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EXECUTIVE COMMITTEE OF THE  
HIGH COMMISSIONER'S PROGRAMME

Fifty-third session

VOLUNTARY FUNDS ADMINISTERED BY THE UNITED NATIONS  
HIGH COMMISSIONER FOR REFUGEES

Accounts for the year 2001

(submitted by the High Commissioner)

(pages 1 to 17 only)

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AUDIT OPINION

We have audited the accompanying financial statements, comprising statements I to III, schedules 1 to 5, and the supporting notes to the accounts of the voluntary funds administered by the United Nations High Commissioner for Refugees for the period from 1 January to 31 December 2001. These financial statements are the responsibility of the High Commissioner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the High Commissioner, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position at 31 December 2001 and the results of operations and cash flows for the period then ended in accordance with the United Nations High Commissioner for Refugees' stated accounting policies, set out in note 2 to the financial statements, which were applied on a basis consistent with that of the preceding financial period.

Without qualifying our opinion above, we draw attention to our findings on implementing partner expenditure. Although we noted significant improvements, we were concerned about the effectiveness of internal controls and procedures as well as the adequacy of assurance obtained by UNHCR that funds had been properly used for the purpose intended.

Further, in our opinion, the transactions of the United Nations High Commissioner for Refugees that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and legislative authority.

In accordance with article XII of the Financial Regulations, we have also issued a long-form report on our audit of the financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees.

(Signed) Shauket A. Fakie  
Auditor-General of the Republic of South Africa

(Signed)Guillermo N. Carague  
Chairman, Philippine Commission on Audit

(Signed)François Logerot  
First President of the Court of Accounts of France

27 June 2002

STATEMENT OF THE HIGH COMMISSIONER'S RESPONSIBILITIES  
AND  
APPROVAL OF THE FINANCIAL STATEMENTS

1. The United Nations High Commissioner for Refugees is ultimately responsible for the content and integrity of the financial statements contained in the Accounts of the Voluntary Funds Administered by the United Nations High Commissioner for Refugees which are submitted to the Executive Committee of the High Commissioner's Programme and to the General Assembly of the United Nations.

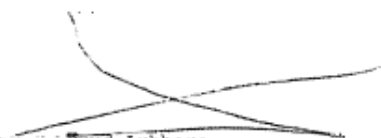
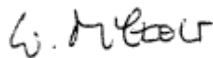
2. To fulfil its responsibility, UNHCR operates within prescribed accounting policies and standards and maintains systems of internal accounting controls and procedures to ensure the reliability of financial information and the safeguarding of assets. The internal control systems and financial records are subject to reviews by the Office of Internal Oversight Services and the United Nations Board of Auditors, during their respective audits.

3. In this context, the following appended financial statements, comprising Statements I to III, Schedules 1 to 5, Annexes I to II, Appendix I and Supporting Notes, were prepared in accordance with UNHCR Financial Rules (A/AC.96/503/Rev.7) and the United Nations Common Accounting Standards. In Management's opinion, the accompanying financial statements present fairly the financial position of the Office as of 31 December 2001, and the results of its operations and its cash flows of individual Programmes, Funds and Accounts for the year then ended.

The Accounts are hereby

Certified :

Approved :



Wolfgang Milzow  
Controller & Director, a.i.  
Division of Resource Management

Ruud Lubbers  
United Nations High  
Commissioner for Refugees

Geneva, Switzerland  
02 May 2002

STATEMENT OF UNHCR'S OBJECTIVES AND ACTIVITIES

1. The basic mandate of UNHCR is found in the Statute of the Office of the United Nations High Commissioner for Refugees (General Assembly resolution 428 (V)). According to the Statute, the United Nations High Commissioner for Refugees, acting under the authority of the General Assembly, shall assume the function of providing international protection, under the auspices of the United Nations, to refugees who fall within the scope of the present Statute and of seeking permanent solutions for the problem of refugees.

2. The General Assembly has also called upon the High Commissioner to provide assistance to returnees, as well as to monitor their safety and well-being on return (General Assembly resolution 40/118). In addition, on the basis of specific requests from the Secretary-General or the competent principal organs of the United Nations, and with the consent of the State concerned, UNHCR provides humanitarian assistance and protection to internally displaced persons (General Assembly resolution 48/116). As regards UNHCR's assistance activities, the basic provisions of the Statute have been expanded by General Assembly resolution 832 (IX).

NOTES FOR THE FINANCIAL STATEMENTS

I. UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (UNHCR)  
AND ITS ACTIVITIES

1. The Office of the United Nations High Commissioner for Refugees (UNHCR) was established by the General Assembly in its resolution 319 A (IV) of 3 December 1949. Its Statute was approved by the Assembly in resolution 428 (V) of 14 December 1950.

2. The overall objectives of UNHCR are to provide international protection to refugees and to seek durable solutions to refugee problems. UNHCR seeks to safeguard the fundamental principles of asylum and *non-refoulement* and to ensure that the basic rights of refugees are respected and that they are treated in a dignified and humane manner. UNHCR has also developed, at the request of the General Assembly and the Governments concerned, substantial material assistance programmes to meet refugee needs. Subsequent resolutions of the General Assembly, the Economic and Social Council and the Executive Committee of UNHCR have called on the Office, in the context of its basic mandate, to assist other groups of persons regarded as falling within the competence of the High Commissioner. In complex humanitarian emergencies, UNHCR also contributes to the provision of humanitarian assistance.

3. The High Commissioner reports annually to the General Assembly through the Economic and Social Council. An Executive Committee of the High Commissioner's Programme was established pursuant to General Assembly resolution 1166 (XII) of 26 November 1957 to advise the High Commissioner in the exercise of his/her functions and to approve the use of voluntary funds made available to the High Commissioner. The annual cycle of meetings of the Executive Committee consists of one annual plenary session and a number of inter-sessional meetings of a Standing Committee of the Whole. In 2001 the Executive Committee consisted of 57 member countries. Each year the report on the session of the Executive Committee is submitted to the General Assembly as an addendum to the Annual Report of the High Commissioner.

4. UNHCR is supported for 220 posts by a UN Regular Budget line, which amounted to \$20,423,100 in 2001. The appropriation in the United Nations General Fund covering these posts is shown in Statement IV of the UN Financial Statements.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Rules for Voluntary Funds

5. The UNHCR Voluntary Funds accounts are maintained in accordance with the Financial Rules for Voluntary Funds administered by the High Commissioner (A/AC.96/503/Rev.7 dated 7 October 1999 approved by the fiftieth session of the Executive Committee). These financial statements and schedules also conform with the common accounting standards for the United Nations system, as noted by the General Assembly in its resolution 48/216C (A/48/530 of 29 October 1993) and as subsequently revised.

6. The financial year for the Voluntary Funds administered by the High Commissioner for Refugees covers 01 January to 31 December.

(b) Fund Accounting

7. UNHCR's accounts are maintained on a "fund accounting" basis. Separate funds for general and special purposes are established in accordance with the Financial Rules for Voluntary Funds, hereafter referred to as the Financial Rules.

8. The Annual Programme covers all ongoing and foreseeable activities for the planning year. The activities under the Annual Programme are funded through restricted or unrestricted contributions to the General Fund, and from distinct trust funds. Supplementary Programmes cover activities that emerge after the Annual Programme is approved in the yearly Executive Committee session. Supplementary Programmes become part of the Annual Programme during the subsequent year, unless otherwise decided by the High Commissioner.

9. Trust Funds under both the Annual Programme and the Supplementary Programmes cover activities for which UNHCR received monies from donors without assuming ownership of the funds. In 2001, UNHCR administered two trust funds: the Ted Turner Fund and the Trust Fund for Human Security.

10. Each fund is maintained as a distinct financial and accounting entity with separate self-balancing double-entry groups of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature.

(c) Use of Estimates

11. Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

12. Estimates are used in the context of expenditure recognition, in particular, but not exclusively, at the end of the financial period to determine the amounts to be retained in respect of unliquidated obligations.

(d) Funds

13. The funds reported in the accounts are as follows:

- Working Capital and Guarantee Fund has an established ceiling of \$50 million approved by the Executive Committee, and is maintained by income from interest on invested funds and savings from prior years' programmes. The Fund is utilized to replenish the Annual Programme Fund and to meet essential payments for projects pending receipt of contributions pledged or anticipated.
- The Annual Programme Fund covers the financial activities that are approved annually by the Executive Committee for the programmed activities for individual country/areas and for certain costs incurred by Headquarters. It also includes the Operational Reserve that is established at an amount equivalent to ten percent of the programmed activities in the Annual Programme Budget.

- The Supplementary Programme Fund accounts for moneys available for activities arising after the approval of the Annual Programme Budget.
- Junior Professional Officers covers financial activities exclusively allocated for the training and development of young professionals sponsored by various governments.
- The Medical Insurance Plan (MIP) was established by the General Assembly at its 41<sup>st</sup> session in accordance with the UN staff regulation 6.2. The objective of the fund is to assist subscribers and eligible family members in meeting expenses incurred for certain health services, facilities and supplies arising out of sickness, accident or maternity. The Plan is maintained by premiums from field staff and related contributions from UNHCR, as well as by interest income. Payments are based on claims processed during the year to cover field staff medical costs.

(e) Translation of Currency

14. The accounts are presented in United States dollars. In the field offices, the accounts may be maintained in the national currency of the country concerned. The field office account transactions are translated into United States dollars using the United Nations operational rates of exchange, as established by the United Nations Controller, in effect at the date of the transaction. At the balance sheet date, all asset and liability balances are adjusted to reflect the value as of 31 December.

15. In line with the practice adopted by the United Nations for 2001, UNHCR used the UN operational rate of exchange effective on 01 January 2002 to revalue its asset and liability balances as at the balance sheet date.

(f) Voluntary Contributions and Pledges

16. Voluntary contributions from Member States and other donors are recorded as income upon receipt or on the basis of a written pledge from the donor. Pledges from governments are fully recognized as income at the time of acceptance of the pledge. In the interest of prudent financial management, up to one-half of the value of firm pledges made by organizations of established repute are recognized as income at the time the pledge is accepted.

17. Contributions in kind are classified either as budgetary or extra-budgetary. Budgetary contributions in kind replace commodities that have been budgeted for and that would have been purchased by UNHCR or one of its implementing partners in the normal execution of the programme. Contributions in kind are recorded in the accounts, at fair market value, when the goods or services are received. Extra-budgetary in-kind contributions are those for which UNHCR has not made a budgetary provision. These are offers of additional materials or services that are considered by UNHCR to be complementary to programmed activities and in line with the mandate of the Organization. Extra-budgetary contributions in kind are not recorded in the accounts but are listed in Appendix 1.

18. Cash received against pledges is recorded at the US dollar equivalent calculated at the United Nations operational rate of exchange prevailing on the date of receipt, as explained in (e) above.

19. Pledges due are written off after 5 years unless the donor has reconfirmed the commitment in writing not more than 18 months before the end of the accounting period.

(g) Interest Income

20. Interest income includes all interest and related investment income earned on invested funds and various bank accounts. Financial Rule 9.3 specifies the conditions for recording of investment income, which provides, *inter alia*, that income from investments shall be credited to the Annual Programme Fund, unless required to maintain the Working Capital and Guarantee Fund.

(h) Currency Exchange Adjustments

21. Currency exchange adjustments include losses and gains on transactions and translation losses and gains from revaluation of year-end asset and liability balances, based on the United Nations operational rate of exchange. Apart from the unrealized gains or losses on contributions receivable, which are charged to the respective funds, exchange differences are charged to the Annual Programme Fund, unless required to maintain the Working Capital and Guarantee Fund.

(i) Miscellaneous Income

22. Miscellaneous income includes income from sale of used or surplus property, refunds of expenditures charged to prior periods, and settlement of insurance claims. The Annual Programme includes net recoveries relating to the transfer of emergency stockpile items to operational projects as miscellaneous income.

(j) Expenditure

23. Project expenditure reflects the amounts obligated according to Article 8 of the Financial Rules for Voluntary Funds administered by the High Commissioner for Refugees. The High Commissioner may incur obligations for the implementation of projects to the extent that monies and governmental pledges are available in the appropriate fund or account. Whenever possible and appropriate, the implementation of projects are entrusted to implementing partners, e.g. governmental, inter-governmental or non-governmental bodies, private firms or individual experts, in accordance with the terms of an agreement or a formal exchange of letters. Projects may also be implemented in accordance with the terms of a Letter of Instruction to the responsible officer or organisational unit of UNHCR.

(k) Ex-Gratia Payments

24. The granting of ex-gratia payments is governed by Financial Rule 10.5. Ex-gratia payments are approved by the Controller up to an amount not exceeding \$ 5,000, when such payments are considered desirable in the interest of the organization. Payments over \$ 5,000 require the personal approval of the High Commissioner. A statement of ex-gratia payments, if any, is submitted to the Board of Auditors with the annual accounts.

(l) Write-offs

25. Write-off due to losses of cash or the book value of accounts receivable, including the conversion of loans into grants, is governed by Financial Rule 10.6. In UNHCR, write-offs are recorded as adjustments to prior-years' expenditures. The writing off of amounts up to \$ 10,000 can be approved by the Controller after a full investigation. Amounts over \$ 10,000 require the approval of the High Commissioner. A statement of all amounts written-off is submitted to the Board of Auditors with the annual accounts.

26. The writing-off of losses of UNHCR property is governed by Financial Rule 10.7, which provides that the Controller may authorize such write-offs after a full investigation of each case.

(m) Accounts Receivable: Due from Implementing Agencies

27. In 2001, UNHCR started providing for an allowance for doubtful accounts receivable equal to the estimated uncollectible amounts from Implementing Partners. "Accounts Receivable: Due from implementing agencies" are presented in the Statement of Assets, Liabilities, Reserves and Fund Balances net of the provision for doubtful accounts receivable in the amount of \$ 1,149,290.70 at 31 December 2001.

III. NON-EXPENDABLE PROPERTY

28. In accordance with United Nations System accounting standards, non-expendable property purchased with UNHCR's Voluntary Funds is not included in the fixed assets on the balance sheet, but is charged as expenditure to the appropriate project in the year of acquisition. The inventories are recorded at the US dollar equivalent calculated at the rate of exchange prevailing on the date of purchase. For valuation purposes, depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The estimated depreciable lives of non-expendable property range from 3 to 10 years, depending on the nature of the asset.

(a) Accounting Change

29. The financial data regarding premiums collected under the Medical Insurance Plan for 2000, in the amount of \$ 1,359,486.04, were communicated to UNHCR only in May 2001. The figure for Other/Miscellaneous Income under the Total 2000 column is therefore restated to include the correct amount of premium collected for that year, i.e. \$ 7,499,026.71. The total figure under Reserves and Fund Balances, End of Period, for 2000, is also restated to \$ 128,416,614.58.

IV. WORKING CAPITAL FUND

30. In accordance with Financial Rules Article 6, paragraph 6.4, UNHCR had to utilize \$ 22 million from the Working Capital Fund at 09 November 2001 to fund obligations pending the receipt of anticipated contributions. As a result of pledges received, before 31 December 2001, UNHCR was able to refund the Working Capital Fund the amount of \$10 million within the financial year. UNHCR received additional pledges that related to restricted contributions for specific purposes. Those could not be used to refund the Working Capital Fund; they contributed to the positive balance of the Annual Budget Fund.

V. EXPENDITURE

(a) Breakdown of Expenditure

31. Following is a table showing the total UNHCR expenditure in 2001, broken down between funds and category, expressed in thousands of United States dollars:

	Programme	Programme Support	Management and Administration	Total
Annual Programme	459,251	181,810	34,766	675,827
Annual Programme-Trust	1,737	54		1,792
Supplementary Programme	88,858	6,032		94,890
Supplementary Programme - Trust	757	129		885
Sub-total	550,603	188,025	34,766	773,394
Junior Professional Officers				7,142
Working Capital Fund				879
Medical Insurance Plan				1,237
<b>Grand Total</b>				<b>782,652</b>

32. The expenditure under Programme covers the direct inputs needed to achieve the objectives of a specific project or programme, including the costs of experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

33. The expenditure under Programme Support covers the costs of organizational units whose primary functions are the development, formulation, delivery and evaluation of UNHCR's programmes, including those that provide backstopping of programmes on a technical, thematic, geographic, logistical or administrative basis.

34. The expenditure under Management and Administration covers the costs of organizational units whose primary function is the maintenance of the identity, direction and well-being of UNHCR, including the units that carry out the function of executive direction, organizational policy and evaluation, external relations, information and administration.

35. The expenditure figures under Programme in the above table include the instalment payments made to Implementing Partners. During the year, Implementing Partners are obliged to report on disbursements made against the UNHCR-provided funds at regular reporting dates. In 2001, \$ 260.2 million was paid out to Implementing Partners as instalments, of which \$ 169.6 million have been reported upon as at 31 December 2001, leaving a balance of \$ 90.6 million for which reports will be provided in 2002 as and when due, in accordance with the terms of the project agreements. Subsequent to the receipt of reports from Implementing Partners during the first four months of 2002, a further amount of \$ 52.6 million was confirmed as disbursed and the balance reduced to \$ 38 million as at 30 April 2002.

(b) Ex-gratia payments

36. In 2001, the High Commissioner approved ex-gratia compensation, for the total amount of \$ 1,344,000, in respect of three UNHCR staff members who died in service. UNHCR effected payments to the families of two of these staff members during 2001, and the disbursements amounted to \$ 838,391. A provision has been made for the remaining payment to the family of the third staff member.

37. A further ex-gratia payment of \$ 865,127 was made in favour of the Refugee Education Trust (RET), a private charity, founded under Swiss law, that is engaged in quality post-primary education for refugee children. The payment was made in agreement with the donor of the earmarked contribution. UNHCR also agreed to provide free office space and secretarial support to the secretariat of the RET for an initial period of two years.

(c) Junior Professional Officers

38. The following table shows the expenditure, by region, under this fund, as well as the fund balance at the end of 2001.

	Disbursements	Unliquidated Obligations	Total in US Dollars
Africa	1,984,473	83,244	2,067,717
Europe	1,841,927	59,528	1,901,455
CASWANAME	717,531	10,140	727,671
The Americas	305,878	2,735	308,613
Asia and the Pacific	702,654	16,095	718,749
Headquarters	1,390,167	27,630	1,417,797
<b>Total</b>	<b>6,942,629</b>	<b>199,372</b>	<b>7,142,001</b>
<b>Reserves and Funds Balances, 01 January 2001</b>			<b>6,847,263</b>
<b>Funds received in 2001</b>			<b>9,140,011</b>
<b>Total Expenditure</b>			<b>(7,142,001)</b>
<b>Funds transferred to the Annual Programme Budget - Unearmarked</b>			<b>(2,978,023)</b>
<b>Reserve and Fund Balances, 31 December 2001</b>			<b>5,867,250</b>

(d) Medical claims

39. In 2001, the Medical Insurance Plan received a total income of \$ 2,510,430.08 from premiums and \$ 393,123.02 in interest earned. Under this Plan, UNHCR paid out to its subscribers, in respect of their claims, an amount of \$ 1,237,192.09 in medical claims.

VI. WRITE-OFFS DURING 2001

40. UNHCR had to write-off the total amount of \$ 67,214.84 in respect of unrecoverable balances due from various entities and theft/losses of cash that occurred in various locations where UNHCR operates.

VII. CASH AND TERM DEPOSITS

41. The figure shown for cash and term deposits represents the net total of all cash balances (including funds held in non-convertible currencies) less any overdrafts.

(a) Breakdown between **current and deposit accounts as at 31 December for the years 1997 to 2001**, in thousands of United States Dollars:

	1997	1998	1999	2000	2001
<b>Cash Deposit on 31 December</b>					
Cash and Current Accounts	14,544	12,956	48,985	50,497	47,994
48 Hours Account	802		50	15,204	29,780
Deposit Accounts	207,104	166,704	139,820	58,000	62,714
	<b>222,450</b>	<b>179,660</b>	<b>188,855</b>	<b>123,701</b>	<b>140,488</b>
<b>Average in hand during year</b>					
In Current Accounts	36,954	31,774	41,334	51,231	63,672
Invested (Call & Time Deposit, Securities)	196,666	122,381	140,664	65,631	77,467
	<b>233,620</b>	<b>154,155</b>	<b>181,998</b>	<b>116,862</b>	<b>141,139</b>
<b>Interest earned</b>					
On Current Accounts	823	904	1,089	1,633	1,485
On Invested Funds	11,013	6,758	6,933	3,962	3,193
	<b>11,836</b>	<b>7,662</b>	<b>8,022</b>	<b>5,595</b>	<b>4,678</b>
<b>Average rate of interest earned</b>					
On Funds in Hand and Bank	5.07%	4.97%	4.41%	4.79%	3.64%
On Invested Funds	5.60%	5.52%	4.93%	6.04%	4.12%

(b) Details of **cash and term deposits as at 31 December 2001**:

Banks	Period	Rate % p.a.	Maturity	Amount	Equivalent in USD	Accrued Interest
BNP- Paribas, Paris	20 days	3.770000	16.01.02	SEK 196,000,000	18,508,026	7,709
BNP- Paribas, Paris	12 days	3.270000	09.01.02	EUR 30,000,000	26,408,451	7,280
Unibank, Copenhagen	14 days	3.400000	11.01.02	DKK 6,000,000	710,059	204
Deutsche Bank, Berlin	14 days	3.332000	11.01.02	EUR 5,000,000	4,401,408	1,236
Lloyds Bank, London	10 days	3.910000	07.01.02	GBP 1,000,000	1,428,572	459
Canadian Imperial Bank of Commerce, Ottawa	14 days	2.030000	11.01.02	CAD 2,000,000	1,257,862	214
Citicorp Banking Corp., Jersey	6 days	1.850000	03.01.02	USD 10,000,000	10,000,000	1,542
				<b>TOTAL</b>	<b>62,714,378</b>	<b>18,644</b>

(c) Details of the dollar equivalent of non-convertible currencies held at 31 December 2001:

Country <sup>1</sup>	Currency	US\$ Equivalent
Afghanistan	Afghanis	2,879.28
Albania	Leks	4,041.94
Azerbaijan	Manat	13,711.36
Burundi	Francs	6,128.98
Cambodia	Riels	2,149.76
Colombia	Pesos	22,363.45
Congo, Democratic Republic of the	Congo francs	12,632.60
Egypt, Arab Republic of	Pounds	6,378.78
Eritrea	Nakfa	12,402.40
Ethiopia	Birr	33,928.38
Iran, Islamic Republic of	Rials	52,151.00
Iraq	Dinars	5,250.56
Mozambique	Meticals	240.86
Myanmar	Kyats	1,340.83
Sudan	Dinars	16,098.64
Syrian Arab Republic	Pounds	3,556.59
Tajikistan	Somoni	1,843.25
Turkmenistan	Manat	3,381.17
Uzbekistan	Som	2,500.55
Viet Nam	Dongs	857.37
Yugoslavia, Federal Republic of	New Dinars	1,240.20
Zambia	Kwachas	15,362.23
	<b>Total</b>	<b>220,440.18</b>

#### VIII. VOLUNTARY CONTRIBUTIONS RECEIVABLE

42. The receivable represents contributions outstanding from all donors, the details of which are reflected in Schedule 1 for current year and Schedule 2 for all prior years. The age of contributions outstanding is shown below:

Current year	\$77,346,691
2000	17,690,597
1999	1,782,092
1998	1,615,388
1997	209,736
Total	<u>\$98,644,504</u>

#### IX. DUE FROM UNITED NATIONS AGENCIES

43. The amounts due from entities within the United Nations system in excess of \$ 10,000 are noted below:

OCHA	\$1,253,994
DPKO	1,025,571
UNTAET	211,365
UNNY	91,188
UNHCHR	72,434
WHO	61,509
OPRSGSL	45,165
UNICEF	40,121
UNOPS	39,685

<sup>1</sup> Countries that have not accepted the obligations of Article VIII, Sections 2, 3 and 4 of the IMF's Articles of Agreement

UNMO	22,806
DHA	16,330
DPA/ UNNY	12,107

X. Other Receivables

44. An amount of \$ 756,730 in respect of loans made to or on behalf of refugees is still refundable to UNHCR at 31 December 2001. These loans were fully expensed in the years in which they were made and only memorandum accounts are maintained in UNHCR's accounts.

	For the year 2001	Cumulative to 31 December 2001	
<b>Total loans made</b>		<b>\$16,362,777</b>	
<b>Adjustments</b>			
Unused funds refunded by Implementing Agencies		(817,068)	
Transferred to the Refugee Committee established with Austrian Ministry of Interior		(4,105,721)	
Exchange differences	\$33,589	5,531,165	
			<b>\$16,971,153</b>
<b>Liquidations</b>			
Repayments	(102,138 )	(14,553,974)	
Write-offs/ conversion into grants		(803,765)	
Agencies collection fees and charges	(12,332)	(656,610)	
			<b>(16,014,349)</b>
<b>Total loans outstanding at 31.12.01</b>			<b>956,804</b>
Of which refundable upon receipt to: Implementing Agencies for collection fees			<b>(200,074)</b>
<b>Total loans refundable to UNHCR at 31.12.01 a)</b>			<b>\$756,730</b>

a) Breakdown by source of funds:

- Major aid programmes	\$756,334
- Other trust funds	396
	<u>\$756,730</u>

XI. NON-EXPENDABLE PROPERTY

45. On 31 December 2000, the acquisition value of non-expendable property recorded in the Asset Trak database was \$ 193,197,732 and the depreciated value was \$ 53,696,028.

46. The working definition of non-expendable property is applied to assets with an original purchase price greater than or equal to \$ 1,500 and a serviceable life greater than or equal to five years and all special items. Special items include vehicles, computer equipment, plants, boats, telecommunications equipment and security equipment.

47. The acquisition value of non-expendable property recorded in the Asset Trak database as at 31 December 2001 was \$ 252,439,414 and the depreciated value was \$ 43,559,269.

XII. ACCOUNTS PAYABLE

48. The accounts payable include, *inter-alia*, the following amounts due to other agencies:

UNDP	\$2,599,183
UNV	793,037
UNNY	393,325
OIOS	144,169
UNCC	108,407
IOM	40,051
UNJSPF	39,673
UNICEF	32,589
WFP	21,652
ILO	1,467

XIII. LIABILITIES FOR END-OF-SERVICE AND  
POST RETIREMENT BENEFITS

49. In accordance with the United Nations common practice, UNHCR has not specifically recognized in any of its financial accounts liabilities for after-service health insurance costs or the liabilities for other types of end-of-service payments that will be owed when staff members leave the organization. Therefore, UNHCR has not created any reserve to fund these liabilities. Such expenses are budgeted for in the corresponding operations budget, and the actual costs incurred in each financial period, when staff members terminate, are reported as current year expenditure.

(a) After-Service Health Insurance

50. The financial dimension of the organization's liability for after-service health insurance has been estimated by a consulting actuary. On the basis of that study, it has been estimated that the UNHCR liability for after-service health insurance as of 31 December 2001 is as follows:

	Present value of future benefits	Accrued liability
Gross liability	\$180,487,000	\$124,233,000
Offset from retiree contributions	48,678,000	32,905,000
Net liability	<u>\$131,809,000</u>	<u>\$91,328,000</u>

51. The present value of future benefits is the discounted value of all benefits to be paid in the future to all current retirees and active staff expected to retire in the future. The accrued liabilities represent that portion of the present value of benefits that has accrued from the staff member's date of entry on duty until the valuation date. Active staff members' benefits are fully accrued when staff members have reached the date of full eligibility for after-service benefits.

52. The liabilities were valued based on a discount rate of 7 per cent. It should be noted that by changing the assumption on the discount rate from 7 per cent to 6 per cent, the accrued liability would increase by some 22 per cent, and the present value of future benefits by more than 26 per cent.

53. The result of this specific actuarial valuation of UNHCR's liabilities is different from the estimates made for 1999 and 2000. In the two previous years, UNHCR's liabilities were assumed to reflect actuarial patterns and assumptions of the overall United Nations estimate as disclosed in the Notes to the United Nations' Financial Statements.

(b) Accrued Annual Leave

54. Terminating staff are entitled to be paid for any unused vacation days they may have accrued up to a maximum limit of 60 days. The organization's total liability for such unpaid accrued vacation compensation is estimated to be between \$19 million and \$21 million.

(c) Termination Benefits

55. In line with the Staff Regulations and the Staff Rules of the United Nations, some staff members are entitled to repatriation grants and related expenditures of relocation upon their termination from the organization based on the number of years of service. The organization's total liability at the end of 2001 for such unpaid repatriation and relocation entitlement is estimated to be in the order of \$116 million. This estimate has been based on the actual number of UNHCR staff by duty station and representative averages for both salaries and years of service.

(d) Pension Plan

56. UNHCR 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 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. The result of the actuarial valuation as of 31 December 1999 was an actuarial surplus of 4.25 per cent of pensionable remuneration. The actuarial sufficiency of UNJSPF will be reassessed as of 31 December 2001. The results of this assessment are not yet known.