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FINANCIAL REPORT AND STATEMENTS : VOLUME I

REGULAR PROGRAMME 1986-87

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FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
FINANCIAL REPORT AND STATEMENTS 31 DECEMBER 1987

INTRODUCTION

1. The Financial Report and Statements of the Food and Agriculture Organization of the United Nations for the period ended 31 December 1987 are presented in three Volumes. Volume I covers the activities financed from the Regular Programme, from Trust Funds and other funds; Volume II those financed from funds provided under the United Nations Development Programme, and Volume III those financed under the World Food Programme.

SUMMARY STATEMENT OF OBLIGATIONS - ALL PROGRAMMES

2. Obligations Incurred (expressed in US\$'000 - with comparative figures for 1984-85).

	<u>1984-85</u> \$'000	<u>1986-87</u> \$'000
Volume I:		
Regular Programme (excluding Technical Co- operation Programme)	338 367	351 767
Technical Cooperation Programme ^{a/}	47 890	72 439
Trust Funds ^{b/}	315 450	331 500
Sub-Total	<u>701 707</u>	<u>755 706</u>
Volume II:		
UNDP	259 826	300 039
Volume III:		
WFP	1 558 367	1 485 100
Total	<u>2 519 900</u> =====	<u>2 540 845</u> =====

BUDGET APPROPRIATIONS AND TRANSFERS

3. The effective Working Budget for 1986-87 approved by the Conference at its Twenty-Third Session (Resolution 8/85) totalled \$437,000,000. The appropriations voted by the Conference are shown in Statement I. The Director-General effected a transfer of \$400,000 from the Contingency Appropriation under Financial Regulation 4.5(c)(i).

^{a/} Includes obligations against appropriations carried forward from the previous biennium.

^{b/} Excludes unliquidated obligations except for Trust Funds funded from UN and UNDP administered funds and the UN Environment Programme.

INCOME AND EXPENDITURE

4. The income and expenditure of the Organization in 1986-87 were as follows:

	\$	\$
Income:		
Member Nations' contributions received (net of contributions to the Tax Equalization Fund)	326 333 990	
Miscellaneous Income	36 164 684	
Transfer Balance of Working Capital Fund	<u>13 257 950</u>	375 756 624
Expenditure:		
Expenditure (including outstanding obligations)	385 423 851	
Unobligated TCP funds carried forward to 1988-89	27 764 190	
Deficit in the Special Reserve Account	<u>9 398 666</u>	<u>422 586 707</u>
Excess of Expenditure over Income and unobligated TCP funds		46 830 083 =====

5. The balance on the Working Capital Fund, \$13,257,950, has been transferred to the General Fund in accordance with Financial Regulation 6.2(a)(i), in order to finance budgetary expenditures pending receipt of contributions.

6. The deficit on the General Fund at 31 December 1987 after transfer of the balance on the Working Capital Fund amounted to \$46,830,083. This will be carried forward on the General Fund until such time as it can be eliminated by a Surplus of a future period.

7. A comparative analysis, showing the Income and Expenditure for the biennia 1982-83, 1984-85 and 1986-87 as reported and with Contributions taken into income on an accrual basis, follows this report as "Annex to the Director-General's Report". This demonstrates that if Member Nations had paid all the assessed contributions for 1986-87 there would have been no recourse to the Working Capital Fund and the Surplus would have been US\$9.6 million, despite the impact of the deterioration in the Lira/Dollar exchange rate.

8. Of the total contribution income received during 1986-87 of \$327,483,990 (Schedule 3.1.1) \$327,355,459 was received in dollars and the balance in other convertible currencies or Lire.

9. Expenditure for personal services has been recorded at the exchange rate used in the Budget, that is Lire 1760 = US\$1. The negative variance which arose due to the weakening of the dollar has been debited to the Special Reserve Account established by Conference Resolution 27/77 (see para. 16 below).

10. Expenditure shown on Statement I included \$9,397,736, being the estimated cost of Field Programme support in Headquarters Technical Divisions and Regional Offices (Chapter 2) and Field Programme Development Division (Chapter 3). Total support costs including other Chapters, as determined later under the Cost Measurement System, amounted to \$52,400,000 for UNDP, \$17,200,000 for World Food Programme, and \$49,000,000 for Trust Funds.

11. Analysis of expenditure by Programme is shown in Schedule 1.1.

TECHNICAL COOPERATION PROGRAMME

12. The establishment of a Technical Cooperation Programme provides FAO with the flexibility to respond to urgent, small-scale requests from developing countries. Directed at providing assistance for emergencies, investment proposals, training and small-scale unforeseen requirements, the projects are of short-term duration, not to exceed \$250,000 in any one instance. The status of projects, summarized by country, is shown in Annex 1.

CASH SURPLUS FOR 1984-85

13. The Cash Surplus for 1984-85 standing to the credit of the General Fund at 31 December 1985 was \$34,758,101. In accordance with Resolution 18/81 of the Conference \$1,325 was applied to the Working Capital Fund and the Balance of \$34,756,776 allocated to Member Nations on 1 January 1987 as shown in Schedule 3.1.4.

WORKING CAPITAL FUND

14. The authorized balance of the Working Capital Fund was increased from \$6,500,000 to \$13,250,000 by Resolution 18/81 of the Conference. The admission of six new Member Nations further increased the authorized balance to \$13,257,950.

15. The cash balance of the fund increased from \$13,253,975 to \$13,257,950 during the biennium 1986-87 as shown in Schedule 3.5. Thus no amounts were outstanding from Member Nations at 31 December 1987. The full amount has been transferred to the General Fund, as mentioned in paragraph 5 above.

16. Resolution 16/87 of the Conference further increased the level of the Working Capital Fund to \$17,000,000 as from 1 January 1988 and to \$20,000,000 as from 1 January 1989. Member Nations were/will be reassessed on these dates on the basis of the Scales of Contributions then in effect.

SPECIAL RESERVE ACCOUNT

17. The Special Reserve Account was established by Resolution 27/77 of the Conference to protect the Organization's Programme of Work against the effects of unbudgeted extra costs. The Conference by Resolution 13/81 raised the level of the Special Reserve Account from 2.5 percent to 5 percent of the total effective working budget of the respective subsequent biennium. The balance of the Special Reserve Account brought forward at 1 January 1986 was \$21,850,000.

18. The average Lira/Dollar UN rate of exchange during 1986-87 was Lire 1406. The rate used in calculating the budget was Lire 1760. This created additional unbudgeted staff costs in the amount of \$31,248,666 which were debited to the Special Reserve Account. This brought the balance on the Special Reserve Account at 31 December 1987 to a deficit of \$9,398,666 which was transferred to the General Fund.

19. The effective working budget for the biennium 1988-89 amounts to \$492,360,000 and therefore according to Conference Resolution 12/81 the Special Reserve Account for 1988-89 should have an initial balance of \$24,618,000. Conference Resolution 17/87 authorized the Director-General to assess Member Nations in 1988 for amounts required to replenish the Special Reserve up to fifty percent of the authorized level.

ACCOUNTS RECEIVABLE AND PAYABLE

20. Major items included in accounts receivable are: Advances to UNDP to cover field expenditure \$162,134; salary and other advances \$17,206,737; due from World Food Programme \$654,803; deposits and pre-payments \$1,291,631; joint programmes with Development Banks \$1,121,335; due from other Agencies \$1,021,399.

21. Major items included in accounts payable are: Accrued salaries \$6,043,087; FAO Medical and Insurance Schemes \$6,462,198; Staff Commissary Account \$366,203; Member Nations' contributions received in advance \$6,554,458; Unidentified receipts \$927,099; due to UNDP \$2,260,673.

EQUIPMENT, FURNITURE AND VEHICLES

22. The inventory records of the Organization show that at 31 December 1987 the gross value of FAO-owned equipment, furniture and vehicles at cost price was \$98,513,840 of which \$31,111,203 related to the Regular Programme and \$67,402,637 to Trust Funds. These items are shown on the Statement of Assets and Liabilities, Statement III, at a written-down value of \$1.

FAO STAMPS, MONEY AND MEDALS

23. The valuation of the stock of FAO stamps, money and medals at 31 December 1987 was \$605,506. Stamps are valued at their cost value. Coins are valued at their face value converted at the current UN exchange rate, with certain exceptions, e.g. coins purchased at a premium above face value. Medals and bullion for minting medals are valued at the lower of cost or replacement value. These items are included in the written-down value of \$1 for inventories on Statement III.

SERVICES PROVIDED BY THE ORGANIZATION

Staff Restaurant and Canteens

24. Accommodation, furniture and equipment were made available free of charge to the Staff Restaurant and Canteens. In addition, gas and electricity services, estimated at \$120,000 were provided during the biennium.

Edouard Saouma
Director-General

31 March 1988

Annex

Comparative Analysis of Biennia 1982-83, 1984-85 and 1986-87
With Contribution Income on Cash Basis and on Accrual Basis
 (US\$ Millions)

	1982-83		1984-85		1986-87	
	Cash Basis	Accrual Basis	Cash Basis	Accrual Basis	Cash Basis	Accrual Basis
<u>INCOME</u>						
Contributions	348.2	352.4	389.7	394.6	326.3	396.0
Balance on Special Reserve Account in excess of 5% of Budget	13.7	13.7	9.8	9.8	-	-
Miscellaneous Income	35.2	35.2	46.1	46.1	36.2	36.2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Income	397.1	401.3	445.6	450.5	362.5	432.2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>EXPENDITURE</u>						
Expenditure against budget	329.5	329.5	365.2	365.2	385.4	385.4
Unobligated TCP carried-forward	21.4	21.4	45.6	45.6	27.8	27.8
Deficit on Special Reserve Account	-	-	-	-	9.4	9.4
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditure	350.9	350.9	410.8	410.8	422.6	422.6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>EXCESS OF INCOME OVER EXPENDITURE</u>	46.2	50.4	34.8	39.7	(60.1)	9.6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>WORKING CAPITAL FUND</u>	12.9	13.3	13.3	13.3	13.3	13.3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>SPECIAL RESERVE ACCOUNT</u>	21.1	21.1	21.9	21.9	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL EQUITY</u>	80.2	84.8	70.0	74.9	(46.8)	22.9
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>CONTRIBUTIONS OUTSTANDING</u>	19.3	19.3	24.2	24.2	93.9	93.9
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

a/ This Annex depicts the Income and Expenditure for the three biennia comparing the Financial Results when contributions are accounted for on a Cash Basis and on an Accrual Basis. The accounting policy of FAO is to take contributions into income when received (Cash Basis). Some other U.N. entities (including the UN New York General Fund) treat the total assessed contributions as income (Accrual Basis). While the Organization is not proposing to change its accounting policy, it presents this analysis for statistical information only. It will be noted that during the first two biennia, when the shortfall in contributions was comparatively small, the different accounting methods produced results which were similar. In 1986-87, however, the extraordinary shortfall in contributions produced results under the two methods which differ by \$69.7 million.

REPORT OF THE EXTERNAL AUDITOR TO THE CONFERENCE
OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE
UNITED NATIONS ON THE ACCOUNTS OF THE REGULAR
PROGRAMME, TRUST FUNDS AND OTHER FUNDS FOR THE
FINANCIAL PERIOD 1986-87 ENDED 31 DECEMBER 1987

GENERAL

1. I have audited the accounts of the Food and Agriculture Organization (FAO) of the United Nations for the financial period 1 January 1986 to 31 December 1987 in accordance with Article 12 of the Financial Regulations of the Organization and the 'Additional Terms of Reference Governing External Audit' appended thereto. My audit of the accounts and financial transactions had regard to the work of the Office of Internal Audit, Inspection and Management Control.

2. I also carried out a programme of examination under Article 12.4 of the Financial Regulations. This programme is intended to review the important aspects of the Organization's activities and use of resources over an appropriate cycle. The reviews concerned themselves primarily with matters of economy, efficiency and effectiveness and are carried out at headquarters and selected regions.

3. In accordance with this programme my staff reviewed in 1986-87 the arrangements for the control of manpower (paragraphs 11 to 46) and the administration of trust funds resources (paragraphs 47 to 96). My summary and conclusions from these reviews are at paragraph 97 to 101 and 102 to 107 respectively.

4. My observations on these matters, as well as a number of minor questions not reported herein, were communicated to the Organization, which has confirmed the facts on which my report is based and has provided full explanations and answers to my queries.

5. I have reported separately on the status of funds advanced to the Organization by the United Nations Development Programme in 1986-87 and on the World Food Programme Trust Fund.

OUTSTANDING CONTRIBUTIONS

6. Statement III of the Financial Statements, and supporting Schedules 3.1.1 and 3.1.2, show that \$93.9 million (about 21.5 per cent of the Regular Programme Budget) is due from member nations for contributions not received by 31 December 1987. In the previous biennia, outstanding contributions were about 5.5 per cent of the Regular Programme budget.

7. The shortfall in contribution income in 1986-87 resulted in the Organization showing a deficit on the Income and Expenditure account of \$46.8 million (Statement II). Current liabilities (Statement III) exceeded net

assets by a same amount at 31 December 1987; both the Working Capital Fund and Special Reserve Account were exhausted at that date.

8. The Organization were able to maintain sufficient cash flow without recourse to external lenders. However, unless the arrears situation improves, it seems probable that the Organization will be faced with cash-flow problems before the end of the 1988-1989 biennium, despite action taken to reduce regular programme activities below the budget level.

9. By 31 July 1988 \$31.9 million had been received for arrears of contributions which totalled \$93.9 million at 31 December 1987; \$131.0 million had been received against the 1988 assessments of \$240.9 million.

MATTERS ARISING FROM CURRENT AUDIT

Losses etc.

10. I have examined details of losses and writes-off to the value of \$536,797 submitted to me by the Director-General in accordance with Financial Regulation 10.4 and am satisfied with the information and explanations provided. No cases of fraud or ex-gratia payments have been reported to me in accordance with Articles 10.3 and 10.4 of the Financial Regulations.

CONTROL OF MANPOWER

11. Manpower costs form the largest element in the Regular Programme budget. The approved 1986-87 Regular Programme of Work and Budget of \$437.0 contained provision for manpower expenditure of \$275.3 million (63 per cent). This included \$236.1 million for established posts, \$15.9 million for temporary assistance and \$23.3 million for consultants. The budget provided for 3135 established posts which equates to average annual unit costs of about \$65,000 for professional staff and \$23,000 for general service staff.

12. In the light of the significance of expenditure on manpower, my staff carried out a review of control exercised by the Organization over Headquarters' manpower funded from the Regular Programme budget. The objectives of the review were to evaluate the procedures by which FAO determined its manpower requirements, set grading levels and controlled costs.

Procedures for the preparation of Regular Programme Manpower budgets

13. The 'Programme of Work and Budget' approved by Conference provides the authority for the cost and numbers of FAO Regular Programme posts. The preparation of the manpower elements of the Programme of Work and Budget involve several clearly defined stages which have operated for several biennia.

14. As a first step the Director-General asks divisions to submit programme proposals in line with the broad objectives and priorities he determines taking into account the expressed wishes of FAO's governing bodies. For established posts, starting from the existing base, divisions consider the changes in staff numbers and grades required to carry out planned work. They submit the resulting staffing proposals to the Office of Programme, Budget and Evaluation (PBE) on standard forms and using standard costings which reflect a lapse factor reduction (5½ per cent in 1986-87) to allow for savings from staff turnover, vacancies and recruitment delays. For temporary staff and consultants the Organization told my staff that, since it was too soon at the budget preparation stage to identify specific requirements, divisional proposals are based upon broad estimates of likely need expressed in an overall cost estimate. No lapse factor is applied to these estimates since staff turnover, vacancies and recruitment delays are only relevant to established posts.

15. PBE reviews all divisional submissions and reports its findings to the Director-General who holds meetings with each division to discuss the programme proposals and the manpower requirements for each programme. Requests for new posts and upgradings are then subjected to review under the Organization's establishments process which involves a number of formalized events.

- a. Divisions submit to Personnel Division a description of the posts duties and their justification for the action requested.
- b. Personnel Division analyses the job content of the post, comments on the proposed grading, need for the post and the structure of the employing unit and makes a recommendation to the Establishments Sub-Committee.
- c. The Establishments Sub-Committee, comprising senior staff members appointed by the Director-General, reviews the submissions from the Divisions and Personnel Division's analysis and makes a recommendation to the Establishments Committee.
- d. The Establishments Committee comprising the Deputy Director-General, Assistant Directors-General for Administration and Finance, Agriculture, Development and PBE, and the Director of Personnel, make final recommendations for the approval of the Director-General or Deputy Director-General.
- e. The approved recommendations are summarised into the Director-General's Programme of Work and Budget for review by the Governing Bodies.

16. My staff's examination of a sample of 1986-87 submissions to the Establishments Committee for new posts or changes to existing ones found that Personnel

Division's review had been well documented and resulted in clear recommendations. However, they noted that divisions and Personnel Division had not made any quantified assessment of the workload of proposed posts nor had they always considered whether such posts could be covered by existing staff. The Organisation told my staff that it had successfully used a system for many years involving the delegation of authority to line managers for determining the staff needed to accomplish programme objectives at least cost and did not see the need for further action by Personnel Division. However, FAO pointed out that, where requested by managers, Personnel Division reviewed the classification of posts, terms of reference, need for posts, and the organisational structure of units. FAO was of the view that the system had worked effectively.

17. The approved number of Regular Programme posts in 1984-85 was 3126 (1087 professional and 2039 general service) and formed the base of the 1986-87 staffing proposals. At the first stage of the 1986-87 budget process divisions asked for the establishment of 100 new posts and offered 8 for elimination. Following PBE's review and divisional meetings with the Director-General, the establishments process resulted in 21 requests for new posts and 12 abolitions being considered by the Establishments Committee. However, the Organisation informed my staff that the Establishments Committee had also considered 164 requests for upgradings, 4 post reviews carried out as part of 3 administrative reorganizations presented by divisions and the rejustification of 20 posts first established for the 1984-85 biennium. Thus the full establishments process was applied to 209 posts or about 6.7 per cent of Regular Programme posts, as part of the budgetary process.

Procedures for review of the continuing need for posts

18. In order to assess the justification for the other 2926 posts budgeted for 1986-87 my staff examined proposals submitted by 6 of FAO's 28 divisions and extracts provided from the PBE report to the Director-General. Since these proposals contained no justification of the continuing need for posts, my staff enquired into the detailed procedures operated by three divisions. They found that no standardised procedure existed. The conclusions from meetings to consider the staffing of each unit were amalgamated into the final divisional proposal. Minutes of meetings were not produced routinely and, where they were, they did not record the rationale for decisions.

19. My staff's examination of PBE's report to the Director-General showed that it was based on a broad review of divisional proposals in order to ensure their conformity with the Organization's priorities and that it made clear recommendations. Because it is Personnel Division's function to review posts PBE do not carry out specific reviews of the continuing need for existing

staff, nor do they seek evidence or assurance as to the nature and extent of any review carried out by divisions. Furthermore, my staff noted that there was no documentary evidence of the factors considered at the Director-General's meetings where initial manpower requirements were determined.

20. In response to the above observations the Organization confirmed that the review of programme proposals in the preparation of each Programme of Work and Budget leads to a thorough discussion and review of all existing staffing and not only of the new posts requested. In FAO's view the fact that this review is part of senior management discussions and is not recorded in divisional files does not render it any less meaningful. The Organization pointed out that such a review has also taken place in the last two biennia in the context of decisions on the freezing of posts.

21. Personnel Division's role in respect of staffing reviews and classifications is reactive either to requests in connection with preparation of the Programme of Work and Budget or through ad hoc requests during the biennium. The majority of reviews requested dealt with individual posts and considered divisional structures, functions and staffing levels only in the broadest terms. My staff were told that during 1986-87 Personnel Division reviewed some 170 budgeted Regular Programme posts in connection with regradings, reorganisations, changes in post titles or terms of reference. Although my staff noted that operation of the full establishments process would not be required in all cases, these reviews represented a further 5.4% of 1986-87 Regular Programme posts in addition to those covered during preparation of the Programme of Work and Budget (paragraph 17). The Organisation also explained to my staff that Personnel Division were responsible for reviews in connection with Regular Programme temporary and short term posts and work on staffing funded by other than Regular Programme sources. My staff noted that in April 1988 Personnel Division had 1½ classifiers in post against its authorised complement of 3½.

22. With regard to the divisions' assessment of their staffing needs FAO told my staff that the continuing nature of skill required in most programmes and the reasonably constant nature of the Organization's mandate, objectives, and priorities made the justification of each post each biennium (i.e. zero based manpower planning) unrealistic and unnecessary. My staff accepted the Organization's view in this respect but noted that, apart from reviews of requests for new posts and regradings, there is no systematic independent review of posts or divisional structures. There is, therefore, no guarantee that all posts, etc, will be reviewed over a period of time.

23. The Organization also told my staff that manpower requirements were determined on the basis of the programmes to be implemented and utilization of this

manpower was a managerial responsibility at all levels of supervision. FAO are of the view that an independent personnel classification expert could not be expected to assess the complex technical work or workload of the Organization's technical officers. My staff estimated this situation would apply to approximately 430 posts, i.e. some 40 per cent of professional posts and about 14 per cent of the Organization's overall Regular Programme staff. FAO told my staff that they had no demonstration or factual evidence that a further independent review of the use of manpower would strengthen the present system, which involves the delegation of authority for determining staffing requirements to line managers. Accordingly, the Organization stated, it could not support a proposal for further strengthening of the review of staffing needs.

Vacancies

24. In order to form a retrospective opinion of the accuracy and reasonableness of the budgeted estimate of the 5½ per cent lapse factor applied to staffing requirements my staff enquired whether the Organisation had statistics on vacancies. They were told that, in 1987, the Organisation had introduced a new computerised system to monitor vacancies but had no authoritative statistics for previous years. The new system showed 150 Professional and 110 General Service staff vacancies on the Regular Programme (excluding FAO Representatives' Offices) as at 1 December 1987.

25. Using this and further data obtained from an interrogation of FAO's data base my staff calculated the grade and duration of each vacancy during 1986-87 and valued them on the same basis as that used in compiling the 1986-87 Programme of Work and Budget. They found that the savings from holding vacant posts in 1986-87 were some \$19 million which exceeded the \$13.8 million allowed for by the 5½ per cent lapse factor applied to the approved Programme of Work and Budget by some \$5.2 million. Applying the average annual unit costs from paragraph 11 this saving would equate to 40 Professional or 113 General Service posts for the biennium.

26. My staff noted that 21 per cent of the Professional and 17 per cent of the General Service vacancies had existed for two years or more and that 8 posts had been vacant since 1980-81. However the Organization pointed out that for a number of years the level of vacancies reflects conscious managerial decisions to cope with financial problems and to make deliberate savings.

27. To illustrate how the level of vacancies for 1986-87 might compare with that of previous biennia my staff analysed and adjusted the FAO's personnel statistics to show the level of vacancies at 31 December in each of the years between 1982 and 1986. The results of this analysis is set out in the following table which shows a broadly consistent level of vacancies above the lapse factor:-

<u>Year</u>	<u>Professional</u>		<u>General Service</u>	
	<u>Vacancies</u>	<u>% of Complement</u>	<u>Vacancies</u>	<u>% of Complement</u>
1982	107	11.2	89	6.9
1983	120	12.6	103	7.0
1984	99	10.4	91	6.3
1985	134	14.1	96	6.6
1986	146	15.1	84	5.8
1987*	150	15.5	110	7.6

*1 December figures.

Parallel Posts

28. FAO have adopted a system whereby the budgetary provision for approved but vacant posts can be used for alternative posts known as "parallel" posts. Parallel posts are usually established one grade or more lower than the vacant post for which they substitute. Divisions' requests for parallel posts are reviewed and approved by Personnel Division and the posts can continue as long as the Conference approved post is vacant.

29. Over recent years the number of parallel posts in existence at 31 December were as follows:

<u>Year</u>	<u>Professional</u>	<u>General Service</u>	<u>Total</u>
1982	37	57	94
1983	41	65	106
1984	53	98	151
1985	55	79	134
1986	48	69	117
1987	37	53	90

30. In view of the broadly constant level of parallel posts over several years my staff suggested to FAO that there might be cases where originally established posts were no longer required. The Organisation told my staff that there were practical reasons for utilising parallel posts. They said that because many jobs require two or more years of training before full performance is achieved, staff were often recruited at a lower level than budgeted to permit the training of a younger or less qualified candidate. They also commented that parallel posts permitted some career incentives by providing for a promotion in the same post. This was particularly important for professional staff because promotion opportunities were limited.

31. My staff accept that benefits accrue to the Organization from the system of parallel posts but noted that the lower than budgeted grading of parallel posts yields a saving over and above that arising from the vacant posts referred to in paragraph 25 above. By assuming a broadly constant level of such posts during 1986-87 my staff calculated the maximum additional savings

could have been \$1.38 million.

Classification Procedures

32. Since 1981 professional post classifications have been carried out using International Civil Service Commission (ICSC) "Master Standards". Under these standards, jobs are analysed against factors such as the professional knowledge and experience required, the difficulty of the work, supervisory responsibility and the potential impact of decisions and actions on the Organisation's objectives. Point values are assigned to each factor. The range within which total points fall indicate the appropriate grade for the job.

33. Although there are ICSC Master Standards for Directors D1 and D2, the Organisation does not use them because these posts are part of the Organisation's management structure; for example, Director 1 is normally reserved for the Service Chief level whereas the Director 2 grade is assigned to divisional Directors. In FAO's opinion these posts did not lend themselves to the application of a standard.

34. There are no ICSC standards for General Service posts in Rome so they are classified according to FAO's internally formulated 1957 standards which involves classifications by comparison with existing FAO jobs. Because these standards lack the framework of the ICSC standards FAO started the development of its own General Service 'Master Standards' in 1986. However, staffing shortages in Personnel Division have prevented their completion.

35. My staff noted from a review of classification procedures, including the examination of a random sample of some 100 post files across all divisions, and available statistics that:

- (a) as at 31 December 1987, 54 per cent of Professional posts had been assessed against the ICSC Master Standard. The Organisation told my staff that the other 46 per cent of posts had, nevertheless, been classified by the post to post comparison method under the older FAO classification standards and their approach was to reclassify to ICSC standards only those posts which fell vacant or where regrading was otherwise required.
- (b) between 1979 and 1987 there had been an overall decrease in posts, however, Professional posts had increased whereas General Service posts had decreased but in both grades there had been a drift towards the higher grades. This trend is illustrated in the following table:-

Analysis of grade pattern

1 January 1979 - 1 January 1987

Grade**	1 Jan 1979	1 Jan 1987	Increase 1979-1987	
	<u>Posts</u>	<u>Posts</u>	<u>Posts</u> (number)	<u>Posts</u> %
D2 and above	38	44	6	15.8
D1	74	80	6	8.1
P5	207	260	53	25.6
P4	351	336	(15)	(4.3)
P3	168	149	(19)	(11.3)
P2	88	85	(3)	(3.4)
P1	21	8	(13)	(61.9)
P and Above	947	962	15*	1.6
G7	58	60	2	3.4
G6	165	186	21	12.7
G5	282	291	9	3.2
G4	405	397	(8)	(2.0)
G3	294	284	(10)	(3.4)
G2	204	167	(37)	(18.1)
G1	78	56	(22)	(28.2)
GS	1486	1441	(45)	(3.0)
Total				
P & GS	2433	2403	(30)*	(1.2)

* Adjusted to remove the effects of the creation of new Divisions.

** Excluding FAO Representatives.

- (c) despite a FAO Manual requirement that post descriptions should be up to date, in 52 per cent of the post files examined they were more than 3 years old; in 30 per cent they had not been reviewed since 1981 or before; and 4 per cent of the cases contained no post description at all. FAO told my staff that post descriptions were updated whenever jobs changed, fell vacant or had an important task added or eliminated and it was not clear why reviews should be undertaken at other times.
- (d) nevertheless in some cases reviewed by my staff they noted that Personnel Division had found that the staff in post had not been doing the described tasks for some time. In one case, the staff member had undertaken more duties and responsibilities for some 6 years than were reflected in the 1973 approved post description. In a further case the staff member was considered by Personnel Division never to have carried out the described tasks;

Short term posts to provide temporary assistance

36. The approved Programme of Work and Budget for 1986-87 provided \$15.9 million for temporary assistance. The level of control applied to temporary posts under the

establishments process depends on the type and duration of the assistance required.

37. The Organisation have created two centrally controlled temporary assistance pools from which divisions can obtain up to six months clerical and secretarial assistance under simplified procedures. In areas where workload is difficult to forecast or varied from month to month, the Organisation's experience had shown the pools to be more economical, more controllable and more flexible than the alternative of establishing a post for a specific period. Divisions requiring assistance submit requests for approval to Personnel Division. Requests are on standard forms justifying the type and duration of assistance required and certifying the availability of funds.

38. For clerical and secretarial assistance of over 6 months (and other requirements of over 3 months) but less than 12 months standardised documentation including a post description is submitted to Personnel Division who appraise the justification for the requests before approval.

39. Requests for all categories of assistance for periods between 12 and 24 months are subject to the full establishments process including submission to the Establishments Sub-Committee (paragraph 15 above).

40. Extensions may be approved up to the maximum period specified under each category. Extensions beyond these periods are subject to the appropriate higher levels of authority.

41. My staff agree that the establishment of temporary assistance pools is an effective way of meeting the fluctuating demands of divisions for clerical and secretarial assistance. To examine the operation of the pools my staff reviewed a sample of requests made during the 1986-87 biennium for assistance. They found:

- (a) No written evidence of any review by Personnel Division.
- (b) Requests were usually a statement of requirement not a justification for use of temporary assistance.
- (c) Some requests for extensions referred to the original request whereas some additional justification might have been expected to explain why the division's original estimate had been exceeded.
- (d) Certain divisions used the pools routinely as a source for secretarial assistance putting forward no more justification than 'to type technical reports'. In some divisions usage of pool staff was the equivalent of one or more full-time staff members.

My staff also noted that the personnel statistics presented to the 61st Session of the Finance Committee in

September 1987 showed the average duration of pool assistance was 9 months.

42. The Organisation agreed with my staff that justifications submitted to Personnel Division were generally limited but considered the overall level of control adequate. They explained that Personnel Division review of both original submissions and requests for extensions was discussed orally with divisions. Nevertheless, as a result of my staff's enquiries, the Organisation had issued a circular in March 1988 stressing the 6 months limit and the need to provide detailed justifications.

43. My staff also reviewed a sample of requests made during the 1986-87 biennium for the establishment of short term posts. They found:

- (a) Original requests were always supported by a post description or terms of reference with evidence of Personnel Division review but often submissions for extensions merely stated the extension of this post was hereby requested.
- (b) Due to the lack of an active bring forward system in Personnel Division, requests for extensions beyond 12 months were often made retrospectively to the Establishments Sub-Committee.
- (c) In several cases, involving 3 divisions, temporary assistance had been provided under a series of extensions for essentially the same tasks for periods of up to 3 years without Establishments Sub-Committee approval.
- (d) All initial requests for short term posts of between 12 and 24 months had been submitted to the Establishments Sub-Committee. However, my staff noted several cases where posts had in fact continued under temporary assistance funds for periods in excess of 8 years. In certain cases the post content was unchanged and referred to as "essential" in divisional submissions.

44. Following my staff's enquiries the Organisation issued a circular in April 1988 advising divisions that temporary posts would be limited to 9 months within the overall 12 months authority thereby allowing 3 months in which to make submissions to the Establishments Sub-Committee. The Organisation also informed my staff that continued extensions had been allowed in one division where there were particular uncertainties relating to funding in order to allow the division the necessary flexibility. The Organisation stated they had held meetings with this division to find a solution.

Monitoring and Reporting

45. Monitoring against manpower budgets is carried out

through PBE's review of bi-monthly Budgetary Reports from Divisions. These reports compare current and projected expenditure with approved divisional budgets. PBE also compare monthly expenditure using standard and actual costs for each grade of staff and, although any savings revealed are not apportioned to programmes until the biennium end, they may be used as a source of funding for additional short term posts or consultancies. For the main part however monitoring is at the programme level as budgeted in the Programme of Work and Budget.

46. FAO expect a computerised personnel system (PERSYS) to become operational during 1988 which will facilitate improved monitoring of all personnel information including vacancies and parallel posts.

ADMINISTRATION OF TRUST FUND PROJECTS

47. FAO administer about 950 trust fund projects. Actual expenditure for the 1986-87 biennium including support costs reached \$331 million, some 30 per cent less than the approved final budgets for the two years concerned of \$471 million. The balance of donors' funds held by the Organization at 31 December 1987 was \$114 million in order to cover commitments carried forward to 1988, in line with the financial rules of the Organization. The projects reviewed ranged in budgetary value from \$107,000 to \$42.3 million with an average duration of three to four years.

48. During 1987 my staff, as part of the External Auditor's "continuing review of the use of the funds held by the Organization for field operations", reviewed the procedures for the administration of projects supported from trust funds. They also carried out a parallel review of FAO's administration of UNDP funded projects. The results of that review are contained in my report on the FAO/UNDP account for 1986-87.

49. The main lines of the review were established through a preliminary study into FAO's systems and procedures for project administration. During the course of this study the scope of the review was discussed with FAO and terms of reference agreed. The review included an analysis of headquarters information, an assessment of the monitoring and control systems, an examination of headquarters file documentation relating to 34 projects in 17 countries, discussions with headquarters staff and field visits to 10 of the projects in 5 countries. My staff developed questionnaires to assist them in identifying the issues to be addressed in their review of projects at headquarters and in the field. The objectives of the review as modified during the course of the study were to determine:

- a. whether procedures for project formulation and appraisal were satisfactory;
- b. whether controls ensured adequate monitoring of progress and of the resources required in project

implementation;

- c. whether arrangements for evaluation were satisfactory and useful to management.

50. The criteria for the selection of projects to be reviewed or visited were agreed with FAO. The basis of project selection took into account, so far as possible, the balance of activities between the Agriculture, Fisheries and Forestry Departments and the regional distribution of projects. The review concentrated on those ongoing projects which could provide a coverage of current issues. The 34 Trust Funds projects examined represented about 3.6 per cent by number of those in operation during the 1986-87 biennium. Resource and geographical considerations constrained the selection of the 10 projects visited but my staff's overall review of 34 projects in 17 countries reflected to the maximum extent feasible the agreed objectives and criteria. The findings of my staff's review are broadly consistent with those of FAO's 1986-87 Field Programme Review which included inter alia the results of evaluation reports on 147 projects.

Formulation and appraisal of Projects

51. FAO's Development Department have the responsibility for arranging project formulation and appraisal. Formulation is the process by which identified needs for technical assistance are translated into a project document. The Director-General requires that the findings of evaluations of field activities should be considered at all times during the formulation and appraisal of projects in order to avoid, in the design of new projects, previously identified weaknesses.

52. Project proposals may be originated in a variety of ways - by FAO, recipient governments or donors - and may range from a simple idea to a fully structured proposal for assistance. Since 1985 FAO Representatives have been required to carry out an in-country pre-appraisal of technical assistance requests including an initial assessment of feasibility. Detailed project design may be carried out either by technical officers at headquarters or by donors or beneficiary governments or by a combination of these. FAO's input is organised in various ways, depending upon the nature and complexity of the project proposed. The responsibility of individual FAO units is of course limited by the extent of the responsibility borne by FAO itself in its partnership with the government and donor.

53. For projects falling within the responsibility of the Agriculture and Economic and Social Policy Departments it is a long-standing requirement that a formulation task force be established to co-ordinate and supervise project design. In 1987 the Director-General extended this requirement to all divisions responsible for the design or implementation of trust fund projects. Task forces

comprise representatives from headquarters services and units directly involved. The formulation process is considered complete with the preparation of the final project document, which is then transmitted to the Development Department for final appraisal and forwarding for signature.

54. Appraisal is the independent critical examination of the design and potential effectiveness of proposed projects. This activity is coordinated by the Development Department and entails assessment of a proposed project's operational and technical feasibility, relevance to recipient's needs, compatibility with the Organization's activities and the degree of administrative and technical support required.

55. A new general framework of procedures for trust fund activities was announced under Director-General's Bulletin no. 87/10 in April 1987, but earlier specific procedures for the review, negotiation and approval of project proposals were issued under a Director-General's Bulletin in 1977 and are still applicable. Formulation and review were formerly carried out largely as joint activities, whether within a task force or by the individual officers concerned. With the issue of new guidance in April 1987 the necessary independence of the appraisal function is clearly stated. Final appraisal, prior to formal acceptance of a project document, is carried out in two steps, firstly at working level and secondly in the Office of the Assistant Director-General, Development Department.

56. During their examination of the 34 selected projects my staff found that the 1977 procedures were generally followed but noted that the extent of documentation of project appraisal varied considerably among the group of 34 projects reviewed.

57. My staff's examination of the available evidence on project formulation and appraisal, in particular the results of assessment by evaluation missions, found five main areas of difficulty:

- a. identification of environmental, infrastructural and administrative constraints in recipient countries;
- b. accuracy of the assessment of a recipient country's capacity to contribute as planned to project resources;
- c. realism of the planned resources and time-scale in relation to project outputs;
- d. consistency of linkages between inputs, activities, outputs and objectives;
- e. specification in project documents of measures and criteria for monitoring progress.

58. Many of the projects reviewed by my staff were found

to have experienced one or more of these difficulties in project design. The Organization told my staff that, as regards points (a) and (b) above, various factors and changing conditions beyond FAO's control occurring during the progression of a project proposal from formulation through formal agreement up to the start of operations, may invalidate some of the bases and assumptions of the original formulation; but that the delay of the start of a major project to allow further revision would not generally be worthwhile. In such cases the project is amended, as far as is practicable, during implementation, in consultation with the donor and recipient government. Changes in the operating circumstances of a project may sometimes enforce changes in project activities even where the original assumptions were valid at the outset. For example, the drought in sub-Saharan Africa caused severe dislocation of project activities. Projects may also need to respond to sometimes radical changes in the political and economic circumstances of recipient governments that could not have been foreseen.

59. Changes in the local circumstances of a project may also be a factor to consider in assessing the realism of stated project output targets (point (c) above). The consistency of project design and the specification of monitoring criteria (points (d) and (e)) are however independent of such considerations. My staff found that, for some projects reviewed, the evaluation reports confirmed that the project document was unsatisfactory in one or both of these two areas.

60. The Organization told my staff that there is process of continuing adjustments and revisions which takes place during formulation as well as during implementation in agreement with the different parties concerned. It said that a rigid adherence to procedures, to the provisions of project documents and to the work plan would lead to serious delays or deadlocks among the parties concerned and be detrimental to efficient management.

61. I have noted from my staff's parallel review of FAO's administration of UNDP projects that UNDP issue extensive guidance to executing agencies and that this is frequently revised. The most recently issued UNDP guidance on project formulation and appraisal provides for a questionnaire-based formulation framework, including an appraisal checklist. UNDP also requires the identification of significant risks that could seriously delay or prevent the achievement of project outputs and objectives. The UNDP project document format has been revised to show an explicit relationship between objectives, outputs and activities and the format of the work plan has been standardised. No such detailed guidance has been issued for trust fund projects though FAO has told my staff that proposed projects are reviewed extensively according to FAO's, donors' and governments' criteria.

to the donor country so far as possible was not the reason for repeated failure to recruit a suitable candidate.

67. The deployment of national staff returning from courses of training paid for by projects was found by my staff to be generally satisfactory, though in two of the 24 cases reviewed such staff were not on their return employed by the government concerned on the project or on related activities.

68. On three of the ten projects visited project officers told my staff that they considered they had insufficient training or inadequate staff to carry out timely and effective project administration and accounting. Two very large projects that were visited by my staff had particular difficulties in establishing or maintaining up-to-date local records. A new computer-based accounting system has this year been installed in one of these after five years of operations.

69. The Organization told my staff that it recognizes the need for increased provision of administrative support within large projects, to ensure control of local project resources and account for complex local operations.

70. In the majority of projects examined by my staff, equipment was a significant element of project cost. My staff found that many of these projects had experienced delays in the delivery of part of the equipment required. For 3 of the 10 projects visited some of the equipment supplied was assessed either by project staff or by evaluation missions as not well suited to the project's location or operating conditions.

71. My staff found that delays had sometimes arisen from local factors including difficulties in deliveries to land-locked countries or problems with customs clearance procedures in recipient or neighbouring countries. The staff of some projects visited told my staff that the time required to satisfy headquarters' financial control procedures and their limited authority to place orders directly might also be one of the causes of delay. However, FAO headquarters drew my staff's attention to FAO's accountability in the administering of public funds and to the need for technical evaluation of specifications and for expenditure controls that were frequently not possible in field locations.

72. Implementation of one project visited had been hampered, according to project staff and the report of an evaluation mission, both by delays in the receipt of some equipment and by the unsuitability of certain items.

73. My staff have noted that the financial limit on the direct placing of orders by projects from the field was raised in April 1988 to \$20,000 from its 1977 level of \$10,000.

74. My staff were informed that measures to improve

procurement procedures were under consideration but that no decision on their implementation had yet been made. In particular, a review of the FAO manual section dealing with contract activities had been completed by Contracts Branch during early 1987 and was now under further consideration by other units although a date for issue has still to be agreed.

Monitoring of Projects

75. Project monitoring is the continuous or periodic surveillance of the physical implementation process to ensure that input, deliveries, work schedules, outputs and other required actions are proceeding according to the project plan.

76. The standard trust fund project document contains a requirement for progress reports to be submitted to headquarters every six months. Project officers are asked to ensure that these reports arrive at headquarters within one month of the end of the reporting period, to provide timely information to headquarters on the overall progress of the project and to draw the attention of headquarters' staff to matters requiring attention. Since 1983 the largest operation division has used a computerised system to monitor the timeliness of progress reports and remind responsible officers of those due and overdue. A review by the Organization in August 1987 revealed that more than half of those for UNDP and trust fund projects missed the target date but were received soon afterwards. By 31 March 1988 there had been, following management action, a significant improvement in the timeliness of their receipt at headquarters.

77. My staff examined progress reporting arrangements in all of the projects reviewed. Progress reports had usually been completed in the prescribed format and submitted to arrive at headquarters within or soon after their target dates.

78. My staff noted from their parallel review of UNDP project arrangements that UNDP's revised procedures require reporting of progress in a standardised format that is very detailed compared with the requirements for the trust funds projects but at twelve monthly intervals not six monthly. FAO told my staff that six-monthly progress reporting will be maintained for UNDP projects though on a simplified basis, to ensure their sound management and monitoring.

Computerised field project information systems

79. In 1981 the Organization introduced IFIS - the Integrated Field Programme Information System - to expand and improve the collection, maintenance and reporting of information relevant to FAO's field programme activities. A particular aim of IFIS was to enhance operational monitoring and control by linking existing independent management information systems. The intention was to

consolidate project-related data in order to provide a basis for assessing the progress of projects and the performance of the field programmes as a whole, with the aim of improved operational decisions and policies. An essential feature was the need for user divisions to ensure that the standing information on each project was fully up-to-date.

80. My staff noted that the IFIS system now referred to as FIELDATA has not been fully developed or used as planned. A major problem has been the inability of some divisions to provide the continuous up-date which the system required, particularly in the case of Fishery and Forestry Divisions which are located outside the main building and do not have direct access to the main FAO computer. Additionally user divisions have continued to develop local management systems and this has contributed further to a decline in their use of IFIS/FIELDATA with the exception of regularly updated financial and some other information from the official project accounts.

81. The IFIS/FIELDATA system included a module (PIPELINE) which has recently been subject to substantial re-development. It is now used by Development Department to store data on UNDP pipeline project ideas and to monitor the progress of projects through formulation and appraisal. Regular and ad-hoc reports generated by the system are widely used within the Organization and by FAORs for management purposes. PIPELINE will only be fully operational after the transfer of data on Trust Fund pipeline projects from a divisional micro-computer. It will eventually be part of a larger monitoring system, currently under development and described below.

82. The Director-General approved in early 1988 the introduction of PROSYS - a computerised system for headquarters monitoring of field programmes and projects. Through PROSYS, including the PIPELINE module, FAO propose to monitor the planning and implementation of all field projects against clearly defined events and target dates. PROSYS will be used not only to monitor individual projects but also for the analysis of data relating to the field programme as a whole. The system will provide for regular and ad hoc management reports.

83. With the PROSYS development FAO has recognised the need to improve systems and procedures in a number of key areas. These include improvements in the project formulation process, the establishment of an appraisal group independent of project formulation, the codification of guidelines for formulation and appraisal, and the preparation of a comprehensive FAO Field Programme Manual. Discussions are continuing within the Organization to finalize these arrangements and agree the detailed guidance necessary for their effective implementation.

Review and evaluation of projects

84. Evaluation is the assessment of the design,

implementation, results and effectiveness of a project by persons not directly concerned with its formulation or implementation.

85. FAO's Evaluation Service was formally established in 1968. In 1984, the Director-General issued a bulletin on evaluation (DGB 84/28) which reinforced the objectives of evaluation, described the procedures for conducting evaluation activities and clarified the functions and responsibilities of the units concerned, including that of the Evaluation Service. Under these arrangements, the Evaluation Service is responsible for the development of evaluation methodology and procedures and coordinating all evaluation activities in FAO. For this purpose, in October 1984, the Evaluation Service issued FAO's new "Guidelines for the Evaluation of Technical Co-operation Projects".

86. The main purpose of the evaluation of projects is to assess their relevance, efficiency and effectiveness through the systematic identification and critical review of their direct and indirect results. The outcome of project evaluations should be used by FAO's management, recipient governments and funding sources to:-

- a. assist in improving the design and implementation of on-going projects and programmes;
- b. identify critical issues and lessons to help improve the formulation and execution of future programmes and projects;
- c. provide an objective assessment of the effects and impact of FAO's activities in relation to their objectives and resource cost;
- d. assemble and analyse evaluation material for submission to FAO's governing bodies.

87. Existing FAO guidance provides that the Evaluation Service should be able to decide its participation in project evaluations on the basis of annual plans drawn up by operations units in consultation with Development Department. My staff found that such plans had been prepared on a regular basis only for Forestry projects and that the Evaluation Service was therefore constrained in adequately planning its input to evaluations. The Organization told my staff that the number of units providing annual evaluation plans was increasing but that coverage was still incomplete. They added that an annual schedule of review and evaluation missions is now prepared for a number of major donors but that these plans have often to be amended because of changing requirements and circumstances.

88. The Evaluation Service produces its own annual work plan based on information available to it of evaluations planned by operations divisions or others. The organization told my staff that in this plan project

evaluation missions were programmed three months ahead and constantly updated. They added that, while an evaluation plan is useful, in practice it is often changed.

89. Most trust fund projects include a provision for evaluation, or more usually tripartite review, after one or two years' operation. Evaluations are carried out by a team usually comprising representatives of FAO, donor and recipient government. Comparable arrangements are made for tripartite reviews although these are generally limited in scope aiming to improve the implementation of on-going projects, and are not necessarily carried out by persons independent of the project formulation and implementation. Excluding the external evaluations carried out on three special action programmes (and reported to FAO governing bodies in 1987), there were formal evaluations of 39 (4 per cent) ongoing trust fund projects and no evaluations of completed projects during 1986-87. The Organization informed my staff, however, that there were in addition, numerous other reviews. A member of FAO's Evaluation Service took part in 9 of the evaluations. In comparison 93 (10 per cent) ongoing and four completed UNDP projects were evaluated during 1986-87 and a member of the Evaluation Service took part in 7 of these evaluations. The FAO Programme Committee commented in October 1987 on the need for more evaluations in order to improve project formulation and appraisal. My staff noted that, in July 1987, UNDP issued for the first time explicit guidance on procedures for the evaluation of completed projects. The FAO Guidelines issued in 1984 cover ex-post evaluation procedures but in less detail.

90. Development Department is responsible for monitoring the implementation by operations units of recommendations arising from individual evaluations and tripartite reviews. The Organization told my staff that, in order to carry out their monitoring duties, Development Department staff attend mission debriefings, hold regular informal discussions with operations staff on the progress of projects and regularly review the periodic reports of FAO Representatives. The Department designates individual officers to participate in the relevant task force meeting. However my staff found that no specific procedures had been established to guide staff in the feedback and monitoring of evaluation findings nor was the recording of action taken required.

91. Development Department is responsible for ensuring, in conjunction with technical divisions, the feedback of all findings into the programming, formulation and appraisal of new programmes and projects. The Development Department is required to designate a focal point within the department for liaison with Evaluation Service and other departments to ensure the feedback of all findings arising from evaluations of field activities. My staff found that the Development Department had not designated a single formal focal point nor had procedures been established to ensure feedback on a regular basis. However, the Organization pointed out to my staff that the

Secretary of the Field Programme Committee acted as a focal point for general feedback from evaluation in the Field Programme Review produced at two yearly intervals. With regard to the feedback from reviews and evaluation of specific projects, the Development Department designates individual officers to participate in the relevant Task Force meeting as noted in paragraph 90.

92. The Evaluation Service maintains a computerised database of summarised findings from evaluation missions. It is required to produce an annual synthesis of these findings but in practice these are produced every two years. This information is used by the Evaluation Service in the preparation of an assessment of the performance and short-comings of projects that is published in the biennial Review of Field Programmes.

93. My staff noted that routine analyses of evaluation findings e.g. by country or by sector of activity, are not produced. The Organization told them however that divisions frequently request ad hoc reports of this information. Successive Field Programme Reviews have acknowledged deficiencies in the quality of reporting by evaluation missions, attributing these inter alia to the inexperience of mission participants, a lack of time for the work required and the short notice at which missions were mounted.

94. The coordination and monitoring of field programmes is overseen by the Field Programme Committee, which comprises directors of operating units, and of two Development Department divisions, under the chairmanship of the Assistant Director-General, Development Department. This committee is required inter alia to review overall problems and questions relating to quality, efficiency and effectiveness in the Organization's programming and delivery of its field programmes. It is also required to review regularly the effectiveness of the feedback of evaluation findings and to improve procedures accordingly, e.g. PROSYS.

95. My staff asked the Organization how the Field Programme Committee discharged this latter responsibility. They were informed that the Committee relied on its members' day-to-day monitoring of their Division's activities, on the periodic reports received at headquarters made from individual projects and by FAO Representatives, and on the biennial Review of Field Programmes. The Organization told my staff that the only direct involvement of the Committee as a whole is its joint consideration of the completed draft of the review though individual members of the Committee are consulted in the course of the Review's preparation. They added that members of the Committee are also requested to review findings relevant to their divisions from evaluations of trust fund and UNDP projects falling under special action programmes. Three such evaluations were reported to governing bodies in 1987.

96. My staff have noted that the number of evaluation officer posts including the chief of service was increased from eight to nine in the 1986-87 Programme of Work and budget, though one senior post has not been filled since 1984. Four of the Evaluation Service's 13 filled posts are funded from the contribution to support costs made by trust funds, while three are funded from UNDP support costs.

SUMMARY AND CONCLUSIONS

On the control of manpower

97. My main findings are:-

- (a) The Organization has operated a standardised budgeting system for some biennia which, in respect of staff requirements, is based on the changes required to existing staff complements to implement the approved Regular Programme and Budget. The system relies on line managers to assess staffing needs and there is a well documented procedure for reviewing requests for new posts or changes to existing ones (paragraph 16). The Office of the Programme Budget and Evaluation reviews staff proposals to establish conformity with the Organization's priorities and this review is well documented and results in clear recommendations. Although there is no formal documentation of senior management review the Organization has confirmed that all staffing proposals for retention of existing posts and for new posts are thoroughly discussed by senior management who also take decisions on the freezing of posts (paragraphs 18, 19 and 20).
- (b) Reviews and classification of posts are carried out only when new posts are proposed, changes in post classification or organizational structure are requested or in response to ad hoc requests. Of 1986-87 Regular Programme posts only 6.7 per cent were reviewed in connection with the preparation of the Programme of Work and Budget and a further 5.4 per cent were reviewed during the biennium (paragraphs 17 and 21).
- (c) Although the reviews referred to above are carried out independently of line management there is no regular systematic independently planned review of posts and, therefore, no guarantee that all posts will be reviewed over a period of time. The Organization does not consider this is necessary because it has seen no evidence that such a review would strengthen the present system for assessing and reviewing staffing needs (paragraphs 22 and 23).
- (d) Up to 15 per cent of the Organization's Professional posts and 7 per cent of the General Service posts have been vacant during the last 3 biennia with some 20 per cent of the current vacancies over 2 years

old. The budgetary savings resulting from the vacant posts in 1986-87 exceeded the 5½ per cent lapse factor by some \$5.2 million. Posts are kept vacant as a conscious managerial decision to cope with financial problems and to make deliberate savings (paragraphs 24 to 27).

- (e) A system of parallel posts is operated whereby staff are recruited into vacant posts at a lower grade so that they can be trained to take up the duty of the higher grade and permit career incentives by providing for promotion in the same posts. The use of parallel posts yields an additional budgetary saving (paragraphs 28 to 31).
- (f) The ICSC Master Standard is used for classifying Professional posts and FAO's own standard based on internal job comparisons is used for General Service grades. FAO has commenced developing a new master standard for General Service grades in 1986 but staff shortages have prevented its completion (paragraphs 32 to 34). ICSC master standards are not applied to Director grades.
- (g) Post descriptions are not always current as required by the FAO Manual and in some cases staff were not carrying out the prescribed duties of the posts they occupied (paragraphs 35).
- (h) Since 1979 there has been an upward movement in the numbers of staff employed both in the higher Professional and General Service grades but overall the total number of posts has reduced (paragraph 35).
- (i) Temporary assistance is provided through centrally operated staff pools or by establishment of short term posts. Temporary assistance funds have, however, been used to provide for long term posts. Improvements to the control of pool staff used by divisions have been made as a result of my staff's enquiries (paragraphs 36 to 44).

98. The FAO operates a long established procedure for assessing its manpower requirements during which the divisions, the Personnel Division and the Office of Programme, Budget and Evaluation (PBE) carry out clearly defined activities. New posts are controlled and justified and, except for Director grades, proposals for classification of posts are considered against established standards, and for General Service grades new standards are being developed. I note FAO's view that the present system of delegating responsibility for assessing staffing requirements to line managers has operated successfully over the years.

99. I also note that under current procedures Personnel Division carry out reviews of posts. I accept that these reviews are conducted independently of line management,

are well documented and result in clear recommendations (paragraph 16). However, under these procedures only some 12 per cent of 1986-87 Regular Programme posts were reviewed and, because the basis of selection is requests from line managers, there is no guarantee that all posts and divisional or unit structures will be reviewed over a period of time (paragraphs 17, 21 and 22). The introduction of a regular and systematic review could provide senior management with the assurance that the current procedures were operating without bias and that the budgeted posts were adequate but not excessive for the execution of the programme of work. This procedure could also provide assurance that staff of the correct grade were employed for the performance of the functions essential to the achievement of programme activities. I recognise the Organization's concern (paragraph 23) that a personnel classification expert may not be able to assess accurately the workload of some professional technical posts. However an independent assessment by a person trained in staff inspection techniques could be equally as valid and may be more objective than that of a line manager untrained in such techniques. Such reviews by an expert trained in staff inspection assisted by specialists where necessary, may identify the need to strengthen staff in some areas and reduce staff in others. I should add that I do not consider staff inspection findings should be taken to be prescriptive but should be treated as an aid to management decisions.

100. The Organization's current financial crisis has caused it to look carefully at its operating costs and this has led to reductions in staffing levels by not filling vacant posts. Nevertheless, because of the substantial resources devoted to manpower - \$275.3 million in 1986-87 representing some 63 per cent of the Regular Programme Budget - even small improvements in deployment or efficiency resulting from independent objective staffing surveys might yield significant savings. One possible option, therefore, would be for the Organization to undertake, as soon as resources permit, a trial period of independently planned staffing reviews of selected areas of FAO's activities. The results of this trial could demonstrate the benefits and savings which might accrue from the full implementation of a systematic staff review procedure covering all posts and would establish a basis for estimating the costs involved.

101. In addition to the above I am of the view that the Organization should consider improvements in its control over manpower resources by taking steps to:-

- (a) introduce a procedure for reviewing the continuing need for posts which have been vacant for, say, two years or more;
- (b) ensure all post descriptions are kept up-to-date;
- (c) consider whether, when the duration of a parallel post is likely to exceed, say, two years it would be

appropriate to review and justify the continuation of the grading of the vacant post it replaces;

- (d) continue with the initiative to develop a "Master Standard" for General Service grades as soon as staff resources permit and, increase the proportion of professional posts to which ICSC master standard is applied;

On the administration of trust fund projects

102. My staff's review of FAO's administration of Trust Funds focussed on FAO's participation in the planning, implementation, monitoring and evaluation of projects funded by Trust Fund donors.

103. In its administration of Trust Fund projects the Organization has to take account of the complexities resulting from the involvement of the donor, and the recipient governments in each of the projects. The projects are often carried out in areas of the world where governments may not have the infra-structure or expertise to carry out project activities allocated to them. Changing environmental conditions can affect progress and sometimes donor and government requirements do not represent the most cost effective or efficient way to manage the projects. In my findings and recommendations I have sought to take account of these factors and have recognised that a number of operational problems identified may be outside FAO's direct responsibilities.

104. My main findings are:-

- a. There is a clearly defined framework for the FAO's units' responsibilities for formulation and appraisal but the system lacks the detailed guidance prescribed by UNDP for the formulation and appraisal of its projects (paragraphs 51 to 55 and 61). I note, however, that UNDP has changed its formulation and appraisal system several times.
- b. There are five main areas of difficulty in the formulation and appraisal of projects: the identification of environmental, infrastructural and administrative constraints; the assessment of the capacity of recipient governments to contribute their planned resources; the realism of planned activities; the linkage between inputs, activities, outputs and objectives; and lack of sufficient measures for monitoring progress (paragraph 57). The Organization is aware of these problems and points out that some are beyond its control and that in order to ensure that projects are not to be subject to serious delays there must be a process of continuing adjustments and revisions at the planning as well as the implementation stages (paragraphs 57 to 60). I recognise the force of these arguments but consider that if more detailed guidance similar to that of UNDP was elaborated and adapted to TF projects, improvements

would be forthcoming (paragraph 61);

- c. Few of the projects examined by my staff will have achieved all their targeted outputs within the original planned resources and timescale. The late provision of project inputs by governments and high turnover among national staff assigned to projects were common factors which impeded timely project implementation (paragraphs 62 to 64). Other problems impeding implementation of projects are delays in the recruitment of international staff and the procurement of equipment, and deficiencies in local administration and accounting for large projects. FAO is aware of the need to strengthen the local administration of large projects (paragraphs 64 to 74) and TF donors should recognize this need. FAO should request donor agencies to make a provision for an administrative officer/assistant post for large complex projects;
- d. There is a formal system of periodic progress reports for projects which is satisfactorily followed. But I note that the UNDP requires a more detailed presentation of planned and actual activities and outputs (paragraphs 75 to 78) and consider that this permits more effective monitoring of progress;
- e. The Organization's central computerised database for project monitoring introduced in 1981 was only partially successful and has not been fully developed. The Organization is currently developing a new computerised system for headquarters monitoring of field programmes and projects which will subsume most of the objectives of the earlier system and will permit analysis of data relating to the field programme as a whole (paragraphs 79 to 83).
- f. There is a comprehensive framework for project reviews and evaluation activities with clearly assigned responsibilities and well-defined objectives, but with little detailed guidance on feedback and monitoring procedures (paragraphs 84 to 86 and 91). Compliance with the requirements of the established system is not consistent. Evaluation findings are discussed in tripartite review meeting and by project task forces where these exist. There are no other established or more detailed procedures to ensure that the findings of evaluation are used to improve the operation of individual projects or to benefit the planning of new projects (paragraphs 87 to 95). The Evaluation Service is not fully informed of planned evaluations and reviews (paragraph 87). The staff of the Evaluation Service were involved during 1986-87 in proportionately more evaluations of trust fund than of UNDP projects (paragraph 89). There is little systematic use of the database of summarised evaluation findings other than in the preparation of the biennial Review of Field Programmes (paragraph 92). There are deficiencies in the quality of reporting by evaluation missions because missions are

mounted at short notice, are of inadequate duration and undertaken by inexperienced staff (paragraph 93).

105. I note that, in relation to the weaknesses in systems and procedures identified by my staff, the Organization are taking steps to ensure:-

- a. that, resources permitting, all projects proposed are subject to expert appraisal independent of their formulation prior to approval, and that this will be fully documented in order to provide a firm basis of information and assurance to senior management of the realism of proposals (paragraph 55 and 83);
- b. the timely receipt at headquarters of progress project reports to enable their early consideration and requisite management action to be taken (paragraph 76).

106. In my view the procedures for the administration of Trust Funds would be enhanced if the Organization took steps to:-

- c. review whether the project formulation process could take more account of such constraints as the time required to recruit and secure government approval for international staff, for equipment to be procured and delivered, and the likely availability of government resources; the successful implementation of PROSYS would improve the situation in most of these fields;
- d. bring further improvements to project documents so that they include clearer statements of output targets that are consistent with inputs, planned activities and objectives. This will assist in the effective monitoring of project progress;
- e. consider ways of improving the administrative and accounting arrangements of projects in the field and in particular the appointment on large projects of experienced international recruited administrative staff to support project management;
- f. finalise and issue improved administrative and financial procedures, including any necessary revisions in financial limits, to speed procurement of equipment for field projects; in this respect, I note that the limit for field purchase orders was recently increased from US \$10,000 to US \$20,000 and that FAO's accountability in administering international public funds has also to be taken into consideration;
- g. require the content of progress reports to provide more analysis of progress against defined targets to facilitate monitoring and action by headquarters staff;
- h. strengthen the Evaluation Service in order to increase its participation in evaluation missions, improve the quality of evaluation reports, and to ensure a more

even distribution of its activity between trust funds and other field projects, on the basis of the comprehensive annual evaluation plans as intended by the Director-General; and

- i. make fuller and more systematic use of the findings of project evaluations as intended by the Director-General to assist in the management of current projects and improve the formulation and appraisal of project proposals.

107. I note that UNDP guidance on project administration provides detailed guidelines for many of these matters and I recommend that FAO consider the applicability of these in their administration of trust fund projects.

ACKNOWLEDGEMENT

108. I wish to record my appreciation for the co-operation and assistance extended by the Director-General and the staff of the Organization during my audit.

JOHN BOURN
(Comptroller and Auditor General, United Kingdom)
External Auditor

9 September 1988

OPINION OF THE EXTERNAL AUDITOR

To: The Conference of the Food and Agriculture
Organization

I have examined the following appended financial statements numbered I to III, and relevant schedules of the Regular Programme of the Food and Agriculture Organization for the financial period ended 31 December 1987, 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. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

As a result of my examination I am of the opinion that the financial statements present fairly the financial position at 31 December 1987 and the results of the operations for the period then ended; that they were prepared in accordance with the stated accounting policies which were applied on a basis consistent with that of the preceding financial period; and that the transactions were in accordance with the Financial Regulations and legislative authority.

JOHN BOURN
Comptroller and Auditor General
United Kingdom
External Auditor

5 September 1988

Financial Statements of the Food and Agriculture Organization
of the United Nations for the Financial Period 1986-87
ended 31 December 1987

Regular Programme
(Consolidating Trust Funds and Support Costs)

Statements I to III and Relevant Schedules

CERTIFICATION OF FINANCIAL STATEMENTS

The amounts shown in the
statements properly reflect
the recorded financial
transactions for the period.

Approved:

Frédéric A. Heim
Director
Financial Services Division

Edouard Saouma
Director-General

REGULAR PROGRAMMESUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regular Programme includes the accounts of the Trust Funds and Other Funds.

1. Accounting Period

The financial period of the Programme is a biennium.

2. Basis of Accounting

The financial statements of the Programme have been prepared under the historical cost convention.

3. Investments

Investments are stated at cost.

4. Translation Policy

Assets and liabilities in currencies other than United States dollars have been translated at the U.N. operational rates of exchange at the period end, which approximate to market rates, except in the case of advances to staff members.

Income and expenditure items, except for staff costs, in currencies other than United States dollars have been recorded at the U.N. operational rates of exchange in effect at the date of the transaction.

Exchange differences arise:

- (i) When purchasing non-dollar currencies as a result of differences between market rates and the U.N. exchange rate;
- (ii) When revaluing non-dollar currency holdings upon changes in the U.N. rate.

These differences are credited or charged to Support Services in the expenditure statement.

The element of staff costs which is based on the currency of the Headquarters country is charged at the budget rate of exchange. Gains or losses arising from the difference between the budget rate and the rates at the time of payment are credited or charged to the Special Reserve.

../...

5. Cash/Accrual basis of Accounting

The concepts used in the preparation of these financial statements combine both the accrual and cash bases of accounting.

With regard to the Regular Programme the specific treatment of the major categories of income and expenditure is as described below:

- (a) Contributions are amounts assessed on Member Nations net of the notional tax (staff assessment) relating to their respective nationals employed by the Programme. Contributions from Member Nations are recorded as receivable when they become due with the corresponding credit to the Reserved Surplus, and they are recognised as income when received. Uncollected contributions are included in the Reserved Surplus.

Contributions from nations which become Members during the biennium are included in Miscellaneous Income.

- (b) Miscellaneous Income is recognised on a cash basis except for bank interest and investment income which are recorded on an accrual basis.
- (c) Expenditure, apart from staff costs, includes:
 - (i) Disbursements with regard to the current biennium's budget;
 - (ii) Outstanding obligations defined as prospective liabilities arising, for example, from binding contracts or purchase orders made;
 - (iii) Disbursements involving amounts in excess of those reported in the previous biennium as outstanding obligations.

Contributions to Trust Funds and Support Costs are recorded on a cash basis. Expenditure is charged on a cash basis unless agreements with the donor provide otherwise.

The cost of equipment owned by the Programme and the Trust Funds is charged to expenditure when purchased. It is shown on the Statement of Assets and Liabilities at a nominal value of \$1.

6. Staff Costs

Staff Costs on the Regular Programme are charged to programmes and TCP projects at predetermined standard rates which are adjusted at the period

end to reflect actual costs in Dollars calculated at the budget rate of exchange. Staff Costs on Trust Funds are charged to the relative projects at the actual Dollar amounts when incurred. Staff Costs on Support Costs are charged to programmes at predetermined standard rates which are adjusted at the period end to reflect actual costs in Dollars at exchange rates pertaining to the months when the costs were incurred.

Separation (i.e. salary) payments to general service staff are provided for to the extent of 50% for the Regular Programme and fully for Trust Funds and Support Costs. Other non-salary separation costs, however, are charged when incurred. Repatriation grants relating to Trust Funds are fully provided for.

Statement I

REGULAR PROGRAMME
 TWENTY-SEVENTH FINANCIAL PERIOD 1986-87
 BUDGET APPROPRIATIONS, TRANSFERS AND EXPENDITURE^{a/}
 FOR THE YEAR ENDED 31 DECEMBER 1987

Chapter	Title	Budget Appropriations 1986-87				Expenditure including Outstanding Obligations at 31 December 1987 ^{b/}	Balance of Appropriations carried forward for use in 1988-89 ^{c/}	Balance of Appropriations at 31 December 1987
		As Voted in Conference Resolution 8/85	Transferred to Tax Equalization Fund	Other Budgetary Transfers (net)	Budget as Amended			
		\$	\$	\$	\$	\$	\$	\$
1	General Policy and Direction	31 542 000	-	-	31 542 000	29 763 360	-	1 778 640
2	Technical and Economic Programmes	198 924 000	-	-	198 924 000	182 372 030	-	16 551 970
3	Development Support Programmes	72 541 000	-	-	72 541 000	68 628 610	-	3 912 390
4	Technical Cooperation Programme ^{d/}	61 421 000	-	-	61 421 000	33 656 810	27 764 190	-
5	Support Services	57 406 000	-	40 000	57 806 000	57 763 326	-	42 674
6	Common Services	14 566 000	-	-	14 566 000	13 239 715	-	1 326 285
7	Contingencies	600 000	-	(40 000)	200 000	-	-	200 000
	Total Effective Working Budget	437 000 000	-	-	437 000 000	385 423 851 ^{e/}	27 764 190	23 811 959
8	Transfer to Tax Equalization Fund	62 200 000	(62 200 000)	-	-	-	-	-
		\$ 499 200 000	(62 200 000)	-	437 000 000	385 423 851	27 764 190	23 811 959

^{a/} Expenditure on staff costs is shown at the rate of exchange used in the Budget (Lire 1,760 = US\$1); gains and losses on exchange on staff costs are transferred to the Special Reserve Account in accordance with Conference Resolution 27/77. In 1986-87, net losses amounting to \$31 248 666 were debited to the Special Reserve Account (Schedule 3.5).

^{b/} Expenditure on Chapters 2 and 3 includes the estimated cost of Field Programme Support for the following Programmes:

	\$
United Nations Development Programme	4 999 132
World Food Programme	320 751
Trust Funds	4 077 853
	<u>9 397 736</u>

Additional support provided from other Chapters will be determined under a separate Cost Measurement System exercise (see paragraph 9 of the Director-General's Report).

^{c/} In accordance with Financial Regulation 4.3 the unobligated funds on the Technical Cooperation Programme will be carried forward for use during the 1988-89 Biennium.

^{d/} For project details see Annex I.1.

^{e/} Includes expenditure of \$3,932,000 on FINSYS/PERSYS contract transferred from Support Costs Accounts (Schedule 3.4) to the Regular Programme, as notified to the Finance Committee at its 2nd Session, May 1988 (FC 62/4(a)).

SCHEDULE 1.1

BUDGET APPROPRIATIONS (AS AMENDED) AND EXPENDITURE BY PROGRAMME^{a/}
FOR THE FINANCIAL PERIOD 1986-87
 (\$'000)

<u>Chapter</u>	<u>Title</u>	<u>Budget Appropriations 1986-87 as Amended</u>	<u>Expenditure including Outstanding Obligations at 31 December 1987^{b/}</u>	<u>Balance at 31 December 1987</u>
1.	GENERAL POLICY AND DIRECTION			
	Governing Bodies	11 922	11 295	627
	Policy, Direction and Planning	8 071	7 630	441
	Legal	3 288	3 036	252
	Liaison	8 261	7 802	459
		<u>31 542</u>	<u>29 763</u>	<u>1 779</u>
2.	TECHNICAL AND ECONOMIC PROGRAMMES			
	<u>Agriculture</u>			
	Natural Resources	14 607	13 450	1 157
	Crops	24 470	21 361	3 109
	Livestock	14 364	12 886	1 478
	Research	10 537	10 155	382
	Rural Development	24 650	22 668	1 982
	Nutrition	13 176	12 300	876
	Information and Analysis	21 224	19 957	1 267
	Policy	25 112	22 081	3 031
	Programme Management	6 958	7 057	(99)
		<u>155 098</u>	<u>141 915</u>	<u>13 183</u>
	<u>Fisheries</u>			
	Information	3 528	4 787	(1 259)
	Exploitation and Utilization	12 470	10 548	1 922
	Policy	6 014	5 511	503
	Programme Management	4 032	3 453	579
		<u>26 044</u>	<u>24 299</u>	<u>1 745</u>
	<u>Forestry</u>			
	Resources and Environment	2 856	3 650	(794)
	Industries and Trade	2 989	2 496	493
	Investment and Institutions	4 942	4 778	164
	Rural Development	3 490	2 055	1 435
	Programme Management	3 505	3 179	326
		<u>17 782</u>	<u>16 158</u>	<u>1 624</u>
		<u>198 924</u>	<u>182 372</u>	<u>16 552</u>

SCHEDULE 1.1
(Continued)

Chapter	Title	Budget Appropriations 1986-87 as Amended	Expenditure including Outstanding Obligations at 31 December 1987 ^{b/}	Balance at 31 December 1987
3.	DEVELOPMENT SUPPORT PROGRAMMES			
	Field Programme Plann. & Liaison	5 187	4 687	500
	Investment	20 031	17 543	2 488
	Special Programmes:			
	Freedom from Hunger Campaign/Action for Development	1 701	1 532	169
	Fellowships (Andre Mayer)	365	287	78
	FAO Representatives	44 573	43 903	670
	Programme Management	684	677	7
		<u>72 541</u>	<u>68 629</u>	<u>3 912</u>
4.	TECHNICAL COOPERATION PROGRAMME ^{c/}	61 421	33 657	27 764
5.	SUPPORT SERVICES			
	<u>Information and Documentation</u>			
	Public Information	8 090	7 728	362
	Library	4 429	3 943	484
	Documentation Systems	2 728	2 665	63
	Publications	3 388	3 111	277
		<u>18 635</u>	<u>17 449</u>	<u>1 186</u>
	<u>Administration</u>	<u>37 535</u>	<u>38 734</u> ^{d/}	<u>(1 199)</u>
	<u>Programme Management</u>	<u>1 636</u>	<u>1 580</u>	<u>56</u>
		<u>57 806</u>	<u>57 763</u>	<u>43</u>
		=====	=====	=====
6.	COMMON SERVICES	14 566	13 240	1 326
7.	CONTINGENCIES	200	-	200
	TOTAL	<u>437 000</u>	<u>385 424</u>	<u>51 576</u> ^{e/}
		=====	=====	=====

a/ Expenditure on staff costs is shown at the rate of exchange used in the Budget (lire 1760 = US\$1); Gains or losses on exchange on staff costs are transferred to the Special Reserve Account in accordance with Conference Resolution 27/77. In 1986-87 net losses amounting to \$31 248 666 were debited to the Special Reserve Account (Schedule 3.5).

b/ Expenditure on Chapters 2 and 3 includes the estimated cost of Field Programme Support for the following programmes:

United Nations Development Programme	\$	4 999 132
World Food Programme	\$	320 751
Trust Funds	\$	4 077 853
	\$	<u>9 397 736</u>

Additional support provided from other Chapters will be determined under a separate Cost Measurement System exercise (see paragraph 9 of the Director-General's Report).

c/ For project details see Annex 1.1.

d/ A debit of \$3 268 329 being the net loss on currency transactions during the biennium is included in this figure.

e/ Balance of appropriations (Statement I)	\$'000	23 812
Unobligated funds in respect of Technical Cooperation Programme carried forward for use in 1988/89.		27 764
	\$	<u>51 576</u>

Statement II

REGULAR PROGRAMME
 TWENTY-SEVENTH FINANCIAL PERIOD 1986-87
 INCOME AND EXPENDITURE OF THE GENERAL FUND
 FOR THE PERIOD ENDED 31 DECEMBER 1987

INCOME	EXPENDITURE
Member Nations' Contributions received (Schedule 3.1.1)	\$ 385 423 851
Miscellaneous Income:	
Interest on Bank Accounts and Deposits	
Less: Paid to Trust Funds	
Paid to Terminal Payments Fund	
Other Payments	
35 470 315 (14 275 234) (1 877 656) <u>(1 000 965)</u>	
Lapse of Unobligated balance 1984-85	
Technical Cooperation Programme	
Refund of Prior Years' Expenditure	
Lapse of Prior Years' Outstanding	
Obligation	
Income from Commissary	
Rent of Conference and Office Facilities	
Cash Surplus Relinquishments	
Other	
6 823 781 1 773 340 5 336 195 73 795 ^{a/} 1 831 327 ^{b/} 1 574 542 <u>435 244</u>	
Transfer Balance on Working Capital Fund	
13 257 950	
Excess of Expenditure and unobligated	
Technical Cooperation Programme Funds	
carried forward at 31 December 1987 over	
Income and Working Capital Fund	
46 830 083	
	\$ 422 586 707

a/ 1/2% of Commissary turnover (excluding petrol and motor-oil).

b/ Net receipts for non-FAO use of Conference and Office facilities.

Statement III

REGULAR PROGRAMME
 TWENTY-SEVENTH FINANCIAL PERIOD 1986-87
 STATEMENT OF ASSETS AND LIABILITIES AT 31 DECEMBER 1987

<u>ASSETS</u>		<u>LIABILITIES</u>	
<u>Liquid Assets</u>	\$		\$
Cash at Banks, in Hand and in Transit	9 307 721	Accounts Payable	43 013 667
Bank Deposits and Interest-bearing Bank Accounts	<u>152 859 532</u>	Outstanding Obligations	29 746 543
	162 167 253	Unobligated Funds of the 1986-87 Appropriation of the Technical Co-operation Programme reserved for use in 1988-89	27 764 190
<u>Accounts Receivable</u>		Trust funds	114 234 703
Outstanding Contributions of Member Nations:		Other Accounts (Schedule 3.4)	72 008 024
Contributions unpaid and due (Schedule 3.1.1)	93 516 494	Special Reserve Account (Schedule 3.5)	-
Contributions payable by instalments in settlement of arrears (Schedule 3.1.1)	<u>360 363</u>	Working Capital Fund (Schedule 3.5)	-
	<u>93 876 857</u>	Reserve equalling total of uncollected contributions from Member Nations, and written-down value of FAO-owned equipment furniture and vehicles	93 876 858 ^{a/}
	93 876 857 ^{a/}		
Accrued Interest	2 000 838		
Other Accounts Receivable	<u>23 617 234</u>		
	25 618 072		
<u>Investments</u>			
Investments at cost price plus accrued interest:		Excess of Expenditure and unobligated Technical Cooperation Programme Funds carried forward at 31 December 1987 over Income and Working Capital Fund	(46 830 083) ^{a/ b/}
Compensation Plan Reserve Fund			
(Market value at 31 December 1987 \$19 012 591)	17 356 004		
Separation Payments Scheme Fund			
(Market value at 31 December 1987 \$37 727 605)	<u>34 795 715</u>		
	52 151 719		
<u>Capital Assets</u>			
Written-down value of FAO-owned equipment, furniture and vehicles			
	1		
	<u>\$ 333 813 902</u>		<u>\$ 333 813 902</u>

^{a/} See also paragraph 7 of the Director-General's report.

^{b/} The amount shown (\$46,830,083) would have been offset completely by receipt of outstanding contributions (\$93,876,857) and an excess of income over expenditure would have resulted.

CONTRIBUTIONS OF MEMBER NATIONSSUMMARY OF CONTRIBUTIONS RECEIVED AND OUTSTANDING
AT 31 DECEMBER 1987

	Contributions unpaid and due ^{a/}	Contributions in arrears payable by instalments ^{b/}	Total
	\$	\$	\$
Balance outstanding at 1 January 1986	23 912 034	298 813	24 210 847
Transfers authorized by the Conference ^{c/}	(127 608)	127 608	-
Amount assessed for 1986-87 (after adjustments for Tax Equalization Fund)	397 150 000	-	397 150 000 ^{d/}
	420 934 426	426 421	421 360 847
Contributions received in 1986-87	(327 417 932)	(66 058)	(327 483 990) ^{e/}
Balance outstanding at 31 December 1987	\$ 93 516 494	360 363	93 876 857
	=====	=====	=====

^{a/} Details by country and year of assessment are shown in Schedule 3.1.2^{b/} Details by country and due date of instalments are shown in Schedule 3.1.3^{c/} Guyana and Antigua (see Schedule 3.1.3)^{d/} Gross amount assessed in 1986-87

\$ 458 200 000

Staff Assessment

(62 200 000)

Additional assessment to meet the cost of tax

refunds to staff members of a Member Nation

1 150 000

\$ 397 150 000

=====

^{e/} Contributions received in 1986-87 were credited to:

Income from contributions (Statement II)

\$ 326 333 990

Tax Equalization Fund (Schedule 3.4 footnote f/)

\$ 1 150 000

\$ 327 483 990

=====

CONTRIBUTIONS OF MEMBER NATIONS

CONTRIBUTIONS UNPAID AND DUE AT 31 DECEMBER 1987

(EXCLUDING CONTRIBUTIONS PAYABLE BY INSTALMENTS IN SETTLEMENT OF ARREARS)^{a/}

Member Nation	1984 and Prior \$	1985 \$	1986 \$	1987 \$	Total Outstanding 31 December 1987 \$
Antigua and Barbuda	-	-	-	19 800	19 800 ^{b/}
Argentina	-	-	299 891	1 702 800	2 002 691
Bolivia	-	-	-	16 324	16 324
Brazil	-	-	-	3 249 628	3 249 628
Burkina Faso	-	-	-	154	154
Burundi	3 476	13 921	19 800	19 800	56 999
Cameroon	-	-	-	9 886	9 886
Cape Verde	-	-	19 800	19 800	39 600
Central African Republic	-	-	12 201	19 800	32 001 ^{b/}
Chad	-	-	-	19 800	19 800 ^{b/}
Comoros	-	-	-	19 800	19 800 ^{b/}
Congo	-	-	-	17 693	17 693
Côte d'Ivoire	-	-	-	64 797	64 797
Cuba	-	-	167 749	217 800	385 549 ^{b/}
Democratic Kampuchea	54 966	16 251	19 800	19 800	110 819 ^{b/}
Dominican Republic	-	46 531	79 200	79 200	204 935
Ecuador	-	-	-	7 578	7 578
El Salvador	-	-	-	16 324	16 324
Equatorial Guinea	-	11 631	19 800	19 800	51 234
Gabon	-	-	16 899	39 600	56 499
Gambia	-	-	-	594	594
Grenada	-	-	9 496	11 739	21 235
Guatemala	3 980	-	39 600	39 600	83 180

Member Nation	1984 and Prior \$	1985 \$	1986 \$	1987 \$	Total Outstanding 31 December 1987 \$
Guinea-Bissau	-	-	19 408	19 800	39 208 b/
Guyana	-	-	-	19 800	19 800
Iran	166 411	1 093 72	1 342 000	1 386 000	3 988 134
Iraq	-	-	-	275 630	275 630
Israel	-	-	-	277 335	277 335
Liberia	-	-	12 713	19 800	32 513
Libya	-	-	567 990	613 800	1 181 790
Madagascar	1 467	-	19 800	19 800	41 067
Malaysia	-	-	-	38 234	38 234
Mali	-	-	-	9 741	9 741
Mauritania	-	14 51	19 800	19 800	54 119
Mauritius	-	-	-	14 015	14 015
Mexico	-	-	-	1 730 364	1 730 364
Mozambique	-	-	-	16 324	16 324 b/
Nicaragua	-	-	-	-	-
Nigeria	-	223 767	455 400	455 400	1 134 567
Paraguay	-	16 25	19 800	19 800	55 853
Peru	1 000	26 25	158 400	158 400	344 059
Philippines	-	25 75	27 249	27 264	80 270
Poland	-	-	1 020 205	1 722 600	2 742 805
Qatar	-	-	-	79 200	79 200
Romania	911 861	373 82	455 400	455 400	2 196 485
Sao Tomé and Príncipe	-	11 56	19 800	19 800	51 166
Saudi Arabia	-	-	-	668 116	668 116
Senegal	-	-	2 146	19 800	21 946
Seychelles	-	-	-	16 324	16 324
Sierra Leone	-	-	16 324	19 800	36 124
Solomon Islands	-	-	-	19 800	19 800
Somalia	-	-	19 800	19 800	39 600
St Christopher and Nevis	-	9 37	-	19 800	29 178
St Lucia	-	-	17 551	19 800	37 351

a/ Shown In Schedule 3.1.3.

b/ Taking account of those amounts due or overdue at 31 December 1987 in respect of arrears of Contributions Payable by Instalments as shown in Schedule 3.1.3 Columns 10 and 11, the total amounts of contributions unpaid and due from these Member Nations are:

Antigua and Barbuda	75 156
Central African Republic	59 219
Chad	101 770
Comoros	61 561
Democratic Kampuchea	123 672
Guyana	85 900
Nicaragua	3 881
Paraguay	127 078

CONTRIBUTIONS OF MEMBER NATIONS
CONTRIBUTIONS PAYABLE BY INSTALMENTS IN SETTLEMENT OF ARREARS
AT 31 DECEMBER 1987

Member Nation	Conference Resolution	Balance Outstanding 1 January 1986				Transfers Authorized by Conference (5) \$	Paid In 1986-87				Due in Future Years (11) \$	
		Overdue (1) \$	Due 1986 (2) \$	Due 1987 (3) \$	Due in Future Years (4) \$		Overdue (6) \$	Due 1986 (7) \$	Due 1987 (8) \$	Due in Future Years (9) \$		
Antigua and Barbuda	14/87 ^{a/}	-	-	-	-	61 508	-	-	6 152	-	-	55 356
Central African Republic	16/81	-	6 804	6 805	20 413	-	-	6 804	-	-	6 805	20 413
Chad	18/85	-	10 248	10 248	71 740	-	-	10 248	18	-	10 230	71 740
Comoros	13/83	589	7 008	7 007	35 039	-	589	7 008	286	-	6 721	35 039
Democratic Kampuchea	-	20 765	6 426	6 427	6 426	-	20 765	6 426	-	-	6 427	6 426
Guyana	15/87 ^{b/}	-	-	-	-	66 100	-	-	-	-	-	66 100
Nicaragua	19/79	-	3 881	3 881	3 881	-	-	3 881	3 881	-	-	3 881
Paraguay	19/85	-	7 122	7 123	56 980	-	-	-	-	-	14 245	56 980
		21 354	41 489	41 491	194 479	127 608	21 354	34 367	10 337		44 428	315 935

Total Schedule 3.1.1

298 813 127 608 66 058 360 363
=====

^{a/} In accordance with the authorization of the Twenty-Fourth Session of the Conference, the Government is to settle its arrears of contributions (1986 and prior) in ten annual instalments of \$6,151 each, the first of which to be paid in 1987, and at the same time to pay each current contribution in the Calendar Year of assessment.

^{b/} In accordance with the authorization of the Twenty-Fourth Session of the Conference, the Government is to settle its arrears of contribution (1986 and prior) in ten annual instalments of \$6,610 each, the first to be paid in 1988, and at the same time to pay each current contribution in the Calendar Year of assessment.

MEMBER NATIONS' SHARE OF SURPLUS FOR 1984-85 BIENNIAL

Member Nation	Assessed Scale of Contributions 1984-85 %	Member Nations' Share of Cash Surplus 1984-85 Released \$	Amounts applied to Working Capital Fund in Accordance with Resolution 18/81 \$	Amounts Applied on 1 January 1987 in accordance with Financial Regulation 6.1b \$
AFGHANISTAN	.01	3,476 (a)		3,476
ALBANIA	.01	3,476		3,476
ALGERIA	.16	55,613		55,613
ANGOLA	.01	3,476 (c)		3,476
ANTIGUA & BARBUDA	.01	3,476	1,325	2,151
ARGENTINA	.86	298,919		298,919
AUSTRALIA	1.90	660,404		660,404
AUSTRIA	.91	316,299		316,299
BAHAMAS	.01	3,476 (a)		3,476
BALEARN	.01	3,476		3,476
BANGLADESH	.04	13,903		13,903
BARBADOS	.01	3,476		3,476
BELGIUM	1.55	538,750		538,750
BELIZE	.01	3,476 (a)		3,476
BENIN	.01	3,476 (a)		3,476
BERUTAN	.01	3,476		3,476
BOLIVIA	.01	3,476		3,476
BOTSWANA	.01	3,476 (a)		3,476
BRAZIL	1.63	583,938		583,938
BULGARIA	.22	76,488		76,488
BURKINA FASO/UPPER V	.01	3,476		3,476
BURMA	.01	3,476		3,476
BURUNDI	.01	3,476		3,476
CAMBODIEN	.01	3,476		3,476
CANADA	3.72	1,293,001		1,293,001
CAPE VERDE	.01	3,476		3,476
CENTRAL AFR. REP.	.01	3,476		3,476
CELEP	.01	3,476		3,476
CELEP	.08	27,808		27,808
CHINA	1.06	368,438 (a)		368,438
COLOMBIA	.13	45,185 (a)		45,185
COMOROS	.01	3,476		3,476
CONGO	.01	3,476		3,476
COOK ISLANDS		(d)		0
COSTA RICA	.02	6,951 (a)		6,951
COTE D'IVOIRE	.04	13,903		13,903
CUBA	.11	38,234		38,234
CYPRUS	.01	3,476 (a)		3,476
CZECHOSLOVAKIA	.92	319,774		319,774
DEMOCR. CAMPUCHIA	.01	3,476		3,476
DEMOCR. P. R. KOREA	.06	20,855 (a)		20,855
DENMARK	.91	316,299		316,299
DJIBOUTI	.01	3,476		3,476
DOMINICA	.01	3,476 (a)		3,476
DOMINICAN REPUBLIC	.04	13,903		13,903
ECUADOR	.02	6,951		6,951
EGYPT	.08	27,808		27,808
EL SALVADOR	.01	3,476		3,476

MEMBER NATIONS' SHARE OF SURPLUS FOR 1984-85 BIENNIIUM

Member Nation	Assessed Scale of Contributions 1984-85 %	Member Nations' Share of Cash Surplus 1984-85 Released \$	Amounts applied to Working Capital Fund in Accordance with Resolution 18/81 \$	Amounts Applied on 1 January 1987 in accordance with Financial Regulation 6.1b \$
EQUATOR GUINEA	.01	3,476		3,476
ETHIOPIA	.01	3,476		3,476
FIJI	.01	3,476		3,476
FINLAND	.58	201,597		201,597
FRANCE	7.86	2,731,987 (a)		2,731,987
GABON	.02	6,951		6,951
GAMBIA	.01	3,476		3,476
GERMANY, FED. REP.	10.31	3,583,560		3,583,560
GHANA	.02	6,951		6,951
GREECE	.48	166,839		166,839
GRENADA	.01	3,476		3,476
GUATEMALA	.02	6,951		6,951
GUINEA	.01	3,476		3,476
GUINEA-BISSAU	.01	3,476		3,476
GUYANA	.01	3,476		3,476
HAITI	.01	3,476 (a)		3,476
HONDURAS	.01	3,476 (a)		3,476
HUNGARY	.28	97,323		97,323
ICELAND	.04	13,903 (a)		13,903
INDIA	.43	149,460 (a)		149,460
INDONESIA	.16	55,613		55,613
IRAN	.70	243,307		243,307
IRAQ	.15	52,137		52,137
IRELAND	.22	76,468		76,468
ISRAEL	.28	97,323		97,323
ITALY	4.52	1,571,066 (c)		1,571,066
JAMAICA	.02	6,951		6,951
JAPAN	12.46	4,330,859 (b)		4,330,859
JORDAN	.01	3,476 (a)		3,476
KENYA	.01	3,476		3,476
KOREA, REPUBLIC	.22	76,468		76,468
KUWAIT	.30	104,274		104,274
LAOS	.01	3,476		3,476
LEBANON	.02	6,951		6,951
LESOTHO	.01	3,476		3,476
LIBERIA	.01	3,476		3,476
LIBYA	.31	107,750		107,750
LUXEMBOURG	.07	24,330		24,330
MADAGASCAR	.01	3,476		3,476
MALAWI	.01	3,476		3,476
MALAYSIA	.11	38,234 (a)		38,234
MALDIVES	.01	3,476		3,476
MALI	.01	3,476		3,476
MALTA	.01	3,476 (a)		3,476
MAURITANIA	.01	3,476		3,476
MAURITIUS	.01	3,476		3,476
MEXICO	1.06	368,436		368,436
MONGOLIA	.01	3,476		3,476

Schedule 3.1.4
(continued)

MEMBER NATIONS' SHARE OF SURPLUS FOR 1984-85 BIENNium

Member Nation	Assessed Scale of Contributions 1984-85 %	Member Nations' Share of Cash Surplus 1984-85 Released \$	Amounts applied to Working Capital Fund in Accordance with Resolution 18/81 \$	Amounts Applied on 1 January 1987 in accordance with Financial Regulation 6.1b \$
MOROCCO	.06	20,855		20,855
MOZAMBIQUE	.01	3,476		3,476
NAMIBIA	.01	3,476		3,476
NEPAL	.01	3,476		3,476
NETHERLAND	2.15	747,299 (a)		747,299
NEW ZEALAND	.31	107,750		107,750
NICARAGUA	.01	3,476		3,476
NIGER	.01	3,476 (a)		3,476
NIGERIA	.23	79,943		79,943
NORWAY	.62	215,500		215,500
OMAN	.01	3,476		3,476
PAKISTAN	.07	24,330		24,330
PANAMA	.02	6,951		6,951
PAPUA NEW GUINEA	.01	3,476		3,476
PARAGUAY	.01	3,476		3,476
PERU	.08	27,806		27,806
PHILIPPINES	.11	38,234		38,234
POLAND	.87	302,395		302,395
PORTUGAL	.22	76,468		76,468
QATAR	.04	13,903		13,903
ROMANIA	.23	79,943		79,943
RWANDA	.01	3,476 (a)		3,476
ST CHRISTOPHER & NEV	.01	3,476		3,476
ST LUCIA	.01	3,476		3,476
ST VINCENT & GREDADI	.01	3,476		3,476
SAMOA	.01	3,476		3,476
SAO TOME & PRINCIPE	.01	3,476		3,476
SAUDI ARABIA	1.04	361,484		361,484
SENEGAL	.01	3,476		3,476
SEYCHELLES	.01	3,476		3,476
SIERRA LEONE	.01	3,476		3,476
SOLOMON ISLANDS		(d)		0
SOMALIA	.01	3,476		3,476
SPAIN	2.33	809,864		809,864
SRI LANKA	.01	3,476		3,476
SUDAN	.01	3,476		3,476
SURINAME	.01	3,476		3,476
SWAZILAND	.01	3,476		3,476
SWEDEN	1.59	552,654		552,654
SWITZERLAND	1.33	462,283		462,283
SYRIA	.04	13,903		13,903
TANZANIA	.01	3,476 (a)		3,476
THAILAND	.10	34,758		34,758
TOGO	.01	3,476		3,476
TONGA	.01	3,476		3,476
TRINIDAD & TOBAGO	.04	13,903		13,903
TUNISIA	.04	13,903		13,903
TURKEY	.39	135,556		135,556

TRANSACTIONS ON THE TECHNICAL COOPERATION PROGRAMME

1984-85 BUDGET APPROPRIATIONS

FOR THE FINANCIAL PERIOD 1986-87

INCOME

Balance of unobligated funds brought forward
at 1 January 1986 in accordance with
Financial Regulation 4.3

\$

45 605 629

EXPENDITURE

\$

Expenditure including outstanding
obligations incurred during
1986-87

38 781 848

Unobligated funds against appro-
priations at 31 December 1987
transferred to Miscellaneous
Income (Statement II)

6 823 781

\$

45 605 629
=====

\$

45 605 629
=====

REGULAR PROGRAMME TRUST FUND AT 31 DECEMBER 1987

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BALANCE AT
1 JANUARY
1986RECEIPTS
1986RECEIPTS
1987PAYMENTS
1986PAYMENTS
1987BALANCE AT
31 DECEMBER
1987

GOVERNMENT SPONSORED SCHEMES

	BALANCE AT 1 JANUARY 1986	RECEIPTS 1986	RECEIPTS 1987	PAYMENTS 1986	PAYMENTS 1987	BALANCE AT 31 DECEMBER 1987
AUSTRALIA	2 255 312	1 323 393	493 563	921 034	1 223 013	1 928 221
AUSTRIA	110 428	150 564	31 172	48 643	81 501	170 020
BAHAMAS	34 758	245 000		362 373	45 423	128 038-
BANGLADESH	24 062	795	24 466-	391		
BELGIUM	4 832 806	3 551 360	12 524 740	6 164 018	5 805 350	8 938 738
BENIN	98 548	28 266-		2 909	7 835	59 538
BOTSWANA	561 103	114 343	592 541	468 563	452 686	346 738
BRAZIL	321 821	72 278	815 779	175 423	443 011	591 444
CANADA	683 404	734 268	57 861-	754 185	331 546	274 080
CHILE	305 928	987 299	886 879	783 956	848 740	547 410
CHINA PEOPLE'S REP	250 939	116 871	19 454	12 789	39 907	334 568
COMOROS ISLANDS	41 989	333 632	17 413	239 662	147 180	6 192
CONGO	1 748 063	450 133	775 740	1 410 007	1 115 988	447 941
COTE D'IVOIRE	20 399-	46 080		26 481		
DENMARK	149 535-	19 773 756	10 887 655	11 568 701	10 624 268	8 318 907
EGYPT	6 167	112 489	1 175	29 832	71 637	18 362
ETHIOPIA	364 346	90 279	213 565	125 292	197 742	345 156
FINLAND	660 530	1 730 750	2 223 605	2 125 272	1 790 301	699 320
FRANCE	1 297 486	972 794	2 212 670	749 439	1 532 482	2 201 029
GABON	152 378	465 942	459 607	422 387	376 775	278 765
GAMBIA	88 742	4 160	108 263	65 482	84 700	50 983
GERMANY FED REP	755 877	1 042 942	1 221 923	846 142	854 304	1 320 296
GHANA	9 428	356	554	164		10 174
GUINEA			127-		20 310	20 437-
INDIA	9 374-	1 644 931	234 617	214 027	438 817	1 217 330
INDONESIA	49 430	67 766	49 643-		49 843	17 710
IRAN	90 031	3 856		67 440	26 169	112 278
IRAQ	287 270	14 865-	32 990	143 449	49 345	112 601
IRELAND	19 012	80 192	149 114	82 897	142 496	22 925
ITALY	19 999 416	31 358 963	2 343 791	33 727 976	33 453 104	13 478 910-
JAMAICA	170 429	776 418	302 007	628 148	474 651	154 055
JAPAN	1 675 099	5 348 169	5 058 284	2 230 223	3 045 791	6 805 538
KUWAIT	405 592	1 852 107	1 048 059	701 976	809 846	1 793 936
LESOTHO	30 359	1 721	33 072-	992-		
LIBERIA	11 164	35-	215-	10 914		
LIBYA	2 324 425	1 526 867	594 209	1 631 897	779 345	2 034 259
MADAGASCAR	18 612	469	102 422	14 312	72 238	34 953

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SCHEDULE 3.3

REGULAR PROGRAMME TRUST FUND AT 31 DECEMBER 1987

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	BALANCE AT 1 JANUARY 1986	RECEIPTS 1986	RECEIPTS 1987	PAYMENTS 1986	PAYMENTS 1987	BALANCE AT 31 DECEMBER 1987
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GOVERNMENT SPONSORED SCHEMES

MALAWI	292 221	15 508	210 362	300 808	2 700	210 362
MALTA	1 086-	29 209	31 260	44 531	14 947	4 427
MAURITANIA	394 999	98 860	1 499 144	539 331	592 821	860 851
MEXICO	129 077	330 750	120 180	169 091	211 794	207 122
MOROCCO			74 022		62 208	11 814
MOZAMBIQUE	344 680	105 711	640 694	268 691	549 058	273 336
NEPAL	11 710 847	8 133 974	18 921 154	15 038 490	16 554 490	7 172 987
NETHERLANDS	10 327	343				10 670
NEW ZEALAND	79 065-	34 412	4 120-	5 731		55 304-
NICARAGUA	46 998	84 754	119 246	172 144	6 275	72 579
NIGERIA	1 050 379	4 060 697	4 103 007	3 174 889	3 379 101	2 660 173
NORWAY	1 625 228	2 000 732	3 436 376	2 345 708	2 382 047	2 334 501
PAKISTAN	32 594	13 249-	465	8 412	4 347	7 051
PORTUGAL						
QATAR	19 933 328	21 063 032	12 102 887	18 224 703	13 057 126	22 617 338
SAUDI ARABIA	692 559	310 276	39 532	219 976	182 962	639 429
SOMALIA	13 975	357 824	736 475	62 907	33 903	1 011 304
SPAIN	25 128	815	1 445	565		26 823
SRI LANKA	1 221 225	24 144	190 953	387 754	471 615	576 953
SUDAN	4 436					4 436
SWAZILAND	2 510 670	4 656 342	6 701 418	5 055 652	4 062 771	3 950 007
SWEDEN	3 569 137	2 859 672	3 876 373	2 977 979	3 220 633	4 106 570
SWITZERLAND	1 131 478	4 055 344	8 110 011	4 002 495	4 065 277	3 637 061
TANZANIA	92 451	173 068	8 118	81 332	61 329	130 976
TRINIDAD AND TOBAGO	25 172-	166 489	53 638	64 086	93 992	36 877
TUNISIA	1 107 987	871 803	3 499 936	1 130 364	1 716 478	2 624 884
TURKEY	2 114	151 796	1 424-	169 994	5 928	23 436-
UNITED ARAB EMIRATES	14 307	50 619	155 155	62 856	102 339	54 886
UNITED KINGDOM	12 371	3 683 109	869 239	2 167 121	1 408 446	909 152
UNITED STATES (USA)	18 677	18 677-	116 309		103 688	12 621
URUGUAY	787 229	1 570 381	78 409	993 701	748 003	694 235
YEMEN ARAB REPUBLIC	1 555 869	865 840	1 972 413	1 542 526	1 840 863	1 010 733
YEMEN PDR	55 663	6 998	118 993		35 089	146 565
ZAIRE	213 512	896 648	1 734 303	975 705	1 074 346	794 412
ZAMBIA						
TOTAL GOVERNMENT SPONSORED SCHEMES	88 007 986	132 372 812	112 718 834	127 752 154	123 161 008	82 186 390

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T R U S T F U N D S

SCHEDULE 3.3 C 89/5

REGULAR PROGRAMME TRUST FUND AT 31 DECEMBER 1987

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	BALANCE AT 1 JANUARY 1986	RECEIPTS 1986	RECEIPTS 1987	PAYMENTS 1986	PAYMENTS 1987	BALANCE AT 31 DECEMBER 1987
NON-GOVERNMENT SPONSORED SCHEMES						
AKTIONSGEMEINSCHAFT SOLIDARISCHE WELT (ASW)			19 352			19 352
AMERICAN FREEDOM FROM HUNGER FOUNDATION, MEALS FOR MILLIONS	1 281	80	1 329-	32		
ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT		121 443	105 235	11 429	73 245	142 004
ARAB GULF FUND FOR UN DEVELOPMENT ORGANIZATIONS	132 282	2 094 217	2 829 243	1 142 311	1 535 071	2 378 360
ARAB ORGANIZATION FOR AGRICULTURAL DEVELOPMENT (AOAD)	174 105	9 971	8 976	17 978	14 542	160 612
AUSTRALIAN DEVELOPMENT ASSISTANCE BUREAU ADAB/UNDP TRUST FUND		230 000	186 000	164 426	164 318	87 256
AUSTRALIAN FFHC COMMITTEE	52 805	35 282-	2 010-	8 524	5 273	1 716
BAND AID/LIVE AID		2 072	492 148	2 072	492 148	
BANQUE ARABE POUR LE DEVELOPPEMENT ECONOMIQUE EN AFRIQUE (BADEA)	370 549	679 880	3 021	930 120	137 393	14 063- 1
BROT FOR THE WELT, F.R.G.	40	40-				
CATHOLIC COMMITTEE FOR FFHC, SPAIN - MANOS UNIDOS	113 898	5 737-	188 239	33 855	25 025	237 520 5
CENTRO INTERNAZIONALE CROCEVIA (CROCEVIA)	5 414	335	43 098	215	706	47 926 1
CHRISTIAN AID, UK	6 079	1 658-		4 421		
COMMUNAUTE ECONOMIQUE DE L'AFRIQUE DE L'OUEST (CEAO)		20 644	8 229		13 822	15 051
CONFERENCE OF ARAB MINISTERS OF AGRICULTURE IN THE GULF	725 432	43 985	40 473	56 807	33 706	719 377
COOPERAZIONE PER LO SVILUPPO DEI PAESI EMERGENTI (COSPE)	526	17	543-			
DANChurchaid, CHURCH OF DENMARK	55 075	8 365	32 520	17 521	33 418	45 021
DEUTSCHE WELTHUNGERHILFE, GERMAN NATIONAL FFHC COMMITTEE				148 674	37 808	201 865
EUROPEAN ECONOMIC COMMUNITY (EEC)	10 125	154 166	224 056	2 963 587	3 829 756	1 314 774
FAO MONEY AND MEDALS PROGRAMME	780 248	3 545 173	3 782 696	367 259	405 391	400 412
FERTILIZER INDUSTRY ADVISORY COMMITTEE (FIAC)	95 861	475 669	601 532	602 171	535 199	378 321
FOOD AND AGRICULTURE ORGANIZATION	329 933	516 136	669 622	158 633	151 738	81 959
GEBCO NEDERLAND B.V., EX LIGA FABRIEKEN GERMAN PROTESTANT CENTRAL AGENCY FOR DEVELOPMENT AID	181 817	121 450	89 063	4 074	2 780	1 922
	8 222	425	129			
INSTITUT MONDIAL DU PHOSPHATE, FRANCE		22 533	15 778		30 922	7 389
INTERMON	5 123	5 123-	16 071			16 071
INTERNATIONAL BOARD FOR PLANT GENETIC RESOURCES (IBPGR)	4 185	4 185-	9 292			9 292

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SCHEDULE 3.3

REGULAR PROGRAMME TRUST FUND AT 31 DECEMBER 1987

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BALANCE AT
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1986RECEIPTS
1986RECEIPTS
1987PAYMENTS
1986PAYMENTS
1987BALANCE AT
31 DECEMBER
1987

NON-GOVERNMENT SPONSORED SCHEMES

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
(IFAD)
INTERNATIONAL JUTE ORGANIZATION
INTERNATIONAL OLIVE OIL COUNCIL
INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)
IRISH FFHC COMMITTEE, GORTA
ISLAMIC DEVELOPMENT BANK
MASSEY FERGUSON
MISCELLANEOUS DONORS
MISEREOR, F.R.G.
NORWEGIAN AGENCY FOR INTERNATIONAL DEVELOPMENT
(NORAD)
OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER
REFUGEES
• OPEC FUND
PERMANENT INTERSTATE COMMITTEE ON DROUGHT CONTROL
IN SAHEL (C.I.S.S.)
SIDA TRUST FUND FOR LESOTHO ADMINISTERED BY UNDP
SWEDISH FREE CHURCH AID (DIAKONIA)
THE FORD FOUNDATION
TROCAIRE THE CATHOLIC AGENCY FOR WORLD DEVELOPMENT
- IRELAND
U.N. SPECIAL FUND FOR LANDLOCKED DEVELOPING
COUNTRIES
UN CAPITAL DEVELOPMENT FUND (UNCDF)
UN DEVELOPMENT FUND FOR WOMEN (UNIFEM)
UN EDUCATIONAL, SCIENTIFIC AND CULTURAL
ORGANIZATION (UNESCO)
UN EMERGENCY OPERATIONS (UNEP)
UN ENVIRONMENT PROGRAMME (UNEP)
UN FINANCING SYSTEM FOR SCIENCE AND TECHNOLOGY FOR
DEVELOPMENT
UN FUND FOR DRUG ABUSE CONTROL (UNFDAC)
UN FUND FOR POPULATION ACTIVITIES (UNFPA)
UN SUDANO-SAHILIAN OFFICE (UNSO)
UNDP ENERGY ACCOUNT

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REGULAR PROGRAMME TRUST FUND AT 31 DECEMBER 1987

D O N O R

	BALANCE AT 1 JANUARY 1986	RECEIPTS 1986	RECEIPTS 1987	PAYMENTS 1986	PAYMENTS 1987	BALANCE AT 31 DECEMBER 1987
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NON-GOVERNMENT SPONSORED SCHEMES

UNDP TRUST FUND FOR ASSISTANCE TO REFUGEES IN AFRICA - ICARA II
UNDP TRUST FUND FOR THE NATIONHOOD PROGRAMME OF THE FUND NAMIBIA
UNION DOUANIERE ET ECONOMIQUE D'AFRIQUE CENTRALE (UDEAC)
UNITED NATIONS OFFICE FOR EMERGENCY OPERATIONS IN AFRICA (UNOEOA)
UNITED NATIONS ORGANIZATION

TOTAL NON-GOVERNMENT SPONSORED SCHEMES
=====

MULTI-DONOR PROJECTS

ETHIOPIA - SUPPORT OF WOMEN'S ASSOCIATIONS ON SETTLEMENT SCHEMES
ETHIOPIA - AGRICULTURAL DEVELOPMENT IN ABELA FARECHEW SERVICE COOPERATIVE
ETHIOPIA - AGRICULTURAL REHABILITATION IN WEVITO VALLEY
GHANA - SRAFA SALT PROJECT
GHANA - SMALL-SCALE FARMING AND FOOD PROCESSING PROGRAMME IN THE GREATER ACCRA REGION
INDIA - COMMUNITY EDUCATION MEDIA EXPERIMENT UTTAR PRADESH
INTER-REG. - JOINT FAO/WHO FOOD AND ANIMAL FEED CONTAMINATION MONITORING - PHASE II (1301-76-03)
INTER-REG. - FOOT AND MOUTH DISEASE - EMERGENCY AID PROGRAMME
INTER-REG. - ANIMAL PRODUCTION AND HEALTH COMMISSION FOR ASIA, F.EAST AND S.W. PACIFIC
INTER-REG. - DESERT LOCUST - COMMISSION FOR CONTROLLING THE DESERT LOCUST IN NORTHWEST AFRICA

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T R U S T F U N D S

SCHEDULE 3.3

REGULAR PROGRAMME TRUST FUND AT 31 DECEMBER 1987

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D O N O R

	BALANCE AT 1 JANUARY 1986	RECEIPTS 1986	RECEIPTS 1987	PAYMENTS 1986	PAYMENTS 1987	BALANCE AT 31 DECEMBER 1987
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MULTI-DONOR PROJECTS

INTER-REG. - DESERT LOCUST - COMMISSION FOR CONTROLLING THE DESERT LOCUST IN THE NEAR EAST
 INTER-REG. - DESERT LOCUST CONTROL PROJECT
 INTER-REG. - EUROPEAN COMMISSION FOR THE CONTROL OF FOOT-AND-MOUTH DISEASE
 INTER-REG. - FISHERY INFORMATION
 MARKETING PROJECTS
 INTER-REG. - INTERNATIONAL BOARD FOR PLANT GENETIC RESOURCES
 INTER-REG. - GARIS CURRENT AGRICULTURAL RESEARCH INFORMATION SYSTEM
 MICRO PROJECTS - GENERAL (FFHC/AD UNEARMARKED FUNDS)
 INTER-REG. - CENTRAL CAMPAIGN COSTS
 INTER-REG. - OUTLOOK FOR THE DEVELOPMENT OF THE PULP AND PAPER SECTOR
 INTER-REG. - EUROPEAN COOPERATIVE RESEARCH NETWORK ON RURAL ENERGY OPERATED BY REUR
 INTER-REGIONAL - EXPERT CONSULTATION ON WOMEN IN FOOD SYSTEM
 MAURITANIE - SOUTIEN AUX INITIATIVES LOCALES
 D'AUTOSUFFISANCE ALIMENTAIRE
 MOZAMBIQUE - SMALL SCALE FISHERIES REHABILITATION AND DEVELOPMENT (FOLLOW-UP TO GCP/MOZ/006/SWE)
 INTER-REG. - COMMISSION FOR THE CONTROL OF THE DESERT LOCUST IN EAST REGION
 REG. ASIA - SUPPORT OF CHANGE AGENT TRAINING PROGRAMME (PHASE V)
 REG. ASIA - SOUTH ASIAN WORKSHOP ON WOMEN AND DEVELOPMENT
 REG. ASIA - SOUTH ASIAN CONSULT ON "RESPONDING TO THE CHALLENGE OF RURAL POVERTY IN SOUTH ASIA"
 REG. ASIA - INFOFISH
 REG. ASIA - SMALL - SCALE FISHERFOLK COMMUNITIES IN THE BAY OF BENGAL - PARTICIPATING GOV. CONTRIB.
 NEAR EAST - APPLIED RESEARCH PROGRAMME FOR LAND AND WATER USE

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T R U S T F U N D S

SCHEDULE 3.3
PAGE 7

REGULAR PROGRAMME TRUST FUND AT 31 DECEMBER 1987

D O N O R	BALANCE AT 1 JANUARY 1986	RECEIPTS 1986	RECEIPTS 1987	PAYMENTS 1986	PAYMENTS 1987	BALANCE AT 31 DECEMBER 1987
MULTI-DONOR PROJECTS						
NEAR EAST - REGIONAL CENTRE FOR PALMS AND DATES	49 591	138 949	127 100	217 965	99 798	2 123 -
NEAR EAST - ARABIC VERSION AGROVOC		195 220	11 246			206 466
NEAR EAST - NEAR EAST REGIONAL ANIMAL PRODUCTION						
AND HEALTH - PHASE II						
NEAR EAST - ASSISTANCE TO AL QUDS OPEN	1 227 705	405 702	313 475	780 141	349 008	817 733
UNIVERSITY			18 400		13 571	4 829
REG. LATIN AMERICA - SUPPORT FOR THE LATIN AMERICA						
ASSOCIATION OF DEV. ORGANIZATIONS (ALOP)	24 086	351	106	22 605		1 938
SENEGAL - PROGRAMME DE DEVELOPPEMENT						
RURAL DANS LA ZONE DU GANDIOLAIS		201 413	97 646	201 413	87 570	10 076
SIERRA LEONE - SUPPORT FOR AGRIC. DEVELOPMENT						
INITIATIVES BY FARMERS ASSOC. IN SIERRA LEONE	14 091	19 214	32 616	21 353	5 606	38 962
SUDAN - CONSTRUCTION OF SHALLOW WELLS						
FOR IRRIGATION	102 833	4 978	3 042	48 073	37 839	24 941
TOGO - MODERNIZATION OF WELLS AND TRAINING OF						
SPECIALIZED TECHNICIANS	46 855	2 416	1 722	18 926	3 469	28 598
TANZANIA - SUPPORT FOR VILLAGE WOMEN'S GROUPS	2 522	2 777	7	141		121
ETHIOPIA - NGO SUPPORT FOR LOCAL AGRICULTURAL						
REHAB. INITIATIVES (GENERAL INCOME ACCOUNT)						
ETHIOPIA - AGRIC. DEV. IN BOUGEA SERVICE						
COOPERATIVE SOCIETY - AF. 612 BOUGEA	1 142 482		460 708			681 774
ETHIOPIA - SUPPORT FOR FOOD PRODUCTION						
BY WOMEN - PROJECT NO.3						
ETHIOPIA - AGRICULTURAL DEVELOPMENT IN						
MANDALKEA SERVICE COOPERATIVE - PROJECT NO.4						
REG. ASIA - SMALL-SCALE FISHERFOLK COMMUNITIES						
IN THE BAY OF BENGAL - DANIDA CONTRIBUTION						
REG. ASIA - SMALL-SCALE FISHERFOLK COMMUNITIES						
IN THE BAY OF BENGAL - SIDA CONTRIBUTION						
SENEGAL - PROG. DE DEV. RURAL DANS LA ZONE						
DU GANDIOLAIS (GENERAL INCOME ACCOUNT)						
INTER-REG. - C.S. FUND CONTRIBUTION TO THE						
INTERNATIONAL FUND FOR PLANT GENETIC RESOURCES						
		12 430 -	816 565	12 430 -	816 565	
		7 981	7 981 -			
			7 447		8 929	1 482 -
FOOD SECURITY ASSISTANCE SCHEME (FSAS)	3 144 686	4 374 581	7 100 893	4 942 893	7 234 782	2 442 485
NEAR EAST COOPERATIVE PROGRAMME (NECP)	3 268 427	7 251	97 492	851 949	946 847	1 574 374
OFFICE OF SPECIAL RELIEF OPERATIONS (OSRO)	6 390 133	8 444 145	755 966	4 121 904	4 737 440	6 730 900

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REGULAR PROGRAMME TRUST FUND AT 31 DECEMBER 1987

D O N O R	BALANCE AT 1 JANUARY 1986	RECEIPTS 1986	RECEIPTS 1987	PAYMENTS 1986	PAYMENTS 1987	BALANCE AT 31 DECEMBER 1987
MULTI-DONOR PROJECTS						
INTERNATIONAL FERTILIZER SCHEME (IFS)	2 418 371	786 005	606 020	1 625 468	813 612	1 371 316
PROVENTION OF FOOD LOSSES (PFL)	5 874 241	816 414	538 609	629 686	549 619	4 417 131
TOTAL MULTI-DONOR PROJECTS	26 364 001	20 745 452	17 864 704	19 348 223	22 850 715	22 775 219
GRAND TOTAL REGULAR PROGRAMME TRUST FUND	114 455 145	178 100 920	153 178 468	166 128 819	165 371 011	114 234 703

SUMMARY OF TRANSACTIONS ON OTHER ACCOUNTS
FOR FINANCIAL PERIOD 1986-87

	Balance at 1 January 1986 \$	Income 1986-87 \$	Expenditure including Outstanding Obligations at 31 December 1987 \$	Amounts Transferred \$	Balance at 31 December 1987 \$
<u>Support Costs Account</u>					
- UNDP	4 264 841	35 222 240 ^{a/}	38 126 127	-	1 360 954
- WFP	-	15 327 387	15 327 387	-	-
- Trust Funds	15 896 216	28 292 817	39 923 463	-	4 265 570
<u>World Bank Cooperation Programme</u>					
- Shared Costs Account	-	-	19 751 194	(14 813 396) ^{b/} (4 937 798) ^{c/}	-
<u>Publications Revolving Fund</u>					
- General Publications	397 888	1 501 930	1 239 048	449 103 ^{c/}	211 667
- Ceres FAO Review	-	38 785	1 577 040	(1 538 255) ^{d/}	-
<u>Tax Equalization Fund</u>	428 918	62 200 000	380 384	61 050 000 ^{e/} (14 342) ^{f/}	712 376 ^{g/}
<u>Compensation Plan Reserve Fund</u>	9 575 993	10 506 936	2 678 667	-	17 404 262
<u>Terminal Payments Fund</u>	10 661 164	4 405 888	2 952 393	-	12 114 659
<u>Separation Payments Scheme Fund</u>	18 533 433	19 565 454	2 160 851	-	35 938 036
	<u>\$ 59 758 453</u>	<u>177 061 437</u>	<u>124 616 554</u>	<u>40 195 312</u>	<u>72 008 024</u>

^{a/} Includes sundry income \$48,776

^{b/} World Bank 75% share is transferred to World Bank current account - FAO 25% share is transferred as expenditure to Chapter 3 of Statement I.

^{c/} \$387,888 transferred to Miscellaneous Income in accordance with Financial Regulation 6.9. Reflects the balance at 31 December 1985 less \$10,000 retained and \$61,215 transferred to the credit of Ceres expenditure.

^{d/} \$1,477,040 transferred as expenditure against the Regular Programme allotment as provided in the Programme of Work and Budget and \$61,215 against the income of General Publications.

^{e/} Transfer to the credit of Member Nations' contributions accounts. Reflects total credit for staff assessment \$62,200,000, less amount required to meet the estimated cost of tax refunds to staff members of a Member Nation \$1,150,000.

^{f/} Transfer to the debit of a Member Nation's contribution account. Reflects the shortfall of a Member Nation's contribution to meet the cost of refunds to staff members in 1984-85 over the actual cost.

^{g/} Reflects the net excess of amounts contributed by a Member Nation to meet the cost of refunds to staff members in 1986-87 to be transferred to the Member Nation's contributions account in 1988-89 of \$269,616 and the 1985 balance on advance account of \$443,260.

TRANSACTIONS ON SPECIAL RESERVE ACCOUNT
ESTABLISHED BY CONFERENCE RESOLUTION 27/77

FOR FINANCIAL PERIOD 1986-87

INCOME		EXPENDITURE	
	\$		\$
Balance at 1 January 1986	21 850 000	Negative currency variance on staff costs:	
		- Arising from unfavourable differences between the lira exchange rate used in calculating the budget for 1986-87 (1760) and the average rate in 1986-87 (1406)	
Deficit transferred to the General Fund	9 398 666		31 248 666
	\$ 31 248 666		\$ 31 248 666
	=====		=====

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SCHEDULE 3.6

TRANSACTIONS ON THE WORKING CAPITAL FUND^{a/}
FOR FINANCIAL PERIOD 1986-87

RECEIPTS		PAYMENTS	
	\$		\$
Balance at 1 January 1986	13 253 975	Transferred to General Fund in accordance with Financial Regulation 6.2(a)(1)	13 257 950
Applied from 1984-85 Cash Surplus	1 325		
Received from Member Nations	2 650		
	\$ 13 257 950		\$ 13 257 950
	=====		=====

a/ The authorized level of the Fund at 31 December 1987 was \$13,257,950, thus no amounts were due from Member Nations at that date. Reimbursement from the General Fund is required within the next financial period pursuant to Finance Regulation 6.5(a).

ANNEX 1.1

STATUS OF PROJECTS FUND UNDER THE TECHNICAL COOPERATION
PROGRAMME AGAINST 1986-87 BUDGET APPROPRIATIONS AT 31 DECEMBER 1987

<u>Country</u>	<u>Number of Projects</u>	<u>Project Budgets</u> \$	<u>Expenditure including Outstanding Obligations</u> \$	<u>Unobligated Balance of Budget</u> \$
<u>AFRICA</u>				
Africa Regional	22	2 866 500	1 862 217	1 004 283
Angola	3	290 521	149 705	140 816
Benin	6	576 960	449 592	127 368
Botswana	4	501 000	381 874	119 126
Burkina Faso	11	826 797	551 640	275 157
Burundi	7	550 000	245 602	304 398
Cameroon	9	462 759	206 231	256 528
Cape Verde	4	275 000	181 497	93 503
Central African Republic	3	480 400	156 880	323 520
Chad	5	688 423	624 381	64 042
Comoros	5	320 000	116 867	203 133
Congo	2	387 000	85 563	301 437
Côte d'Ivoire	3	282 000	174 075	107 925
Equatorial Guinea	1	136 000	49 202	86 798
Ethiopia	17	1 522 879	1 150 064	372 815
Gabon	3	54 361	57 651	(3 290) ^{a/}
Gambia	9	582 937	394 547	188 390
Ghana	8	644 456	156 668	487 788
Guinea	7	396 910	214 755	182 155
Guinea-Bissau	3	194 000	173 401	20 599
Kenya	4	359 900	173 556	186 344
Lesotho	6	538 600	204 090	334 510
Liberia	3	283 200	188 560	94 640
Madagascar	6	661 983	524 628	137 355
Malawi	4	687 081	532 523	154 558
Mali	4	403 300	342 459	60 841
Mauritania	8	507 156	443 039	64 117
Mauritius	2	198 000	163 731	34 269
Mozambique	6	545 329	218 994	326 335
Niger	8	556 708	267 161	289 547
Nigeria	7	641 000	295 351	345 649
Rwanda	4	373 100	147 779	225 321
Sao Tomé and Príncipe	2	141 500	140 242	1 258
Senegal	6	682 700	445 272	237 428
Seychelles	2	109 000	62 884	46 116
Sierra Leone	5	638 944	329 259	309 685
Somalia	14	1 069 800	672 150	397 650
Swaziland	3	315 000	153 827	161 173
Tanzania	8	546 000	249 159	296 841
Togo	8	304 562	186 429	118 133
Uganda	11	1 141 089	557 732	583 357
Zaire	3	308 000	135 059	172 941
Zambia	16	910 597	551 505	359 092
Zimbabwe	5	271 500	221 555	49 945
Other				
	277	24 232 952	14 589 356	9 643 596
<u>ASIA AND THE PACIFIC</u>				
Asia Regional	7	796 930	483 030	313 900
Afghanistan	3	444 000	-	444 000
Bangladesh	9	732 870	454 770	278 100
Bhutan	4	541 500	421 001	120 499
Burma	1	110 000	-	110 000
China	20	1 946 574	1 005 443	941 131
Cook Island	3	118 000	45 541	72 459
Dem. People's Rep. of Korea	2	335 000	272 827	62 173
Fiji	4	239 500	184 664	54 836
India	10	1 148 600	834 998	313 602
Indonesia	10	819 720	491 445	328 275
Iran	6	531 000	113 726	417 274
Korea, Republic of	3	438 000	299 743	138 257
Laos	6	492 500	284 290	208 210
Malaysia	4	371 000	154 170	216 830
Maldives	4	306 000	61 151	244 849
Mongolia	2	181 100	149 131	31 969

^{a/} Project budget(s) under revision.

ANNEX 1.1
(continued)

Country	Number of Projects	Project Budgets \$	Expenditure including Outstanding Obligations \$	Unobligated Balance of Budget \$
Nepal	3	426 000	67 180	358 820
Pakistan	11	1 177 614	541 556	636 058
Solomon Islands	3	51 790	36 047	15 743
Philippines	12	1 091 699	638 478	453 221
Samoa	4	235 146	242 215	(7 069) ^{a/}
Papua New Guinea	3	262 213	52 500	209 713
Sri Lanka	8	691 304	323 106	368 198
Thailand	16	804 800	480 524	324 276
Tonga	7	176 001	130 497	45 504
Vanuatu	5	285 000	95 858	189 142
Viet Nam	13	1 326 880	669 650	657 230
	183	16 080 741	8 533 541	7 547 200
<u>EUROPE</u>				
Albania	6	180 000	126 316	53 684
Cyprus	6	367 000	162 283	204 717
Malta	2	71 000	47 942	23 058
Poland	2	155 000	-	155 000
Turkey	7	498 600	407 365	91 235
Romania	1	71 000	58 410	12 590
	24	1 342 600	802 316	540 284
<u>LATIN AMERICA AND THE CARIBBEAN</u>				
Antigua and Barbuda	1	45 000	11 324	33 676
Latin America & the Caribbean Regional	20	1 702 648	1 044 779	657 869
Argentina	4	470 000	248 381	221 619
Bahamas	1	109 123	110 149	(1 026) ^{a/}
Barbados	3	202 600	114 682	87 918
Belize	4	226 500	45 345	181 155
Bolivia	6	620 673	482 615	138 058
Brazil	6	640 000	503 329	136 671
Chile	5	349 000	147 407	201 593
Colombia	5	604 888	479 126	125 762
Costa Rica	6	346 500	181 715	164 785
Cuba	6	583 650	403 744	179 906
Dominica	5	438 100	268 106	169 994
Dominican Republic	4	228 207	102 903	125 304
Ecuador	4	411 800	19 916	391 884
El Salvador	3	412 400	325 751	86 649
Grenada	3	223 500	106 643	116 857
Guatemala	2	218 000	66 009	151 991
Guyana	3	180 000	48 640	131 360
Haiti	6	402 000	171 768	230 232
Honduras	3	209 600	245 078	(35 478) ^{a/}
Jamaica	4	207 700	78 226	129 474
Mexico	7	1 058 000	459 015	598 985
Nicaragua	8	675 900	418 533	257 367
Panama	2	115 000	36 782	78 218
Peru	4	359 100	261 341	97 759
Saint Christopher Nevis	3	135 000	120 126	14 874
Saint Lucia	6	389 000	282 448	106 552
Saint Vincent and the Grenadines	2	71 700	51 278	20 422
Suriname	2	220 000	56 329	163 671
Trinidad and Tobago	2	155 000	-	155 000
Uruguay	1	105 000	82 016	22 984
Venezuela	1	90 000	-	90 000
	144	12 205 594	7 023 504	5 182 090

^{a/} Project budget(s) under revision

ANNEX 1.1
(concluded)

<u>Country</u>	<u>Number of Projects</u>	<u>Project Budgets</u> \$	<u>Expenditure including Outstanding Obligations</u> \$	<u>Unobligated Balance of Budget</u> \$
<u>NEAR EAST</u>				
Near East Regional	2	293 000	1 316	291 684
Algeria	2	245 000	70 283	174 717
Djibouti	5	206 425	88 102	118 323
Egypt	8	626 400	527 749	98 651
Iraq	3	166 831	87 427	79 404
Jordan	6	433 810	230 015	203 795
Lebanon	4	91 500	78 121	13 379
Morocco	10	680 608	496 153	184 455
Sudan	13	949 702	518 239	431 463
Syria	4	222 000	90 349	131 651
Tunisia	6	426 000	185 938	240 062
Yemen Arab Republic	6	334 100	201 988	132 112
Yemen, People's Democratic Republic	7	401 729	123 094	278 635
	<hr/> 76	<hr/> 5 077 105	<hr/> 2 698 774	<hr/> 2 378 331
<u>MISCELLANEOUS</u>	-	-	9 319	(9 319)
 TOTAL	 704	 58 938 992	 33 656 810	 25 282 182

	\$
1986-87 Budget Appropriations	51 411 000
Total Expenditure and Obligations against 1986-87 Budget Appropriations	33 656 810

Unobligated Balance carried forward in accordance with Financial Regulation 4.3 (Statement III)	\$ 27 764 190
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STATUS OF PROJECTS FUNDED UNDER
THE TECHNICAL COOPERATION PROGRAMME
AGAINST 1984-85 BUDGET APPROPRIATIONS
AT 31 DECEMBER 1987

<u>Country</u>	<u>No. of Projects</u>	<u>Expenditure including Outstanding Obligations</u> \$
<u>AFRICA</u>		
Africa Regional	25	2 172 673
Angola	8	708 434
Benin	3	129 609
Botswana	4	415 526
Burkina Faso	15	1 830 411
Burundi	8	729 950
Cameroon	6	502 606
Cape Verde	7	685 399
Central African Republic	6	444 931
Chad	4	583 439
Comoros Islands	4	397 870
Congo	7	375 414
Equatorial Guinea	6	324 722
Ethiopia	36	2 869 578
Gabon	1	7 858
Gambia	5	455 498
Ghana	7	456 500
Guinea	10	721 070
Guinea-Bissau	14	999 406
Côte d'Ivoire	10	538 554
Kenya	7	404 132
Lesotho	9	864 303
Liberia	5	401 787
Madagascar	8	624 552
Malawi	4	421 092
Mali	12	1 162 128
Mauritania	11	702 650
Mauritius	6	235 310
Mozambique	13	1 211 611
Niger	7	438 653
Nigeria	5	242 305
Rwanda	13	1 487 462
Sao Tomé and Príncipe	9	607 228
Senegal	7	918 987
Seychelles	2	116 560
Sierra Leone	4	152 470
Somalia	15	1 419 252
Swaziland	5	320 120
Tanzania	21	1 562 355
Togo	5	273 685
Uganda	12	684 087
Zaire	5	297 618
Zambia	21	1 804 018
Zimbabwe	12	719 106
Other	2	38 127
	<u>409</u>	<u>32 459 046</u>

<u>Country</u>	<u>No. of Projects</u>	<u>Expenditure including Outstanding Obligations</u> \$
<u>ASIA AND THE FAR EAST</u>		
Asia Regional	12	1 027 537
Afghanistan	2	38 453
Bangladesh	10	998,331
Bhutan	5	511 080
Burma	5	320 236
China	13	1 445 219
Cook Islands	2	51 379
Dem. People's Rep. of Korea	5	233 250
Fiji	10	395 905
India	6	211 859
Indonesia	15	970 172
Iran	5	349 103
Korea, Republic of	2	267 691
Lao	6	477 754
Malaysia	5	408 500
Maldives	5	272 300
Mongolia	1	35 703
Nepal	4	291 485
Pakistan	6	446 057
Papua New Guinea	3	234 134
Philippines	10	745 180
Samoa	6	344 826
Solomon Islands	3	60 002
Sri Lanka	11	572 265
Thailand	13	734 851
Tonga	4	143 546
Vanuatu	10	427 302
Viet Nam	11	1 223 836
	<u>190</u>	<u>13 237,956</u>
<u>EUROPE</u>		
Albania	6	146 346
Bulgaria	2	80 731
Cyprus	4	230 251
Malta	1	12 239
Portugal	2	110 652
Turkey	12	437 587
Yugoslavia	3	64 388
	<u>30</u>	<u>1 082 194</u>
<u>LATIN AMERICA</u>		
Latin America Regional	15	1 535 378
Antigua and Barbuda	2	135 822
Argentina	5	546 279
Bahamas	1	14 489
Barbados	3	247 503
Belize	1	104 781
Bolivia	10	302 872
Brazil	6	684 283
Chile	4	311 507
Colombia	8	522 966
Costa Rica	5	260 251

<u>Country</u>	<u>No. of Projects</u>	<u>Expenditure including Outstanding Obligations</u> \$
Cuba	12	474 237
Dominica	7	370 818
Dominican Republic	10	250 082
Ecuador	6	156 177
El Salvador	3	125 650
Grenada	4	328 079
Guatemala	2	224 116
Guyana	2	48 467
Haiti	5	619 931
Honduras	6	195 217
Jamaica	5	191 398
Mexico	5	311 739
Nicaragua	7	417 919
Panama	4	234 020
Paraguay	3	194 439
Peru	8	417 457
St. Christopher & Nevis	2	74 774
Saint Lucia	4	169 043
Saint Vincent	3	206 486
Surinam	1	165 852
Trinidad and Tobago	1	65 980
Uruguay	5	229 082
Venezuela	3	93 995
	<u>168</u>	<u>10 231 089</u>
<u>NEAR EAST</u>		
Algeria	2	199 224
Djibouti	10	942 421
Egypt	11	1 072 559
Iraq	2	127 598
Jordan	3	318 502
Lebanon	4	106 558
Morocco	12	1 156 750
Reg. Arab St.	1	50 840
Sudan	26	2 362 925
Syria	8	539 094
Tunisia	7	766 549
Yemen Arab Republic	9	406 117
Yemen, People's Democratic Republic of	14	964 986
	<u>109</u>	<u>9 014 123</u>
<u>MISCELLANEOUS</u>		
		(378 189)
<hr/>		
TOTAL	906	65 646 219
<hr/>		
1984-85 Budget Appropriations		72 470 000
Total Expenditure and Obligations against 1984-85 Budget Appropriations		<u>65 646 219</u>
Unobligated Balance transferred to Miscellaneous Income (Statement II)		\$ 6 823 781
<hr/>		

EX-GRATIA PAYMENTS

Regular Programme

There were no ex-gratia payments made from the Regular Programme during the biennium.