



**Convention to Combat
Desertification**

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Item 9 (b) of the provisional agenda

Programme and budget

Financial performance for the Convention trust funds

**Unaudited financial statements for the Convention trust
funds for the biennium 2012–2013 as at 31 December 2012**

Note by the secretariat

Summary

In accordance with section 21 of the financial rules of the Conference of the Parties, its subsidiary bodies and the Convention secretariat (decision 2/COP.1), the secretariat shall provide the Parties with an interim statement of accounts for the first year of the financial period.

This document contains the unaudited financial statements for the Convention trust funds for the biennium 2012–2013 as at 31 December 2012, issued as received without formal editing.



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I CERTIFICATION OF THE FINANCIAL STATEMENTS

I certify that appended financial statements of the United Nations Convention to Combat Desertification, numbered I to IV, are fairly stated.

(Signed)
Luc Gnacadja
Executive Secretary
27 March 2013

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
Statement of income and expenditures and changes in reserves and fund balances
For the biennium 2012-2013 ending 31 December 2012
(Expressed in United States Dollars)

	SCHEDULE/ NOTE REFERENCE	TRUST FUND FOR THE CORE BUDGET OF THE UNCCD (UXA)		TRUST FUND FOR PARTICIPATION OF REPRESENTATIVES OF STATE PARTIES IN THE SESSION OF THE UNCCD CONFERENCE (UVA)		TRUST FUND FOR VOLUNTARY FINANCING OF ACTIVITIES UNDER THE UNCCD (UWA)	
		2012-2013	2010-2011	2012-2013	2010-2011	2012-2013	2010-2011
INCOME:							
Assessed Contributions	Note 2 f(i)	9,494,647	21,149,377		-		-
Voluntary Contributions	Note 2 f(ii), Sch. 1.2	646,589	1,385,217	297,244	2,106,428	2,611,422	4,981,035
Programme Support Costs income	Note 11						
Other/Miscellaneous Income:							
Interest income	Note 2 f(iii)	40,406	77,486	9,146	8,672	28,568	34,279
Miscellaneous	Note 2 f(iv)	130,493	30,290	-	-	23,260	7,987
TOTAL INCOME	Note 2 f(v)	10,312,135	22,642,370	306,390	2,115,100	2,663,250	5,023,301
EXPENDITURE:							
Staff and other personnel costs		4,530,333	10,020,826		-	1,099,739	2,703,347
Travel		512,044	1,232,750	73,346	1,633,648	292,009	879,656
Contractual services		225,180	994,159	14,104	103,619	759,895	368,922
Operating expenses		406,225	1,908,579	2,386	49,723	6,613	339,268
Acquisitions	Note 12	2,180	409,835			12,041	-
Fellowships, grants and other		2,808,164	5,941,872			112,550	642,158
Total expenditure		8,484,126	20,508,021	89,836	1,786,990	2,282,847	4,933,351
Programme support costs		1,083,179	2,477,910	11,204	225,845	278,560	606,276
TOTAL EXPENDITURES		9,567,305	22,985,931	101,040	2,012,835	2,561,407	5,539,627
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		744,830	(343,561)	205,350	102,265	101,843	(516,326)
Non-budgeted accrued expenses for end-of-service and post-retirement benefits	Note 13	(602,626)	(1,341,980)	-	-	(131,781)	(1,222,379)
Other prior period adjustments		-			(27,755)	-	(366,266)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		142,204	(1,685,541)	205,350	74,510	(29,938)	(2,104,971)
Savings on or cancellation of prior periods' obligations		149,477	348,621	2,544		132,890	14,083
Transfers (to)/from other funds	Note 6		-		242,499	-	139,551
Refund to donors	Note 4		-	-	-	-	(92,992)
Other adjustments to reserves and fund balances -- Global Mechanism & other		(23,687)	(10,022)	-	-		
RESERVES AND FUND BALANCES: BEGINNING OF PERIOD		(80,877)	1,266,065	835,308	518,299	1,088,504	3,132,833
RESERVES AND FUND BALANCES: END OF PERIOD		187,117	(80,877)	1,043,202	835,308	1,191,456	1,088,504

Statement I (Concluded)									
UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION									
Statement of income and expenditures and changes in reserves and fund balances									
For the biennium 2012-2013 ending 31 December 2012									
(Expressed in United States Dollars)									
	SCHEDULE/ NOTE REFERENCE	TRUST FUND FOR CONVENTION EVENTS ORGANIZED BY THE UNCCD SECRETARIAT (BMA)		SPECIAL ACCOUNT FOR UNCCD PROGRAMME SUPPORT COSTS (ZQA)		UNCCD COST RECOVERY UNDER HCA (ZHC)		TOTAL	
		2012-2013	2010-2011	2012-2013	2010-2011	2012-2013	2010-2011	2012-2013	2010-2011
INCOME:									
Assessed Contributions	Note 2 f(i)		-		-			9,494,647	21,149,377
Voluntary Contributions	Note 2 f(ii), Sch. 1.2	646,589	1,385,217		-	1,546,900	4,201,844	11,404,797	
Programme Support Costs income	Note 11		-	1,421,509	3,473,086	-	-	-	a/
Other/Miscellaneous Income:									
Interest income	Note 2 f(iii)	3,875	2,838	24,943	44,679	6,544	2,262	113,482	170,216
Miscellaneous	Note 2 f(iv)	11,246		44,135	559,258	-	-	209,134	597,535
TOTAL INCOME	Note 2 f(v)	661,710	1,388,055	1,490,587	4,077,023	6,544	1,549,162	14,019,107	33,321,925
EXPENDITURE:									
Staff and other personnel costs		364,567	789,355	2,172,474	2,633,800		78,423	8,167,113	16,225,751
Travel		42,841	142,132	(3,195)	-	38,358	991,683	955,403	4,879,869
Contractual services		8,834	193,974	-	-		12,493	1,008,013	1,673,167
Operating expenses		2,265	33,545	49,987	234,399	6,277	75,732	473,753	2,641,246
Acquisitions	Note 12						6,153	14,221	415,988
Fellowships, grants and other			128,812	197,859	399,962		16,476	3,118,573	7,129,280
Total direct expenditures		418,507	1,287,818	2,417,125	3,268,161	44,635	1,180,960	13,737,076	32,965,301
Programme support costs		48,566	163,055	-	-	-	-	-	a/
TOTAL EXPENDITURE		467,073	1,450,873	2,417,125	3,268,161	44,635	1,180,960	13,737,076	32,965,301
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		194,637	(62,818)	(926,538)	808,862	(38,091)	368,202	282,031	356,624
Non-budgeted accrued expenses for end-of-service and post-retirement benefits -- current period adjustments	Note 13	(75,318)	(727,641)	(92,275)	(542,000)	-	-	(902,000)	(3,834,000)
Other prior period adjustments			(39,186)	-	-	-	-	-	(433,207)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		119,319	(829,645)	(1,018,813)	266,862	(38,091)	368,202	(619,969)	(3,910,583)
Savings on or cancellation of prior periods' obligations		44,923	-	55,381	19,726	52,306	-	437,521	382,430
Transfers (to)/from other funds	Note 6	-	-	-	-	-	-	-	382,050
Refund to Donors	Note 4	-	-	-	-	-	-	-	(92,992)
Other adjustments to reserves and fund balances -- Global Mechanism		-	-	(81,860)	(167)	-	-	(105,547)	(10,189)
RESERVES AND FUND BALANCES: BEGINNING OF PERIOD		(468,234)	361,411	1,731,025	1,444,604	368,202	-	3,473,928	6,723,212
RESERVES AND FUND BALANCES: END OF PERIOD		(303,992)	(468,234)	685,733	1,731,025	382,417	368,202	3,185,933	3,473,928

a/ Programme Support Costs income under the total column have been netted off with equivalent expenditure. It totalled USD1,421,509 in 2012-2013 compared to USD 3,473,086 in 2010-2011. These internal cross charges are not shown under the overall total column for 2012-2013 in order to reflect only external income and expenditure.

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
Statement of assets, liabilities, and reserves and fund balances
For the biennium 2012-2013 ending 31 December 2012
(Expressed in United States Dollars)

	SCHEDULE / NOTE REFERENCE	TRUST FUND FOR THE CORE BUDGET OF THE UNCCD (UXA)		TRUST FUND FOR PARTICIPATION OF REPRESENTATIVES OF STATE PARTIES IN THE SESSION OF THE UNCCD CONFERENCE(UVA)		TRUST FUND FOR VOLUNTARY FINANCING OF ACTIVITIES UNDER THE UNCCD(UVA)	
		2012-2013	2010-2011	2012-2013	2010-2011	2010-2011	2008-2009
ASSETS							
Cash and term deposits:							
United States dollars	Note 2 (e), 7	-				-	7,174
Euros	Note 2 (e), 7	3,968,928	4,294,776	989,717	860,304	2,541,075	2,463,111
Total cash and term deposits:		3,968,928	4,294,776	989,717	860,304	2,541,075	2,470,285
Accounts receivable:							
Assessed contributions receivable from member Parties	Sch. 1.1 (a) & (b)	3,515,298	3,299,637			-	-
Operating funds provided to executing agencies						-	-
Other accounts receivable	Note 8	54,117	137,072	1,480	1,083	167,311	213,011
Interfund balances receivable		199,368	-	52,005	-	175,390	42,735
TOTAL ASSETS		7,737,711	7,731,485	1,043,202	861,387	2,883,776	2,726,031
LIABILITIES							
Payments received in advance for future year contributions	Sch. 1.3	409,394	295,002			-	-
Unliquidated obligations		343,232	1,103,911	-	4,300	234,877	282,751
Accounts payable:							
Inter-fund balances payable		-	7,959		21,779	-	-
Other accounts payable	Note 9	230,579	440,727	-	-	20,820	49,934
Other Liabilities							
End-of-service and post-retirement liabilities	Note 13	6,567,389	5,964,763			1,436,623	1,304,842
TOTAL LIABILITIES		7,550,594	7,812,362	-	26,079	1,692,320	1,637,527
RESERVES AND FUND BALANCES							
Operating reserve	Note 10	-	-	145,394	145,394	410,164	410,164
Working capital reserve	Note 10	954,018	1,252,668	-	-	-	-
Cumulative surplus (deficit)		5,800,488	4,631,218	897,808	689,914	2,217,915	1,983,182
Cumulative (deficit) -- Unfunded end-of-service and post-retirement benefits	Note 13, Note 2(h)	(6,567,389)	(5,964,763)	-	-	(1,436,623)	(1,304,842)
TOTAL RESERVES AND FUND BALANCES	Statement I	187,117	(80,877)	1,043,202	835,308	1,191,456	1,088,504
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		7,737,711	7,731,485	1,043,202	861,387	2,883,776	2,726,031

Statement II (Concluded)									
UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION									
Statement of assets, liabilities, and reserves and fund balances									
For the biennium 2012-2013 ending 31 December 2012									
(Expressed in United States Dollars)									
	SCHEDULE / NOTE REFERENCE	TRUST FUND FOR CONVENTION EVENTS ORGANIZED BY THE UNCCD SECRETARIAT (BMA)		SPECIAL ACCOUNT FOR UNCCD PROGRAMME SUPPORT COST (ZQA)		UNCCD COST RECOVERY UNDER HCA (ZHC)		TOTAL	
		2012-2013	2010-2011	2012-2013	2010-2011	2012-2013	2010-2011	2012-2013	2010-2011
ASSETS									
Cash and term deposits:									
United States dollars	Note 2 (e), 7	-	-	-	-	-	-	-	7,174
Euros	Note 2 (e), 7	488,296	335,081	1,584,983	2,697,961	391,253	670,711	9,964,252	11,321,944
Total cash and term deposits:		488,296	335,081	1,584,983	2,697,961	391,253	670,711	9,964,252	11,329,118
Accounts receivable:									
Assessed contributions receivable from member Parties	Sch. 1.1 (a) & (b)	-	-	-	-	-	-	3,515,298	3,299,637
Operating funds provided to executing agencies		-	-	-	-	-	-	-	-
Other accounts receivable	Note 8	447	-	36,244	74,574	-	2,755	259,599	428,495
Interfund balances receivable		27,978	-	119,558	-	35,259	-	609,558	-
TOTAL ASSETS		516,721	335,081	1,740,785	2,772,535	426,512	673,466	14,348,707	15,057,250
LIABILITIES									
Payments received in advance for future year contributions	Sch. 1.3	-	-	-	-	-	-	409,394	295,002
Unliquidated obligations		-	44,923	10,995	82,792	-	259,939	589,104	1,778,616
Accounts payable:									
Inter-fund balances payable		-	12,997	-	-	-	-	-	-
Other accounts payable	Note 9	-	-	21,782	28,718	44,095	45,325	317,276	564,704
Other Liabilities		-	-	-	-	-	-	-	-
End-of-service and post-retirement liabilities	Note 13	820,713	745,395	1,022,275	930,000	-	-	9,847,000	8,945,000
TOTAL LIABILITIES		820,713	803,315	1,055,052	1,041,510	44,095	305,264	11,162,774	11,583,322
RESERVES AND FUND BALANCES									
Operating reserve	Note 10	-	-	338,045	338,045	-	-	893,603	893,603
Working capital reserve	Note 10	-	-	-	-	-	-	954,018	1,252,668
Cumulative surplus (deficit)		516,721	277,161	1,369,963	2,322,980	382,417	368,202	11,185,312	10,272,657
Cumulative (deficit) -- Unfunded end-of-service and post-retirement benefits	Note 13, Note 2(h)	(820,713)	(745,395)	(1,022,275)	(930,000)	-	-	(9,847,000)	(8,945,000)
TOTAL RESERVES AND FUND BALANCES	Statement I	(303,992)	(468,234)	685,733	1,731,025	382,417	368,202	3,185,933	3,473,928
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		516,721	335,081	1,740,785	2,772,535	426,512	673,466	14,348,707	15,057,250

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
Statement of Cash Flows for the biennium 2012-2013 ending 31 December 2012
(Expressed in United States Dollars)

	UXA		UVA		UWA		BMA		ZQA	
	2012-2013	2010-2011	2012-2013	2010-2011	2012-2013	2010-2011	2012-2013	2010-2011	2012-2013	2010-2011
CASH FLOWS FROM OPERATING ACTIVITIES:										
Net excess (shortfall) of income over expenditure (Statement I)	142,204	(1,685,541)	205,350	74,510	(29,938)	(2,104,971)	119,319	(829,645)	(1,018,813)	266,862
(Increase) decrease in contributions receivable	(215,661)	235,562	-	-	-	-	-	-	-	-
(Increase) decrease in other accounts receivable	82,955	(9,283)	(397)	2,659	45,700	350,395	(447)	391	38,330	14,103
(Increase) decrease in other assets	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in inter-fund balances receivable	(199,368)	-	(52,005)	-	(132,655)	(42,735)	(27,978)	-	(119,558)	-
Increase (decrease) in contributions or payments received in advance	114,392	(1,045,741)	-	-	-	-	-	-	-	-
Increase (decrease) in unliquidated obligations	(760,679)	520,037	(4,300)	4,300	(47,874)	153,962	(44,923)	44,923	(71,797)	49,082
Increase (decrease) in accounts payable	(210,148)	358	-	-	(29,114)	(8,234)	-	(142)	(6,936)	28,718
Increase (decrease) in other liabilities	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in end-of-service and post-retirement benefits	602,626	1,341,980	-	-	131,781	1,222,379	75,318	727,641	92,275	542,000
Increase (decrease) in inter-fund balances payable	(7,959)	(159,349)	(21,779)	7,104	-	(80,758)	(12,997)	2,191	-	(50,697)
Less: Interest income	(40,406)	(77,486)	(9,146)	(8,672)	(28,568)	(34,279)	(3,875)	(2,838)	(24,943)	(44,679)
NET CASH FROM OPERATING ACTIVITIES	(492,044)	(879,463)	117,723	79,901	(90,668)	(544,241)	104,417	(57,479)	(1,111,442)	805,389
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES:										
Plus: Interest income	40,406	77,486	9,146	8,672	28,568	34,279	3,875	2,838	24,943	44,679
NET CASH FROM INVESTING AND FINANCING ACTIVITIES	40,406	77,486	9,146	8,672	28,568	34,279	3,875	2,838	24,943	44,679
CASH FLOWS FROM OTHER SOURCES:										
Savings or cancellation of prior periods' obligations	149,477	348,621	2,544	-	132,890	14,083	44,923	-	55,381	19,726
Transfer (to)/from other funds	-	-	-	242,499	-	139,551	-	-	-	-
Refund to donors	-	-	-	-	-	(92,992)	-	-	-	-
Other adjustments to reserves and fund balances -- Global Mechanism	(23,687)	(10,022)	-	-	-	-	-	-	(81,860)	(167)
NET CASH FROM OTHER SOURCES	125,790	338,599	2,544	242,499	132,890	60,642	44,923	-	(26,479)	19,559
NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS	(325,848)	(463,378)	129,413	331,072	70,790	(449,320)	153,215	(54,641)	(1,112,978)	869,627
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD	4,294,776	4,758,154	860,304	529,232	2,470,285	2,919,605	335,081	389,722	2,697,961	1,828,334
CASH AND TERM DEPOSITS, END OF PERIOD	3,968,928	4,294,776	989,717	860,304	2,541,075	2,470,285	488,296	335,081	1,584,983	2,697,961

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
Statement IV
THE CORE BUDGET: STATEMENT OF APPROPRIATIONS
as at 31 December 2012
(Expressed in euros)

Programmes	Approved Budget 2012-2013	Expenditure			Balance	Percent of Expenditure	Expenditure Equivalent in USD
		Disbursements	Unliquidated Obligations	Total			
Advocacy, awareness raising and education	706.400	697.798	32.288	730.086	(23.686)	103.4%	938.816
Policy framework	577.800	486.775	16.847	503.622	74.178	87.2%	647.607
Science, technology and knowledge	1.089.500	918.148	6.280	924.428	165.072	84.8%	1.188.721
Capacity building	350.900	341.891	0	341.891	9.009	97.4%	439.637
Financing and technology transfer	75.600	63.331	0	63.331	12.269	83.8%	81.438
Management support:							
Executive direction and management	997.400	809.980	22.523	832.502	164.898	83.5%	1.070.513
Conference services	324.200	272.407	67.776	340.184	(15.984)	104.9%	437.441
Administration and finance services	1.161.937	887.445	121.204	1.008.649	153.288	86.8%	1.297.019
Subtotal secretariat	5,283,737	4,477,775	266,919	4,744,693	539,044	89.8%	6,101,192
Committee on Science and Technology	38,000	39,962	0	39,962	(1,962)	105.2%	51,387
Committee for the Review of the Implementation of the Convention	38,000	17,746	1	17,747	20,253	46.7%	22,821
Global Mechanism	1,795,387	1,795,387	0	1,795,387	0	100.0%	2,308,726
Total	7,155,124	6,330,870	266,920	6,597,790	557,334	92.2%	8,484,126

Schedule 1.1 (a)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
 Status of Contributions to the Core Budget
 for the years 1999 - 2007 as at 31 December 2012
 (amounts in USD)

Parties to the Convention		BALANCE OUTSTANDING FOR									TOTAL BALANCE OUTSTANDING 31 December 2012
		1999	2000	2001	2002	2003	2004	2005	2006	2007	
1	Afghanistan */	-	-	-	-	-	-	-	-	-	-
2	Albania	-	-	-	-	-	-	-	-	-	-
3	Algeria	-	-	-	-	-	-	-	-	-	-
4	Andorra	-	-	-	-	-	-	-	-	-	-
5	Angola */	-	-	-	-	-	-	-	-	-	-
6	Antigua & Barbuda	-	-	-	-	-	-	-	-	-	-
7	Argentina	-	-	-	-	-	-	-	-	-	-
8	Armenia	-	-	-	-	-	-	-	-	-	-
9	Australia	-	-	-	-	-	-	-	-	-	-
10	Austria	-	-	-	-	-	-	-	-	-	-
11	Azerbaijan Republic	-	-	-	-	-	-	-	-	-	-
12	Bahamas (the)	-	-	-	-	-	-	-	-	-	-
13	Bahrain	-	-	-	-	-	-	-	-	-	-
14	Bangladesh */	-	-	-	-	-	-	-	-	-	-
15	Barbados	-	-	-	-	-	-	-	-	-	-
16	Belarus	-	-	-	-	-	-	-	-	-	-
17	Belgium	-	-	-	-	-	-	-	-	-	-
18	Belize	-	-	-	-	-	-	-	-	-	-
19	Benin */	-	-	-	-	-	-	-	-	-	-
20	Bhutan */	-	-	-	-	-	-	-	-	-	-
21	Bolivia (Plurinational State of)	-	-	-	-	-	-	-	-	-	-
22	Bosnia and Herzegovina	-	-	-	-	-	-	-	-	-	-
23	Botswana	-	-	-	-	-	-	-	-	-	-
24	Brazil	-	-	-	-	-	-	-	-	-	-
25	Brunei Darussalam	-	-	-	-	-	-	-	-	-	-
26	Bulgaria	-	-	-	-	-	-	-	-	-	-
27	Burkina Faso */	-	-	-	-	-	-	-	-	-	-

Schedule 1.1 (a)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
 Status of Contributions to the Core Budget
 for the years 1999 - 2007 as at 31 December 2012
 (amounts in USD)

Parties to the Convention		BALANCE OUTSTANDING FOR									TOTAL BALANCE OUTSTANDING 31 December 2012
		1999	2000	2001	2002	2003	2004	2005	2006	2007	
57	Eritrea */	-	-	-	-	-	-	-	-	-	-
58	Ethiopia */	-	-	-	-	-	-	-	-	-	-
59	European Union	-	-	-	-	-	-	-	-	-	-
60	Fiji	-	-	-	-	-	-	-	-	-	-
61	Finland	-	-	-	-	-	-	-	-	-	-
62	France	-	-	-	-	-	-	-	-	-	-
63	Gabon	-	-	-	-	-	-	-	-	-	-
64	Gambia (the) */	-	-	-	-	-	-	-	-	-	-
65	Georgia	-	-	-	-	-	-	-	-	-	-
66	Germany	-	-	-	-	-	-	-	-	-	-
67	Ghana	-	-	-	-	-	-	-	-	154	154
68	Greece	-	-	-	-	-	-	-	-	-	-
69	Grenada	-	-	-	-	-	-	-	-	-	-
70	Guatemala	-	-	-	-	-	-	-	-	-	-
71	Guinea */	-	-	-	-	-	-	-	-	-	-
72	Guinea - Bissau */	-	-	-	-	-	-	-	-	-	-
73	Guyana	-	-	-	-	-	-	-	-	-	-
74	Haiti */	-	-	-	-	-	-	-	-	-	-
75	Honduras	-	-	-	-	-	-	-	-	-	-
76	Hungary	-	-	-	-	-	-	-	-	-	-
77	Iceland	-	-	-	-	-	-	-	-	-	-
78	India	-	-	-	-	-	-	-	-	-	-
79	Indonesia	-	-	-	-	-	-	-	-	-	-
80	Iran (Islamic Republic of)	-	-	-	-	-	-	-	-	-	-
81	Ireland	-	-	-	-	-	-	-	-	-	-
82	Israel	-	-	-	-	-	-	-	-	-	-
83	Italy	-	-	-	-	-	-	-	-	-	-
84	Jamaica	-	-	-	-	-	-	-	-	-	-
85	Japan	-	-	-	-	-	-	-	-	-	-

Schedule 1.1 (a)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
 Status of Contributions to the Core Budget
 for the years 1999 - 2007 as at 31 December 2012
 (amounts in USD)

Parties to the Convention		BALANCE OUTSTANDING FOR									TOTAL BALANCE OUTSTANDING 31 December 2012
		1999	2000	2001	2002	2003	2004	2005	2006	2007	
115	Montenegro	-	-	-	-	-	-	-	-	-	-
116	Morocco	-	-	-	-	-	-	-	-	-	-
117	Mozambique */	-	-	-	-	-	-	-	-	-	-
118	Myanmar */	-	-	-	-	-	-	-	-	-	-
119	Namibia	-	-	-	-	-	-	-	-	-	-
120	Nauru	-	-	-	-	-	-	-	-	84	84
121	Nepal */	-	-	-	-	-	-	-	-	-	-
122	Netherlands (the)	-	-	-	-	-	-	-	-	-	-
123	New Zealand	-	-	-	-	-	-	-	-	-	-
124	Nicaragua	-	-	-	80	80	80	80	83	84	487
125	Niger (the) */	-	-	-	-	-	-	-	-	-	-
126	Nigeria	-	-	-	-	-	-	-	-	-	-
127	Niue	-	-	-	-	-	-	-	-	-	-
128	Norway	-	-	-	-	-	-	-	-	-	-
129	Oman	-	-	-	-	-	-	-	-	-	-
130	Pakistan	-	-	-	-	-	-	-	-	-	-
131	Palau	-	-	-	-	-	30	80	83	84	277
132	Panama	-	-	-	-	-	-	-	-	-	-
133	Papua New Guinea	-	-	-	-	-	-	-	-	12	12
134	Paraguay	-	-	-	-	-	-	1 092	995	1 010	3 097
135	Peru	-	-	-	-	-	-	-	-	-	-
136	Philippines (the)	-	-	-	-	-	-	-	-	-	-
137	Poland	-	-	-	-	-	-	-	-	-	-
138	Portugal	-	-	-	-	-	-	-	-	-	-
139	Qatar	-	-	-	-	-	-	-	-	-	-
140	Republic of Korea (the)	-	-	-	-	-	-	-	-	-	-
141	Romania	-	-	-	-	-	-	-	-	-	-
142	Russian Federation	-	-	-	-	-	-	-	-	-	-
143	Rwanda */	-	-	-	-	-	-	-	-	-	-

Schedule 1.1 (a)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
 Status of Contributions to the Core Budget
 for the years 1999 - 2007 as at 31 December 2012
 (amounts in USD)

Parties to the Convention		BALANCE OUTSTANDING FOR									TOTAL BALANCE OUTSTANDING 31 December 2012
		1999	2000	2001	2002	2003	2004	2005	2006	2007	
173	Tonga	-	-	-	-	-	-	-	-	-	-
174	Trinidad & Tobago	-	-	-	-	-	-	-	-	-	-
175	Tunisia	-	-	-	-	-	-	-	-	-	-
176	Turkey	-	-	-	-	-	-	-	-	-	-
177	Turkmenistan	-	-	-	-	-	-	-	-	-	-
178	Tuvalu */	-	-	-	-	-	-	-	-	-	-
179	Uganda */	-	-	-	-	-	-	-	-	-	-
180	Ukraine	-	-	-	-	-	-	-	-	-	-
181	United Arab Emirates (the)	-	-	-	-	-	-	-	-	-	-
182	United Kingdom of Great Britain and Northern Ireland (the)	-	-	-	-	-	-	-	-	-	-
183	United Republic of Tanzania (the) */	-	-	-	-	-	-	-	-	25	25
184	United States of America (the) **/	-	-	-	-	-	-	-	486 196	587 300	1 073 496
185	Uruguay	-	-	-	-	-	-	-	-	-	-
186	Uzbekistan	-	-	-	-	-	-	-	-	-	-
187	Vanuatu */	-	-	-	-	-	-	-	20	84	104
188	Venezuela (Bolivarian Republic of)	-	-	-	-	-	-	-	-	-	-
189	Vietnam	-	-	-	-	-	-	-	-	-	-
190	Yemen */	-	-	-	-	-	-	-	-	-	-
191	Zambia */	-	-	-	-	-	-	-	-	-	-
192	Zimbabwe	-	-	-	-	-	-	-	-	-	-
192	TOTAL	-	-	-	160	174	350	1 565	492 020	602 252	1 096 521

*/ Least Developed Countries

**/ The United States of America views its funding to the core budget of the Convention as a voluntary contribution.

Schedule 1.1 (b)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
 Status of Contributions to the Core Budget
 for the years 2008 - 2012 as at 31 December 2012
 (Amounts in Euro & USD)

Parties to the UNCCD 1/		(*)	For the biennium 2008-2009		For the biennium 2010-2011		For the year 2012		TOTAL 2008-2012	
			Euro	USD	Euro	USD	Euro	USD	Euro	USD
1	Afghanistan	LDC	0	0	95	126	287	381	382	506
2	Albania		0	0	0	0	0	0	0	0
3	Algeria		0	0	0	0	0	0	0	0
4	Andorra		0	0	0	0	0	0	0	0
5	Angola	LDC	0	0	239	317	717	951	956	1 268
6	Antigua and Barbuda		0	0	277	368	143	190	420	557
7	Argentina		0	0	44 240	58 674	20 572	27 284	64 812	85 958
8	Armenia		0	0	0	0		0	0	0
9	Australia		0	0	0	0	0	0	0	0
10	Austria		0	0	0	0	0	0	0	0
11	Azerbaijan		0	0	0	0	0	0	0	0
12	Bahamas (the)		0	0	0	0	5	7	5	7
13	Bahrain		0	0	0	0	0	0	0	0
14	Bangladesh	LDC	0	0	0	0	0	0	0	0
15	Barbados		0	0	0	0	0	0	0	0
16	Belarus		0	0	0	0	0	0	0	0
17	Belgium		0	0	0	0	0	0	0	0
18	Belize		0	0	0	0	0	0	0	0
19	Benin	LDC	0	0	0	0	0	0	0	0
20	Bhutan	LDC	0	0	0	0	5	7	5	7
21	Bolivia (Plurinational State of)		0	0	0	0	0	0	0	0
22	Bosnia and Herzegovina		0	0	0	0	1 003	1 330	1 003	1 330
23	Botswana		0	0	0	0	0	0	0	0
24	Brazil		0	0	0	0	21 930	29 085	21 930	29 085

Schedule 1.1 (b)
UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
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 (Amounts in Euro & USD)

25	Brunei Darussalam		0	0	0	0	0	0	0	0
26	Bulgaria		0	0	0	0	0	0	0	0
27	Burkina Faso	LDC	0	0	0	0	0	0	0	0
28	Burundi	LDC	73	97	160	212	73	97	306	406
29	Cambodia	LDC	0	0	0	0	0	0	0	0
30	Cameroon		323	429	1 380	1 830	788	1 045	2 491	3 304
31	Canada		0	0	0	0	0	0	0	0
32	Cape Verde	LDC	140	186	160	212	73	97	373	495
33	Central African Republic (the)	LDC	0	0	0	0	0	0	0	0
34	Chad	LDC	0	0	0	0	0	0	0	0
35	Chile		0	0	0	0	0	0	0	0
36	China		0	0	0	0	0	0	0	0
37	Colombia		0	0	0	0	0	0	0	0
38	Comoros (the)	LDC	0	0	0	0	73	97	73	97
39	Cook Islands (the)		140	186	160	212	73	97	373	495
40	Congo (the)		0	0	0	0	0	0	0	0
41	Costa Rica		0	0	0	0	750	994	750	994
42	Cote d'Ivoire		1 320	1 751	1 380	1 830	717	951	3 417	4 532
43	Croatia		0	0	0	0	0	0	0	0
44	Cuba		7 650	10 146	7 980	10 584	5 089	6 749	20 719	27 479
45	Cyprus		0	0	0	0	0	0	0	0
46	Czech Republic (the)		0	0	0	0	0	0	0	0
47	Democratic People's Republic of Korea (the)		0	0	540	716	502	666	1 042	1 382
48	Democratic Republic of Congo (the)	LDC	440	584	460	610	215	285	1 115	1 479
49	Denmark		0	0	0	0	0	0	0	0
50	Djibouti	LDC	140	186	160	212	73	97	373	495
51	Dominica		140	186	160	212	73	97	373	495
52	Dominican Republic (the)		3 380	4 483	3 530	4 682	3 010	3 992	9 920	13 156

Schedule 1.1 (b)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
 Status of Contributions to the Core Budget
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 (Amounts in Euro & USD)

53	Ecuador		0	0	0	0	0	0	0	0
54	Egypt		0	0	0	0	6 738	8 936	6 738	8 936
55	El Salvador		0	0	0	0	0	0	0	0
56	Equatorial Guinea	LDC	290	385	300	398	573	760	1 163	1 542
57	Eritrea	LDC	0	0	0	0	0	0	0	0
58	Ethiopia	LDC	0	0	0	0	0	0	0	0
59	European Union		0	0	0	0	0	0	0	0
60	Fiji		0	0	0	0	17	23	17	23
61	Finland		0	0	0	0	0	0	0	0
62	France		0	0	0	0	0	0	0	0
63	Gabon		0	0	0	0	0	0	0	0
64	Gambia (the)	LDC	0	0	80	106	73	97	153	203
65	Georgia		0	0	0	0	0	0	0	0
66	Germany		0	0	0	0	0	0	0	0
67	Ghana		590	782	620	822	430	570	1 640	2 175
68	Greece		0	0	44 250	58 687	49 529	65 688	93 779	124 375
69	Grenada		0	0	0	0	0	0	0	0
70	Guatemala		0	0	518	686	2 007	2 662	2 525	3 348
71	Guinea	LDC	0	0	154	204	143	190	297	394
72	Guinea-Bissau	LDC	0	0	0	0	73	97	73	97
73	Guyana		0	0	0	0		0	0	0
74	Haiti	LDC	0	0	300	398	215	285	515	683
75	Honduras		14	18	760	1 008	573	760	1 347	1 786
76	Hungary		0	0	0	0	20 858	27 663	20 858	27 663
77	Iceland		0	0	5 520	7 321	3 010	3 992	8 530	11 313
78	India		0	0	0	0	1 087	1 442	1 087	1 442
79	Indonesia		0	0	0	0	0	0	0	0
80	Iran (Islamic Republic of)		0	0	13 174	17 473	16 701	22 150	29 875	39 623

Schedule 1.1 (b)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
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81	Iraq			0	0	0	0	0	0	0
82	Ireland		0	0	0	0	0	0	0	0
83	Israel		0	0	0	0	0	0	0	0
84	Italy		0	0	0	0	316 913	420 309	316 913	420 309
85	Jamaica		1 233	1 636	1 540	2 042	1 003	1 330	3 776	5 008
86	Japan		0	0	0	0	0	0	0	0
87	Jordan		0	0	0	0	0	0	0	0
88	Kazakhstan		0	0	0	0	1 301	1 726	1 301	1 726
89	Kenya		0	0	0	0	0	0	0	0
90	Kiribati	LDC	0	0	0	0	0	0	0	0
91	Kuwait		18 605	24 676	26 990	35 796	18 851	25 001	64 446	85 473
92	Kyrgyzstan		0	0	80	106	73	97	153	203
93	Lao People's Democratic Republic (the)	LDC	0	0	0	0	0	0	0	0
94	Latvia		0	0	0	0	0	0	0	0
95	Lebanon		0	0	0	0	0	0	0	0
96	Lesotho	LDC	0	0	0	0	0	0	0	0
97	Liberia	LDC	140	186	160	212	73	97	373	495
98	Libyan Arab Jamahiriya (the)		8 820	11 698	9 190	12 188	9 246	12 263	27 256	36 149
99	Liechtenstein		0	0	0	0	0	0	0	0
100	Lithuania		0	0	0	0	0	0	0	0
101	Luxembourg		0	0	0	0	0	0	0	0
102	Madagascar	LDC	0	0	0	0	0	0	0	0
103	Malawi	LDC	70	93	160	212	73	97	303	402
104	Malaysia		0	0	0	0	0	0	0	0
105	Maldives	LDC	0	0	0	0	0	0	0	0
106	Mali	LDC	0	0	0	0	33	43	33	43
107	Malta		0	0	2 460	3 263	1 219	1 617	3 679	4 879
108	Marshall Islands (the)		0	0	0	0	17	22	17	22

Schedule 1.1 (b)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
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 (Amounts in Euro & USD)

109	Mauritania	LDC	140	186	160	212	73	97	373	495
110	Mauritius		0	0	0	0	0	0	0	0
111	Mexico		0	0	0	0	39	52	39	52
112	Micronesia (Federated States of)		49	65	160	212	73	97	282	374
113	Republic of Moldova (the)		0	0	0	0	0	0	0	0
114	Monaco		0	0	0	0	0	0	0	0
115	Mongolia		0	0	0	0	0	0	0	0
116	Montenegro		0	0	0	0	7	9	7	9
117	Morocco	LDC	0	0	0	0	0	0	0	0
118	Mozambique	LDC	0	0		0	0	0	0	0
119	Myanmar		241	319	760	1 008	430	570	1 431	1 898
120	Namibia		0	0	0	0	0	0	0	0
121	Nauru	LDC	140	186	160	212	73	97	373	495
122	Nepal		0	0	230	305	430	570	660	875
123	Netherlands (the)		0	0	0	0	0	0	0	0
124	New Zealand		0	0	0	0	5	7	5	7
125	Nicaragua	LDC	290	385	300	398	215	285	805	1 068
126	Niger (the)		70	93	160	212	143	190	373	495
127	Nigeria		5 511	7 309	7 060	9 363	5 591	7 415	18 162	24 088
128	Niue		0	0	0	0	23	30	23	30
129	Norway		0	0	0	0	0	0	0	0
130	Oman		0	0	0	0	0	0	0	0
131	Pakistan		0	0	1 066	1 414	5 878	7 796	6 944	9 210
132	Palau		140	186	160	212	73	97	373	495
133	Panama		0	0	0	0	0	0	0	0
134	Papua New Guinea		290	385	300	398	143	190	733	972
135	Paraguay		730	968	760	1 008	502	666	1 992	2 642
136	Peru		0	0	0	0	0	0	0	0

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 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
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 (Amounts in Euro & USD)

137	Philippines (the)		0	0	0	0	0	0	0	0
138	Poland		0	0	0	0	0	0	0	0
139	Portugal		0	0	0	0	0	0	0	0
140	Qatar		0	0	0	0	0	0	0	0
141	Republic of Korea (the)		0	0	0	0	0	0	0	0
142	Romania		0	0	10 420	13 820	12 687	16 826	23 107	30 646
143	Russian Federation		0	0	0	0	0	0	0	0
144	Rwanda	LDC	0	0	24	32	73	97	97	129
145	Saint Kitts and Nevis		0	0	0	0	0	0	0	0
146	Saint Lucia		140	186	160	212	73	97	373	495
147	Saint Vincent and the Grenadines		140	186	160	212	73	97	373	495
148	Samoa	LDC	0	0	0	0	0	0	0	0
149	San Marino		0	0	0	0	0	0	0	0
150	Sao Tome and Principe	LDC	140	186	160	212	73	97	373	495
151	Saudi Arabia		0	0	0	0	0	0	0	0
152	Senegal		0	0	0	0	0	0	0	0
153	Serbia		0	0	1 940	2 573	2 652	3 517	4 592	6 090
154	Seychelles		0	0	0	0	0	0	0	0
155	Sierra Leone	LDC	70	93	160	212	73	97	303	402
156	Singapore		0	0	0	0	0	0	0	0
157	Slovakia		0	0	0	0	0	0	0	0
158	Slovenia		0	0	7 130	9 456	7 383	9 792	14 513	19 248
159	Solomon Islands	LDC	0	0	0	0	17	23	17	23
160	Somalia	LDC	140	186	160	212	73	97	373	495
161	South Africa		0	0	0	0	0	0	0	0
162	Spain		0	0	0	0	227 720	302 016	227 720	302 016
163	Sri Lanka		0	0	88	116	1 362	1 806	1 450	1 922
164	Sudan (the)	LDC	1 470	1 950	1 540	2 042	717	951	3 727	4 943

Schedule 1.1 (b)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
 Status of Contributions to the Core Budget
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 (Amounts in Euro & USD)

165	Suriname		0	0	0	0	0	0	0	0
166	Swaziland		0	0	155	206	215	285	370	491
167	Sweden		0	0	0	0	0	0	0	0
168	Switzerland		0	0	0	0	0	0	0	0
169	Syrian Arab Republic		1 171	1 553	2 300	3 050	1 792	2 377	5 263	6 980
170	Tajikistan		0	0	0	0	0	0	0	0
171	Thailand		0	0	0	0	0	0	0	0
172	The FYR of Macedonia		0	0	729	967	502	666	1 231	1 633
173	Timor-Leste	LDC	0	0	0	0	0	0	0	0
174	Togo	LDC	0	0	17	23	73	97	90	119
175	Tonga		0	0	0	0	20	26	20	26
176	Trinidad and Tobago		0	0	0	0	0	0	0	0
177	Tunisia		0	0	0	0	0	0	0	0
178	Turkey		0	0	0	0	0	0	0	0
179	Turkmenistan		86	114	920	1 220	1 864	2 472	2 870	3 806
180	Tuvalu	LDC	0	0	0	0	15	20	15	20
181	Uganda	LDC	250	331	460	610	430	570	1 140	1 512
182	Ukraine		0	0	0	0	2	3	2	3
183	United Arab Emirates (the)		0	0	0	0	0	0	0	0
184	United Kingdom of Great Britain and Northern Ireland (the)		0	0	0	0	0	0	0	0
185	United Republic of Tanzania (the)	LDC	880	1 167	920	1 220	573	760	2 373	3 147
186	United States of America (the) 2/		732 300	971 220	0	0	0	0	732 300	971 220
187	Uruguay		0	0	27	36	1 935	2 566	1 962	2 602
188	Uzbekistan		0	0	0	0	38	50	38	50
189	Vanuatu	LDC	140	186	160	212	73	97	373	495
190	Venezuela (Bolivarian Republic of)		0	0	21 373	28 346	22 507	29 850	43 880	58 196
191	Viet Nam		0	0	10	13	2 365	3 137	2 375	3 150

Schedule 1.1 (b)
 UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
 Status of Contributions to the Core Budget
 for the years 2008 - 2012 as at 31 December 2012
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192	Yemen	LDC	370	490	1 080	1 432	717	951	2 167	2 874
193	Zambia	LDC	0	0	0	0	0	0	0	0
194	Zimbabwe		0	0	0	0	12	16	12	16
	Total from Parties		788 406	1 045 631	228 546	303 111	806 806	1 070 034	1 823 758	2 418 777

Footnotes:

^{1/} Actual parties include states and regional economic integration that will become parties as of 01 December 2012

^{2/} The United States of America views its funding to the core budget of the Convention as a voluntary contribution.

^{*} Least Developed Countries.

Schedule 1.2	
Status of voluntary contributions for the biennium 2012-2013	
As at 31 December 2012	
(in United States Dollars)	
Countries/Trust Funds	Voluntary contributions for 2012-2013
I Trust Fund for the Core Budget of the UNCCD (UXA)	
Germany	646 589
Total	646 589
II Trust Fund for Participation of Representatives of Parties in the UNCCD Sessions (UVA)	
Finland	259 740
Fondation Prince Albert II - Monaco	16 605
Switzerland	20 899
Total	297 244
III Trust Fund for Voluntary Financing of Activities under the UNCCD (UWA)	
China	100 000
European Union	211 540
Finland	66 401
Qatar	49 985
Republic of Korea	1 253 043
Switzerland	772 700
United Arab Emirates	10 000
Sub-total	2 463 669
Other organizations	
Northeast Asia Forest Forum	17 570
United Nations Environment Programme-Convention on Biological Diversity	130 183
Sub-total	147 753
Total	2 611 422
IV Trust Fund for Convention Events Organized by the UNCCD Secretariat (BMA)	
Germany	646 589
Total	646 589
V UNCCD Cost Recovery under Host Country Agreement (ZHC)	
Total	0
GRAND TOTAL	4 201 844

Schedule 1.3	
Contributions paid in advance in the biennium ended 31 December 2012	
(Expressed in United States dollars)	
Parties to the Convention	Amount
Bangladesh	979
Belize	147
Benin	377
Burkina Faso	2 011
Central African Republic	345
Chad	800
Chile	4 878
Colombia	1 043
Congo, Rep.	266
Czech Republic	34 270
Denmark	72 271
Ecuador	88
El Salvador	27
Estonia	2 166
Ethiopia	32
Gabon	15
Georgia	6
Grenada	290
Guyana	104
Indonesia	23 371
Kiribati	124
Lao People's Dem	106
Latvia	3 810
Lesotho	191
Madagascar	227
Malaysia	22 753
New Zealand	26 771
Saint Kitts & Nevis	81
Peru	2 888
Rep. of Korea	46 497
Samoa	82
Senegal	14 347
Singapore	32 809
South Africa	406
Suriname	1 848
Switzerland	110 961
Tajikistan	1 764
Zambia	241
TOTAL	409 394

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Statement of Purpose

The permanent Secretariat of the United Nations Convention to Combat Desertification was established on 1 January 1999 with the following purposes:

- 1) To make arrangements for sessions of the Conference of the Parties (COP) and its subsidiary bodies established under the Convention and to provide them with services as required;
- 2) To compile and transmit reports submitted to it;
- 3) To facilitate assistance to the affected developing country Parties, on request, particularly those in Africa, in the compilation and communication of information required under the Convention;
- 4) To coordinate its activities with the secretariats of other relevant international bodies and conventions;
- 5) To enter, under the guidance of the Conference of the Parties, into such administrative and contractual arrangements as may be required for the effective discharge of its functions;
- 6) To prepare reports on the executions of its functions under this Convention and present them to the Conference of the Parties; and
- 7) To perform such other secretariat functions as may be determined by the Conference of the Parties.

The UNCCD Ten year strategy adopted at COP8 in 2008 has also decided on specific role of the secretariat in order to support Parties in the overall implementation processes of the Strategy (Decision 3/COP.8).

Note 2 Accounting Policies

The following are the significant accounting policies of the United Nations Convention to Combat Desertification (UNCCD):

- (a) Rules and procedures

The accounts of the Convention are maintained in accordance with the Financial Regulations of the United Nations, its own Financial Rules and in conformity with the United Nations System Common Accounting Standards (A/48/530) as recognized by General Assembly resolution 48/216 C of 23 December 1993 and subsequent revisions thereto.

Under the financial procedures adopted by the Conference of the Parties, the Executive Secretary prepares the administrative core budget for the following biennium and submits it to the COP for its consideration and approval. The approved budget constitutes authority to the Executive Secretary to issue allotments, incur obligations and make payments for the purposes for which the appropriations were approved. In the biennium 2012 – 2013, the COP approved a core budget of EUR 16.1 million, of which, the host Government paid EUR 1.0 million. The remaining amount is

to be contributed by all Parties using the indicative scale of contributions which is based on the United Nations scale of assessment.

(b) Accounting conventions

The accounts are prepared on the historical cost basis, modified to the extent that the cost of all property acquired is charged as an expense in the year of purchase, except for the period under review, where property donated in kind by the host Government was valued using the average UN rate of exchange. The UNCCD's accounts are maintained on a "fund accounting" basis. Separate funds for general or special purposes may be established by the Conference of the Parties or the Executive Secretary. Each fund is maintained as a distinct financial and accounting entity, with a separate self-balancing double-entry set of accounts. Starting from COP8, the COP approved the budget in Euro. Previous bienniums' budgets were approved in United States dollars. Additionally, the COP recalled the decision as set out in 1/COP ES-1 to introduce the Euro as the accounting currency in 2010 - 2011.

(c) Contingent liabilities

The expenditures do not include possible costs to cover contingencies under Appendix D to the United Nations staff rules, for personnel financed under resources obtained from contributions. Such costs are covered under contractual arrangements with Van Breda & Co. International.

(d) Unliquidated obligations

Unliquidated obligations are expenditures based on firm obligations entered into, but not disbursed, in the financial period. Unliquidated obligations for the current period in respect of all UNCCD activities remain valid for 12 months following the end of the period to which they relate.

(e) Cash and term deposits

Funds on deposit in interest, non-interest imprest bank accounts, petty cash, time deposits and call accounts are shown in the statements of assets and liabilities as cash. All term deposits are made in line with the United Nations investment policies and guidelines.

(f) Income

(i) Assessed contributions from Party members

Income from assessed contributions is recognized on an accrual basis based on the budget approved by the COP. Parties were notified in October 2011 and 2012 of their contributions for 2012-2013 and recorded as receivables, and recognized as income in January of the following calendar year.

(ii) Voluntary contributions

Voluntary contributions to UNCCD trust funds are recorded as income when received, which include funds received under Inter-Organization arrangements.

(iii) Interest income

Interest income is based only on amounts received and accrued from cash and term deposits relating to the financial period. Interest due from cash and term deposits made in the financial period but not maturing until future periods is recorded as accounts receivable.

(iv) Miscellaneous income

Refunds and adjustments of expenditures charged to prior financial periods, net gains on exchange, moneys accepted for which no purpose is specified and proceeds from the sale of surplus property, are credited to miscellaneous income.

(v) Total Income

Secretariat's total income of USD 14,019,107 excludes programme support cost income of USD 1,421,509 generated from administering of various trust funds, which has been netted off with equivalent expenditures.

(vi) Contributions

All contributions to the Secretariat's activities are deposited with the United Nations Office at Geneva. Imprest accounts in Euro are established for UNCCD to cover expenditures for events organised in Bonn. The utilization of such imprest accounts is reflected in the financial statements.

(g) Translation of currencies

The financial statements of the UNCCD are presented in United States Dollars ("USD"). As per United Nations Accounting standards, transactions in other currencies are recorded in United States Dollars by applying the United Nations operational rates of exchange at the time of the transactions. Realized exchange gains are charged to miscellaneous income and losses are charged to operating expense accounts, respectively. Please see note 2 (b) above regarding the change in accounting currency to Euro.

(h) Reserves and fund balances

As is indicated in note 12, After Service Liabilities, the secretariat accrued the liability for end-of-service and post-retirement benefits as of 31 December 2012 based upon the closing instruction from UNOG as well as the actuarial valuation report received from UNHQ New York. In its balance sheet the secretariat has shown under "Reserves and fund balances" two separate sections, one the "Cumulative surplus (deficit)," which is the balance prior to the accrual of the liability for end-of-service and post-retirement benefits, and a separate section, "Cumulative (deficit) -- End-of-

service and post-retirement benefits,” which reflects the current period and cumulative effect of the accrual of the liability for end-of-service and post-retirement benefits as of each balance sheet date.

Note 3 Write-offs and unrealized exchange differences

There were no write-offs recorded during the reporting period. Losses, arising from currency conversion were netted off against exchange gains and dealt with under the income and expenditure statement.

All assets and liabilities held in non-US dollar at the end of the year are revalued at the end of year United Nations official rate of exchange. The resulting revaluation differences are accounted for through the income and expenditure statement.

Note 4 Refunds to Donors

No refund to donors recorded during the biennium 2012-2013.

Note 5 Cost Reimbursable Accounts

Temporary cost reimbursable accounts shall be established for Income and Expenditures for irregular occurrences. During the biennium 2011-2012, a new fund for cost reimbursable account (ZHC) opened in 2011 in consultation with UNOG/UNHQ to record the income and expenditure account of COP10 and future sessions.

Note 6 Transfer to/from other trust funds

No fund transfer recorded during the biennium 2012-2013.

Note 7 Cash and term deposits

(in USD)

	As at 31 December 2012
Imprest bank account/petty cash – Euro account	6,671
Interest-bearing bank deposits maturing within twelve months – in EUR account	<u>9,957,581</u>
Total	<u>9,964,252</u>

Note 8 Other accounts receivable

(in USD)

	As at 31 December 2012
Education grant advances	55,250
Deferred expenditures	56,596
Travel advances	5,148
Value added tax	26,351
Project clearing (*)	105,039
Others	<u>11,215</u>
Total	<u>259,599</u>

Note 9 Other accounts payable

(in USD)

	As at 31 December 2012
Staff costs – Repatriation grants	45,928
Reserve for Appendix D	196,175
Others – Accounts payables and Advance from Others	<u>75,173</u>
Total	<u>317,276</u>

(*) Actual amount as per IMIS trial balance under project clearing - opening balance (General Ledger 2410) was USD 177,683 and under project clearing – UNDP charges (General Ledger 2411) amounted to USD 72,644. These amounts were netted off and remaining amount of USD 105,039 (USD 177,683 minus USD 72,644) shown in the Financial Statements together with other accounts receivables since direct offsetting for the remittance and project clearing charges through IMIS was not possible.

Details of the net receivables of USD 105,039, reported in the Financial Statements as per table below:

(in USD)

Description	Opening Balance GL 2410	Remittance GL 2411	Project clearing GL 2412	Balance receivables/ (payables)
Trust fund for voluntary financial activities under the UNCCD - Fund UWA	177,683	0	(72,644)	105,039
TOTAL	177,683	0	(72,644)	105,039

Note 10 Operating and Working Capital Reserve

Operating reserves are established at 15 % (UVA and UWA) of the total annual expenditures under the voluntary general trust funds while an operating reserve for programme support account (ZQA) is maintained at 20 % of annual programme support income earned. A working capital reserve is maintained at 8.3 % of the total approved, annual amount of the core budget (UXA). The reserves are to cover unforeseen shortfalls, uneven cash flows, unplanned costs and other contingencies. At 31 December 2012 the operating reserve had a balance of USD 893,603 and the working capital reserve had a balance of USD 954,018 (Statement II) respectively.

Note 11 Programme support

The programme support at 13 % of the actual expenditures of all established UNCCD trust funds is maintained in a separate account (ZQA), subject to specific exceptions made by the Controller. When a project is shared between UNCCD and another United Nations organization, programme support charges are also shared, accordingly, between both organizations with the combined amount not exceeding 13 %.

Note 12 Non-expendable Inventory

Most of the non-expendable property is attractive in nature and therefore valuation of all non-expendable property is limited to items with a value of USD 1,500 and above. During the biennium acquisitions amounted to USD 14,221, bringing the total value of non-expendable items to USD 1,159,827.

Note 13 End-of-service and post-retirement benefits

(a) End-of-service and post-retirement benefits comprise after-service health insurance (ASHI) coverage, repatriation benefits and commutation of unused vacation days. All three liabilities are determined on the basis of an actuarial valuation, which was undertaken by an independent, qualified actuarial firm.

(b) After-service health insurance (ASHI)

- (i) Upon end-of-service, staff members and their dependants may elect to participate in a defined benefit health insurance plan of the United Nations, provided they have met certain eligibility requirements, including ten years of participation in a United Nations health plan for those who were recruited after 1 July 2007, and five years for those who were recruited prior to this date. This benefit is referred to as ASHI.
- (ii) The major assumptions used by the actuary to determine the liabilities for ASHI as at 31 December 2011 were a discount rate of 4.5 per cent; health care escalation of 8.0 per cent in 2012 for all medical plans (except 7.0 per cent for the United States Medicare Plan, and 5.0 per cent for the United States dental plan), grading down to 4.5 per cent in 2027 and later years; and retirement, withdrawal and mortality assumptions consistent with those used by the United Nations Joint Staff Pension Fund (UNJSPF) in making its

own actuarial valuation of pension benefits. The main changes as compared to the 31 December 2009 valuation were: (i) a decline in the assumptions for the discount rate from 6.0 per cent to 4.5 per cent reflecting a broad decline in interest rates of the bench mark which is based on rates for high quality corporate bonds; (ii) an assumption for higher health care escalation for plans outside of the United States; and (iii) a requirement for all eligible retirees of the United Nations to be enrolled in the United States Medicare Plan B, which results in reduced costs to the Organization with respect to charges from medical practitioners..

- (iii) Another factor in the ASHI valuation is to consider contributions by all plan participants in determining the Organization’s residual liability. Thus, contributions from retirees are deducted from the gross liability and a portion of the contributions from active staff is also deducted to arrive at the Organization’s residual liability in accordance with cost sharing ratios authorized by the General Assembly. These ratios require that the organization’s share shall not exceed one-half for non-US health plans, two-thirds for US health plans, and three-quarters for the Medical Insurance Plan. This refinement in determination of plan participant contributions is reflective of the fact that both active and retired staff participates in the same health insurance plans and that their collective contributions serve to meet the approved cost sharing ratios.
- (iv) On the basis outlined in (ii) and (iii) above, the present value of the accrued liability as of 31 December 2012, net of contributions from plan participants for UNCCD, was estimated at USD 8,419,000, as per table below.

After-service health insurance liabilities	Amount (USD)
31 December 2011 – Opening Obligation	7,665,000
2012 Annual Expense	754,000
Net obligation	8,419,000

- (v) Further to the assumptions in (ii) above, it is estimated that the present value of the liability would increase by 21.6 per cent and decrease by 21.6 per cent if medical cost trend is increased and decreased by 1 per cent respectively, all other assumptions held constant. Similarly, it is estimated that the accrued liability would increase by 19 per cent and decrease by 15 per cent if the discount rate is decreased and increased by 1 per cent respectively, all other assumptions held constant.

(c) Repatriation benefits

- (i) Upon end-of-service, staff members who meet certain eligibility requirements are entitled to a repatriation grant which is based upon length of service, and travel and removal expenses. These benefits are collectively referred to as repatriation benefits.

- (ii) As referred in the above paragraphs, a consulting actuary was engaged to carry out an actuarial valuation of repatriation benefits as of 31 December 2012. The major assumption used by the actuary were a discount rate of 4.5 per cent; and annual salary increase ranging from 9.1 per cent to 4.0 per cent based on age and category of staff members.
- (iii) On the basis of these assumptions, the present value of the accrued liability for repatriation benefits as of 31 December 2012 was estimated at USD 1,037,000 that is included in the financial statements.
- (d) Unused annual leave
- (i) Upon end-of-service, staff members who separate from the organization are entitled to be paid for any unused annual leave that they may have accumulated up to a maximum of sixty working days for those holding fixed term or continuing appointments.
- (ii) As referred to note above, a consulting actuary was engaged to carry out an actuarial valuation of unused vacation days as at 31 December 2012. The major assumption used by the actuary were a discount rate of 4.5 per cent; and an annual rate of increase in accumulated annual leave balances 12.5 days in each of the first three years, 3.0 days per year in the fourth to sixth year. And 0.1 days annually thereafter, capping at an accumulation of 60 days. Salary is assumed to increase annually at rates ranging from 9.1 per cent to 4.0 per cent based on age and category of the staff members.
- (iii) On the basis of these assumptions, the present value of the accrued liability for unused vacation days as of 31 December 2012 was estimated at USD 391,000 that is included in the financial statements.
- (e) The total liabilities for end-of-service and post retirement are as follows:

(in USD)

Description	31 December 2012	31 December 2011
After-service health insurance (ASHI)	8,419,000	7,665,000
Repatriation benefits	1,037,000	944,000
Accrued annual leave	391,000	336,000
TOTAL	9,847,000	8,945,000

- (f) The aggregate effect of the accrual of the liability for end-of-service and post-retirement benefits is shown on the balance sheet under reserves and fund balances. The cumulative surplus (deficit) line on the balance sheet reflects the surplus (deficit) before the accrual of the liability for end-of-service and post-retirement benefits.

Note 14 Participation in the United Nations Joint Staff Pension Fund

UNCCD is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined benefit plan. The financial obligation of the organization to the UNJSPF consists of its mandated contribution at the rate established by the United Nations General Assembly together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. At the time of this report the United Nations General Assembly has not invoked this provision.

Note 15 Disclosure of donations/contributions in-kind

- (i) Services of associate experts were provided by the Governments of Germany and Spain. The approximate cost of these services was USD 139,988, as is summarized below:
(in USD)

	As at 31 December 2012
Government of Germany (for 12 months)	94,988
Government of Spain (for 6 months)	<u>45 000</u>
Total	<u>139,988</u>

- (ii) In addition to the above, the secretariat of the UNCCD also receives office premises of 6,078 m² including office space of 2,494 m², conference area of 106 m² and common area of 3,477 m² in Langer Eugen donated by the Government of Germany. The UNCCD offices are located in 13th, 14th and 15th floors respectively.