

29 July 2011

Report on funds allocated from regular resources to cover overexpenditures for completed projects financed from other resources (up to 31 December 2009)

Summary

The present report summarizes expenditures in excess of commitments for completed projects financed from other resources for which no additional support has been forthcoming. The amount of \$348,054 from regular resources will be used to cover these overexpenditures.

Background

1. Executive Board decision 1988/11 H (E/ICEF/1988/13) established the following policy on expenditures in excess of commitments:

The financial implementation of other resources-funded programmes should remain within the funded amounts. However, during the implementation, because of exchange rate fluctuations or other price increases that are out of UNICEF control, the resource needs may exceed those of the original project budget. In such cases, the donor(s) will be approached for additional support. If the additional support is not forthcoming, the project will be phased out and any overexpenditure will be allocated from general resources. The secretariat will report each case to the Executive Board specifying the amount in United States dollars, the assisted country to which it relates, and the explanation of overexpenditures.

2. A breakdown by country programme of expenditures in excess of commitments, totaling \$348,054 is provided in paragraph 6. The allocation of regular resources for this amount will allow UNICEF to finalize the accounting for other resources for the period to 31 December 2009.
3. Of the total \$0.35 million, \$0.03 million relates to regular other resources and \$0.32 million to other resources for emergencies. A total of \$0.22 million is attributable to contributions that

have been reduced or cancelled or have decreased in value due to exchange rate fluctuations between pledge and payment dates and \$0.13 million is attributable primarily to price increases out of UNICEF control.

4. UNICEF is aware of its financial management imperative to ensure effective, efficient and economic use of the resources contributed by its donors, and has ensured that financial management policy, procedures and systems minimize the risk that expenditures in excess of commitments will be incurred. UNICEF makes every effort to avoid expending in excess of commitments, and approaches donors for additional support when such cases arise as a result of the variable environments in which it operates. UNICEF will actively continue to seek to minimize overexpenditures; nevertheless, as noted by the Executive Board, there are factors that give rise to such overexpenditures that are beyond UNICEF control.
5. This latest report on expenditures in excess of commitments demonstrates progress achieved in recent years by UNICEF in the timely management and closure of contributions to other resources.
6. The table below indicates the regular resource funding needed to cover expenditures in excess of commitments, totaling \$348,054 for six country/area programmes.

<i>Country/area programme</i>	<i>Overexpenditures Total (In United States dollars)</i>
Guinea	1 156
Mauritania	26 050
Occupied Palestinian Territory	14 322
Russian Federation	40 483
Republic of Sudan	203 714
Syrian Arab Republic	62 329
Total	348,054