

# conference

C  
C 91/LIM/45  
November 1991

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS ROME

Item 31

E

Twenty-sixth Session

Rome, 9 - 28 November 1991

Status of Cash Flow and Other Information on the Financial Position  
as of 31 October 1991

1. This document provides information on income received and expenditure and outstanding obligations incurred against the 1990-91 budget to October 1991 and the status of the Special Reserve Account and Working Capital Fund. A graphic portrayal and summary of the estimated Cash Flow for the year 1991 is also provided in Appendixes A and B.

2. 1990-91 Budget and Expenditure/Obligations, excluding TCP at 31 December 1990 and 31 October 1991

	<u>31 December 1990</u>	<u>31 October 1991</u>
	(US\$'000)	
Effective Working Budget voted in Conference Resolution 10/89	<u>568 800</u>	
<u>Less:</u> Appropriation for Technical Cooperation Programme	<u>67 800</u>	
Remainder	<u>501 000</u>	<u>501 000</u>
Expenditure	214 757	438 213
Outstanding Obligations	<u>22 241</u>	<u>44 649</u>
Expenditure/Obligations Sub-total	<u>236 998</u>	<u>482 862</u>
Balance of Appropriations	<u>264 002</u>	<u>18 138</u>

3. The outstanding obligations at 31 October 1991 include amounts obligated for Staff Costs at the standard cost rate to 31 December 1991.

The Technical Cooperation Programme for the 1990-91 Biennium

4. Projects had been approved and signed with Governments for an estimated cost of US\$36.2 million at 31 December 1990 out of the appropriation of US\$67.8 million. At 31 October 1991 further projects for an amount of

US\$26.7 million had been approved and signed making a combined total for approved projects of US\$62.9 million. This leaves a balance of the appropriation for further projects of US\$4.9 million, which will be utilized in November and December 1991, leaving a nil amount at year-end.

Contributions Received from 1 January 1990 to 31 October 1991

5. Contributions received for the first twenty-two months of the 1990-91 biennium amounted to US\$510.6 million, as follows:

	<u>US\$'000</u>
1991 Assessments	219 462
1990 Assessments and Prior Arrears	290 695
Working Capital Fund Increase	202
Special Reserve Account Replenishment	<u>217</u>
Total	<u>\$510,576</u>

6. The US\$219.5 million of contributions received against the 1991 assessment represent 78.7 percent of the total.

Contributions Outstanding and in Arrears

7. Contributions outstanding and in arrears at 31 October 1991 amounted to US\$202.6 million, as follows:

	<u>US\$'000</u>
1991 Assessments	59 288
1990 Assessments and Prior Arrears	138 218
Working Capital Fund Increase	1 821
Special Reserve Account Replenishment	<u>3 274</u>
Total	<u>\$202 601</u>

The Working Capital Fund

8. The balance of the Working Capital Fund at 31 December 1989 was US\$18 million. In 1990 this amount was advanced to the General Fund to finance budgetary expenditures pending receipt of contributions and was reimbursed on 28 March 1991. In June 1991, US\$18 million of the Working Capital Fund had again to be advanced to the General Fund to finance budgetary expenditures due to delays in the receipts of contributions. In the 22 months to 31 October 1991 US\$0.2 million had been received from Member Nations in respect of the authorized increases in the level of the Fund (to US\$20.0 million as of 1 January 1989). The cash balance on the Working Capital Fund at 31 October 1991 was thus US\$0.2 million.

Special Reserve Account

9. The authorized level of the Special Reserve Account is US\$28.4 million. The additional Staff Costs for the twenty-two months arising from the difference between the Lira/US Dollar budget rate (1 335) and the average UN rate (1 222) amounted to US\$17.6 million and were transferred to the Special Reserve Account. The net loss on exchange of US\$5.3 million for 22 months to 31 October was also transferred to the Special Reserve Account.

US\$0.2 million had been received from Member Nations in respect of the special assessment of 1988. The deficit balance on the Special Reserve Account at 31 October 1991 was thus US\$3.1 million.

#### 1991 Cash Flow

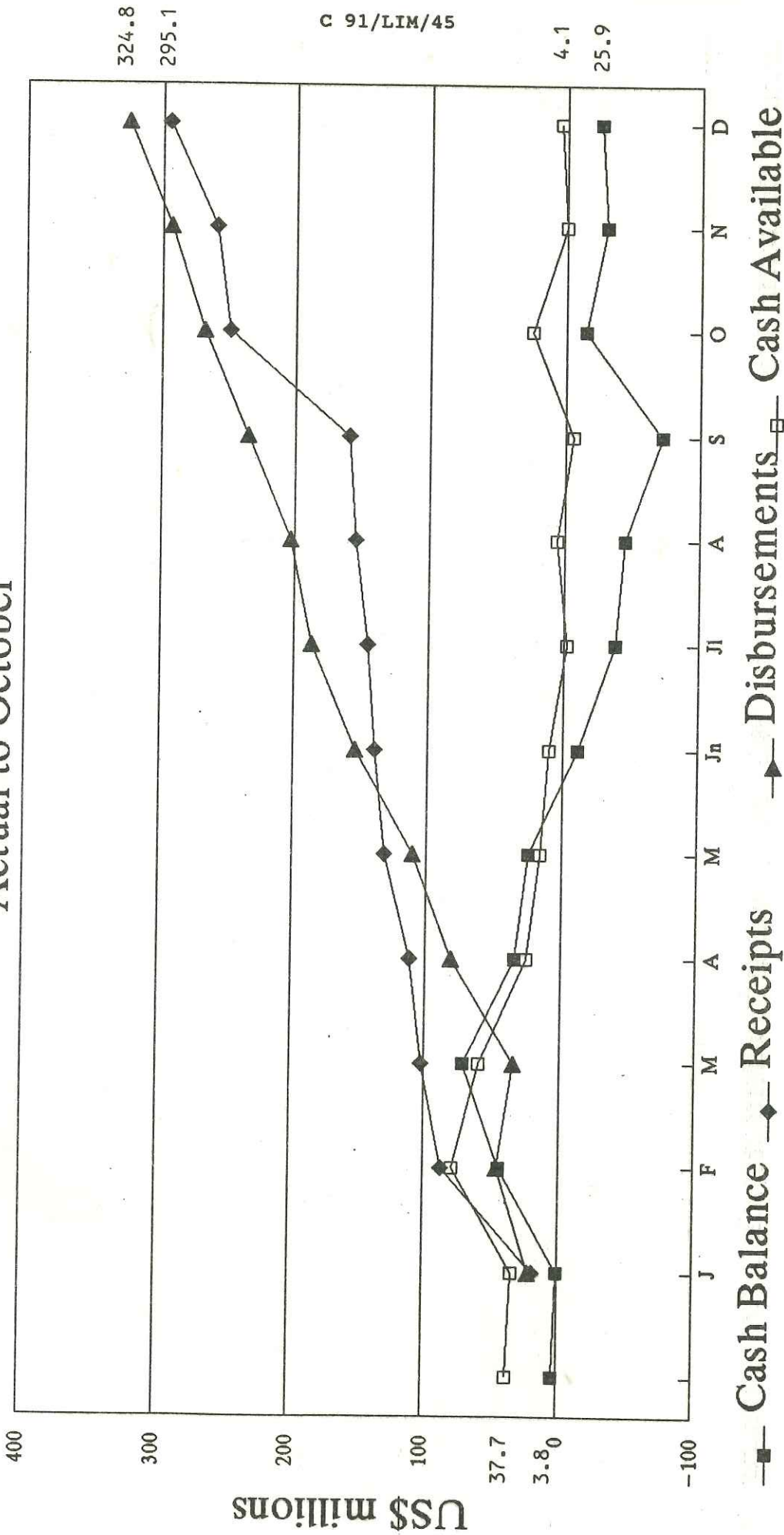
10. As reported to the Council at its Ninety-ninth Session, the Director-General had to resort to internal borrowing from June 1991. US\$30 million, comprising US\$18 million from the Working Capital Fund and US\$12 million from the Trust Fund Terminal Payments Fund, were borrowed to enable the Regular Programme to execute its approved programme pending receipt of contributions.

11. The Director-General had to resort to external borrowing of US\$15 million in July 1991. Further external borrowing amounting up to US\$40 million was required to enable the Regular Programme to execute its approved programme bringing the total external borrowing to US\$55 million. Following the receipt of significant contributions in October 1991 the Director-General was able to repay US\$45 million of external borrowing on maturity at end October and early in November. The extent of further external borrowing required until the end of the year will depend on the timing of contributions outstanding from the major contributor.

12. Appendix A portrays the cash flow for the Organization during 1991. It reflects the actual position to end October 1991 and an estimate of receipts and disbursements for November and December. These estimates assume that some US\$35 million will be received from the major contributor in December as its final payment of 1991 assessed contributions. If this payment is not received early in December, then additional borrowing will be necessary. Moreover, as the remaining US\$10 million external loan is to be repaid from the expected receipts of US\$35 million, additional funds will be needed not only for expenditures in late December but also for January 1992. This would entail additional external borrowing pending receipt of 1992 contributions. Should some arrears be paid by the major contributor, then some of the other loans outstanding may be repaid and, in addition, further external borrowing avoided. Appendix B provides the detailed summary.

# 1991 R.P. FORECAST CASHFLOW

Actual to October



FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS  
CASH FLOW ANALYSIS ACTUAL JANUARY TO OCTOBER AND PROJECTED NOVEMBER TO DECEMBER 1991

(Millions of US\$)

	January	February	March	April	May	June	July	August	September	October	November	December	Totals
CASH BALANCE at beginning of the month	3.8	.4	44.9	71.6	34.3	25.0	(11.0)	(38.1)	(44.5)	(71.8)	(15.0)	(30.0)	3.8
Receipts	18.6	68.5	15.1	9.7	19.4	8.1	6.1	9.5	4.9	89.8	9.6	35.8	295.1
Disbursements	22.0	24.0	(11.6)	47.0	28.7	44.1	33.2	15.9	32.2	33.0	24.6	31.7	324.8
Cash Balance at end of Month	.4	44.9	71.6	34.3	25.0	(11.0)	(38.1)	(44.5)	(71.8)	(15.0)	(30.0)	(25.9)	(25.9)
Less: Fiduciary Funds	12.1	12.1	12.1	9.2	9.2	9.2	9.6	9.6	9.6	10.0	10.0	10.0	10.0
Borrowings	46.0	46.0			30.0	45.0	60.0	75.0	50.0	40.0	40.0	40.0	40.0
Available Cash Balance	34.3	78.8	59.5	25.1	15.8	9.8	(2.7)	5.9	(6.4)	25.0	0.0	4.1	4.1