100	13 581 400	100	13 828 600 <u>a/</u>	100	16 288 000	100
<u>Surplus (deficit)</u>								
Swiss francs	663 800		(241 400)		(1 944 000) <u>a/</u>		(974 000)	
Equivalent in US dollars	304 495		(110 734)		(891 743)		(446 789)	

a/ Adjusted to actual on the basis of information provided by ITU.