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BUDGETARY AND FINANCE COMMITTEE  
Thirty-fourth session  
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Item 10 of the agenda of the Budgetary  
and Finance Committee

ADOPTION OF THE REPORT OF THE BUDGETARY AND FINANCE COMMITTEE  
TO THE GOVERNING COUNCIL

Draft report of the Budgetary and Finance Committee

Rapporteur: Mr. Hans OLSSON (Sweden)

Addendum

CHAPTER \_\_.

Annual review of the financial situation in 1986

1. For its consideration of agenda item 4 (b), the Committee also had before it a report of the Administrator on the implementation of General Assembly resolution 38/201 of 20 December 1983 concerning the liquidation of the United Nations Emergency Operations Trust Fund and the allocation of the remaining balance (DP/1987/61).
2. In introducing this item, the Associate Administrator summarized the status of the two UNDP trust funds established in accordance with paragraphs 1 (a) and 1 (c) of General Assembly resolution 38/201. He pointed out that the original amount of \$33.9 million made available to the Trust Fund for Countries Afflicted by Famine and Malnutrition, established by paragraph 1 (a) of the resolution, had been fully committed some time ago, as had all but a small balance of interest income earned under this fund. He informed the Committee that the majority of emergency projects initially approved now had been completed and that 91.6 per cent of the original amount, or 75.7 per cent of the total resources, including interest earned, had been spent as at 31 December 1986. He explained that in utilizing additional interest income, priority had recently been given to locust and grasshopper control

projects, as these activities had been considered to be closely related to the original aims of the trust fund. He then informed the Committee that three projects had so far been approved for financing from the Perez-Guerrero Trust Fund for Economic and Technical Co-operation among Developing Countries, established under paragraph 1 (c) of the resolution. He brought the attention of the Committee to the recent decision of the Group of 77 to utilize only the interest income earned on their share of that Trust Fund for additional Economic Co-operation among Developing Countries/Technical Co-operation among Developing Countries (ECDC/TCDC) projects, leaving the unencumbered funds of \$5 million intact. He pointed out that the Administrator was not in a position to indicate how those remaining ECDC/TCDC resources eventually would be utilized, as they came under the control of the Group of 77.

Recommendation of the Committee

3. Following its consideration of the subject, the Committee recommended that the Governing Council adopt the following decision.

The Governing Council,

Having considered the report of the Administrator on action taken by him to implement General Assembly resolution 38/201 of 20 December 1983 on the liquidation of the United Nations Emergency Operations Trust Fund and allocation of the remaining balance (DP/1987/61) and the further information provided orally by the Associate Administrator,

1. Expresses its satisfaction at the action taken by the Administrator, in pursuance of paragraph 1 (a) of General Assembly resolution 38/201, in approving assistance to urgently needed projects, inter alia, in the food and agricultural sectors in countries afflicted by famine and malnutrition as a result, particularly, of severe or prolonged drought, with special emphasis on African countries;

2. Takes note of the status of projects set out in the report of the Administrator (DP/1987/61, paras. 10-14) financed under paragraph 1 (c) of General Assembly resolution 38/201, concerning activities in economic and technical co-operation among developing countries of critical importance to developing countries, according to the priorities set by them;

3. Notes further, as reported by the Administrator, the decision of the Group of 77 that only the interest income earned on their share of the Trust Fund resources under paragraph 1 (c) of General Assembly resolution 38/201 be utilized to finance additional Economic Co-operation among Developing Countries/Technical Co-operation among Developing Countries projects for countries members of the Group, leaving intact the unencumbered funds as at 31 December 1986 of \$4,998,652.