



Convention on Biological Diversity

Distr.
GENERAL

UNEP/CBD/COP/9/INF/48
19 May 2008

ENGLISH ONLY

CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY

Ninth meeting

Bonn, 19-30 May 2008

Item 5.1 of the provisional agenda*

DRAFT REPORT OF THE BOARD OF AUDITORS ON THE FINANCIAL STATEMENTS OF THE SECRETARIAT OF THE CONVENTION ON BIOLOGICAL DIVERSITY FOR THE BIENNIUM ENDED 31 DECEMBER 2007

Note by the Executive Secretary

1. Pursuant to the decision VIII/31 of the Conference of the Parties requesting the Executive Secretary, according with article 14 of the Financial Rules, to undertake a financial audit of the Secretariat budget, the Executive Secretary is pleased to submit the audit report pertaining to the 2006 and 2007 Secretariat accounts carried out by the United Nations Board of Auditors.
2. The report was received by the Secretariat on Saturday 17 May 2008.
3. An error was noticed in paragraph 21, for which the Secretariat has requested the auditors to make the necessary correction before the final version of the report is signed. The paragraph 21 should, therefore, read: *“In response to the Board’s recommendation, the Administration informed the Board that, since this was the first time that SCBD had been audited, the Executive Director of UNEP indicated that a complete set of financial statements for SCBD in accordance with paragraph 7 of UNSAS would not be possible to produce at this time but express his willingness to consider carefully the way forward for the next biennium”*.
4. The purpose of this audit was to evaluate the efficiency and effectiveness of the financial management systems established by the Secretariat and identify improvements to the budgetary and financial controls. The audit of the Secretariat by the United Nations Board of Auditors will be established as a permanent feature of the procedures under the Convention.

* UNEP/CBD/COP/9/1.

BOARD OF AUDITORS

FAX: 1 (212) 963.3684


16 May 2008

Dear Mr. Djoghlaif,

I am pleased to forward to you a copy of the draft report of the Board of Auditors on the financial statements of the Secretariat of the Convention for Biological Diversity along with the related audited financial statements.

This draft report has been submitted to the Members of the Board for their consideration and approval. As soon as the draft report is approved and signed by the Members of the Board I will forward to you a signed copy.

Sincerely yours,


Swatantra A Goolsarran
Executive Secretary

Mr. Ahmed Djoghlaif
Executive Secretary
United Nations Environment Programme
Secretariat of the Convention on Biological Diversity
413 Saint-Jacques Street, Suite 800
Montréal, Québec, Canada H2Y 1N9

FINAL



United Nations

**Draft report of the Board of
Auditors on the financial
statements of the**

**Secretariat of the Convention on
Biological Diversity**

**for the biennium ended 31 December
2007**

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Report of the Board of Auditors

Summary

The Board of Auditors has audited the financial statements of the Secretariat of the Convention on Biological Diversity (SCBD) for the biennium ended 31 December 2007 in accordance with Decision VIII/31 of the Conference of Parties (COP). The audit was carried out through a review of the financial transactions and operations of SCBD in Montreal, Canada, but did not include a review of the comparative figures pertaining to the previous biennium since this was the first separate audit of the financial statements of SCBD.

The Board issued a qualified opinion on the financial statements for the period under review. The qualifications relate to: (a) the non-submission of the statement of cash flows, and the notes to the financial statements as required by paragraph 7 of the United Nations System Accounting Standards; (b) the non-disclosure of the end-of-service liabilities on the face of the financial statements as required by General Assembly resolutions A/RES/60/255 and A/RES/61/264; and (c) the reporting of the unused balance of \$418,292 relating to the Trust Fund for the Establishment of the Interim Secretariat of the Biological Diversity Convention as a surplus, instead of a liability.

Coordination with internal oversight

The Board reviewed the work of the Office of Internal Oversight Services (OIOS) on the operations of SCBD to assess the extent to which reliance could be placed on OIOS' work and to determine the extent of tests to be carried out.

Follow-up of previous recommendations

This was the first audit by the Board on the financial statements and operations of SCBD as a separate entity. Its financial transactions are also incorporated in the financial statements of the United Nations Environment Programme (UNEP), which also are audited by the Board. The follow-up of the Board's previous recommendations is therefore reflected in the Board's report on UNEP.

Overall financial overview

For the period under review, total income was \$32.36 million while total expenditure was \$31.04 million. Compared with the previous biennium, these represent increases of 16 per cent and 19 per cent, respectively. There was therefore an excess of income over expenditure of \$1.32 million compared to \$0.12 million in the previous biennium.

Assets, liabilities and surplus

Total assets increased by six per cent, from \$15.48 million in the previous biennium to \$16.41 million for the period under review. This was mainly due to the increase in the Euro cash pool and other accounts receivable. Cash accounted for 72 per cent of the total assets. Liabilities, on the other hand, decreased by two per cent, from \$4.68 million in the preceding biennium to \$4.61 million in the biennium under review. The decrease was due mainly to the \$0.82 million or 28 per cent decline in the payments or contributions received in advance.

Voluntary contributions

The voluntary contributions receivable balances in the Executive Secretary's quarterly reports on the administration of the funds under the control of the SCBD differed by \$1.69 million from those shown in the financial statements prepared by United Nations Office in Nairobi (UNON) on behalf of SCBD. This difference highlights the need for the periodic reconciliation of the two records.

Results-based budgeting

Some of the expected accomplishments of the SCBD were not expressed in terms of intended changes and benefits. Performance indicators were also not clearly linked to the expected accomplishments; and linkages between the expected results and the outputs required to

achieve such results were not readily identifiable. These inadequacies in the budget process resulted in SCBD not being fully compliant with the RBB framework, as required by ST/SGB/2000/8.

Write-offs and disposals

The SCBD reported to the Board that property losses of \$459 had been written-off while properties valued \$67,660 were disposed of.

Ex gratia payments and cases of fraud and presumptive fraud

The SCBD did not report any case of ex-gratia payment or fraud and presumptive fraud.

Recommendations

The Board has made seven recommendations based on its audit. The main recommendations are set out in paragraphs 20, 28, 31, and 36 of this report.

A. Introduction

1. Background, mandate, scope & methodology

1. The main objective of the Convention on Biological Diversity (Convention) is the conservation and sustainable use of biological diversity, and the fair and equitable sharing of benefits arising from its utilization. The current participation stands at 190 Parties and SCBD's governance is lodged with the Conference of Parties (COP). The COP also serves as the meeting of the Parties to the Cartagena Protocol on Biosafety (Protocol). The Protocol seeks to protect biological diversity from the potential risks posed by living modified organisms resulting from modern biotechnology. It establishes an advance informed agreement procedure for ensuring that countries are provided with the information necessary to make informed decisions before agreeing to the import of such organisms into their territory. SCBD serves both the Convention and the Protocol.

2. The Board of Auditors has audited the financial statements of the SCBD and has reviewed its operations for the financial period from 1 January 2006 to 31 December 2007 in accordance with General Assembly (GA) resolutions 74(I) of 7 December 1946, 47/211 of 23 December 1992 and 49/233 A of 23 December 1994. The audit was conducted in conformity with Article VII of the Financial Regulations and Rules (UNFRR) of the United Nations, as well as the International

Standards on Auditing. Those standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. The audit, however, did not include a review of the comparative figures in the financial statements since this was the first audit of SCBD as a separate entity.

3. The Board addresses in this report the request of the SCBD for a separate audit certification on the basis of Decision VIII/31 of the Conference of Parties (COP), the governing body of the Secretariat of the Convention on Biological Diversity.

4. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements presented fairly the financial position of the SCBD as at 31 December 2007 and the results of its operations for the financial period then ended, in accordance with the United Nations System Accounting Standards. This included an assessment as to whether the expenditures recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether income and expenditures had been properly classified and recorded in accordance with the United Nations Financial Regulations and Rules (UNFRR). The audit also included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent

that the Board considered necessary to form an opinion on the financial statements.

5. In addition to the audit of the accounts and financial transactions, the Board carried out reviews of the SCBD operations under financial regulation 7.5. This requires the Board to make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the SCBD operations.

6. The Board reported the results of its audits to the Administration in the form of audit observation memoranda containing detailed observations and recommendations. This practice allowed for ongoing dialogue with the Administration.

7. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the Conference of Parties. The Board's observations and conclusions were discussed with the Administration, whose views have been appropriately reflected in the report.

2. Coordination with internal oversight

8. The Board reviewed the coverage of the internal audit conducted by OIOS in order to avoid duplication of efforts and to determine the extent of reliance that could be placed on OIOS' work.

3. Main recommendations

9. The Board's main recommendations are that SCBD:

(a) submit to the Board a complete set of financial statements for audit in accordance with paragraph 7 of the United Nations System Accounting Standards;

(b) reclassify the BVL Trust Fund balance (Trust Fund for the Establishment of the Interim Secretariat of the Biological Diversity Convention) as a liability, unless the donor agrees to the reprogramming of the remaining fund balance;

(c) reconcile its records of contributions with those of the Budget and Financial Management Service (BFMS) of UNON before including them in the Executive Secretary's reports; and

(d) disclose the amount of all end-of-service liabilities on the face of the financial statements in accordance with GA resolutions A/RES/60/255 and A/RES/61/264.

10. The Board's other recommendations appear in paragraphs 24, 39, and 43. These recommendations do not include sanctions or disciplinary steps which the Administration may wish to impose on defaulting officials for failure to ensure compliance with the Financial Regulations and Rules of the United Nations, administrative instructions and other related directives.

B. Detailed findings and recommendations

1. Follow-up of previous recommendations

11. This was the first audit by the Board on the financial statements of SCBD as a separate entity. These statements are also part of UNEP's financial statements that were previously audited (and continue to be audited) by the Board. The follow-up of previous recommendations relating to SCBD would therefore be dealt with during the audit of UNEP for the biennium ended 31 December 2007.

2. Overall financial overview

Income and expenditures

12. For the period under review, total income was \$32.36 million, compared with \$27.94 million for the previous biennium, an increase of 16 per cent. Total expenditures amounted to \$31.04 million, compared with \$27.81 million for the previous biennium, an increase of 19 per cent. This resulted in an excess of income over expenditure of \$1.32 million, compared with \$0.12 million in the preceding biennium. The increase in expenditures of \$3.22 million or 12 per cent was attributable mainly to the \$2.61 million or 17 per cent increase in staff and other personnel costs and the \$0.54 million increase in acquisitions.

Assets, liabilities and surplus

13. Total assets increased by six per cent or \$0.93 million, from \$15.48 million a biennium earlier to \$16.41 million in the biennium under review. The growth was mainly reflected in the increase in the Euro cash pool and other accounts receivable. Cash accounted for 72 per cent of the total assets.

14. Liabilities, consisting mainly of payments or contributions received in advance (45 per cent), unliquidated obligations (27 per cent) and inter-fund balances (26 per cent), decreased by two per cent, from \$4.68 million in the preceding biennium to \$4.61 million in the biennium under review. The decrease was due to the \$0.82 million or 28 per cent decline in payments or contributions received in advance.

Key financial ratios

15. The key financial indicators are shown in Table I and were derived from the combined financial statements of the eight funds administered by the SCBD.

Table I
Ratios of key financial indicators

Ratio	Biennium ended		USD	
	2006-2007	Unaudited 2004-2005	Component of 2006-2007 ratio ^a	
Assessed contributions outstanding/total assets ^b	0.05	0.09	824 /	16,406
Cash/total assets ^c	0.72	0.73	11,854 /	16,406
Cash/total liabilities ^d	2.57	2.40	11,854 /	4,609
Unliquidated obligations/total liabilities ^e	0.27	0.20	1,264 /	4,609

^a - in thousands of United States dollars

^b - a low indicator depicts a healthy financial position

^c - a high indicator depicts a healthy financial position.

^d - a low indicator is a reflection that insufficient cash is available to settle debts.

^e - a low indicator is a positive reflection that obligations are being liquidated.

3. Financial reporting

Financial Statement Presentation

16. Paragraph 7 of the United Nations System Accounting Standards, Revision VIII, provides that a complete set of financial statements subject to audit should in all cases include: (a) a statement of income and expenditure and changes in reserves and fund balances (Statement I); (b) a statement of assets, liabilities, and reserves and fund balances (Statement II); (c) a statement of cash flow, (Statement III); (d) Note 1 to the financial statements comprising a statement of the organization's objectives; (e) Note 2 to the financial statements comprising a statement of significant accounting policies; and (f) for organizations with assessed budgets, a statement or schedule of appropriations.

17. Under the service level agreement on budget and financial service between the United Nations Environment Programme (UNEP) and the United Nations Office in Nairobi (UNON) and the administrative arrangement between UNEP and SCBD, UNON prepared the financial statements of SCBD for the biennium ended 31 December 2007.

18. The financial statements did not, however, include a statement of cash flows and notes to the financial statements. In response to the Board's enquiry, SCBD requested the Budget and Financial Management Service (BFMS) of UNON to prepare a statement of cash flows and separate notes to the financial statements. BFMS, however, contended that the financial statements it provided to SCBD were sufficient and that the notes to the financial statements of UNEP applied to SCBD.

19. The Board is of the view that the notes to the financial statements of UNEP were too general to specifically apply to SCBD. As the SCBD financial statements were to be published, considered and distributed separately, they should be complete, hence the requirement for a statement of cash flows.

20. The Board recommends that SCBD submit in future biennia a complete set of financial statements for audit in accordance with paragraph 7 of the United Nations System Accounting Standards.

21. In response to the Board's recommendation, the Administration informed the Board that, since this was the first time that SCBD had been audited, the Executive Director of UNEP indicated that a complete

set of financial statements for SCBD in accordance with paragraph 7 of UNSAS would not be possible to produce at this time but would be presented during the next biennium audit and before the COP 10 to be held in Nagoya, Japan in October 2010.

Trust Fund for the Establishment of the Interim Secretariat of the Biological Diversity Convention (BVL)

22. The Trust Fund for the Establishment of the Interim Secretariat of the Biological Diversity Convention (BVL) was created to facilitate the establishment of the SCBD. Its closure was approved by the UNEP Governing Council in its 8th meeting in February 1997 when its purpose was successfully served with the establishment of SCBD.

23. Despite the approval of its closure, the BVL Trust Fund still existed as at 31 December 2007. Although still being maintained, the said trust fund was not included by the Executive Secretary in his financial and programme administration reports to the Convention and the Protocol. This exclusion did not conform with the disclosure requirements which are useful to the Convention and the donors in assessing the financial condition of the SCBD.

24. The Board recommends that the Executive Secretary include the Trust Fund for the Establishment of the Interim Secretariat of the Biological Diversity Convention (BVL) in his financial and programme administration reports to the Convention.

25. Paragraphs 44-46 of ST/SGB/188 states that a trust fund may be closed only by the authority which established it or as required in its terms of reference. In respect of a trust fund which by its terms of reference or by the terms of a special agreement provides for the disposition of any remaining balance, the Assistant Secretary-General for Financial Services will ensure that such provisions are carried out at the time the fund is closed. Any balance remaining at the time a trust fund is closed will be disposed of in a manner consistent with the purposes of the trust fund and with the Financial Regulations and Rules of the United Nations.

26. The terms of reference for the establishment of the BVL Trust Fund provided that, in the event that it is terminated, the surplus over the amount spent in the activities financed by it and the settlement of its outstanding obligations, as well as the interest income earned by it through the UN investing activities, shall be returned to the donor. Although the closure of said trust fund had already been approved, its reserve and fund balance of \$418,292 had yet to be returned to the donor.

27. The Board also noted that the same fund balance was reported in the financial statements as a surplus, instead of a liability to the donor. As a result, both the liability and surplus accounts were materially misstated. In a letter dated 23 February 2007, the Administration had requested the donor to authorize the use of the remaining balance of the fund to finance other programme activities of the Convention.

28. **The Board recommends that the SCBD reclassify the BVL Trust Fund balance as a liability, unless the donor agrees to the reprogramming of the remaining fund balance.**

Reporting on voluntary contributions

29. The Board noted that the amounts of voluntary contributions reflected in the Executive Secretary's quarterly reports on the administration of the Convention on Biological Diversity differed from those presented in the financial statements prepared by the BFMS of UNON, as indicated in Table II.

Table II
Comparative contribution balances (in thousand USD):

Accounts	Quarterly report	Financial statements
Contributions receivable as at 31 December 2007		
Fund: BEL	779	-1
BZL	682	0
VBL	54	0
BHL	81	0
BIL	96	0
Contributions received in advance as at 31 December 2007		
Fund: BYL	1,570	1,656
Income for the biennium 2006/07		
Fund: BEL	4,030	4,903
BZL	2,217	1,925

30. Both reports were posted by SCBD in its website and were readily accessible to stakeholders. However, the financial statements have been prepared in accordance with the records of UNON. This difference highlights the need for a periodic reconciliation of the two records.

31. **The Board recommends that SCBD reconcile its records of contributions with those of the Budget and Financial Management Service of UNON before including them in the Executive Secretary's reports.**

32. SCBD acknowledged the importance and the need to regularly reconcile the contribution records and stated that the figures referred to by the Board were interim figures that were prepared and issued in January 2008, well before the closing of accounts in March 2008. SCBD decided that, for transparency and clarity, all future reports that are made available in advance to the Parties would reflect the interim status of such information, with an indication that the final figures would be presented after the closure of the accounts.

End-of-service liabilities

33. Paragraphs 5(iii), 14 and 15 of the United Nations System Accounting Standards, Revision VIII, provide that financial statements should disclose all items which are material enough to affect evaluations or decisions. All material information which is necessary to make the statements clear and understandable should include clear and concise disclosure of all significant accounting policies which have been used. The disclosure of the significant accounting policies used is an integral part of the financial statements.

34. In relation to the financial reporting of end-of-service liabilities (ESL), in accordance with GA resolutions A/RES/60/255 and

A/RES/61/264, SCBD was required to present ESL on the face of the financial statements.

35. However, SCBD did not comply with these resolutions. Instead, it submitted after the closure of the audit a separate report showing the amount of \$1.62 million representing accrued leave and repatriation benefits. No amount was reported in respect of ASHI. As a result, liabilities were understated by an undetermined amount.

36. **The Board recommends that SCBD disclose all its end-of-service liabilities on the face of the financial statements in accordance with A/RES/60/255 and A/RES/61/264.**

4. Results-based budgeting (RBB)

37. The Board noted that some of the expected accomplishments of SCBD were not expressed in terms of intended changes and benefits, performance indicators were not clearly linked to the expected accomplishments, and linkages between the expected results and outputs required to achieve such results were not readily discernible.

38. In particular, some of the expected results in the proposed budget of the SCBD for 2007-2008 were statements or descriptions of activities to be undertaken rather than the change or process of change or benefit that the Administration wanted to achieve. If RBB is not working as desired, the Administration may miss out on the benefits it is expected to provide. These inadequacies in the existing budget would result in SCBD not

being in full compliance with the RBB framework as required by ST/SGB/2000/8.

39. SCBD agreed with the Board's recommendation that it seek to implement fully the RBB framework.

40. SCBD informed the Board that it had prepared a draft decision that would be submitted to the Parties at the Conference of Parties 9, requesting the Executive Secretary to explore the feasibility of applying results-based management (which would result in implementing the result-based budget) for the Secretariat's programme of work for 2009-2010.

5. Procurement management

41. Paragraphs 8.1.2 and 8.1.3 of the UN Procurement Manual, Revision 04, emphasize that procurement planning is essential for an effective, transparent, open, efficient and timely procurement process.

42. The Board noted, however, that SCBD did not have a procurement plan. The absence of such a plan poses the following risks:

- (a) Hasty procurement actions which may result in insufficiently prepared requirements, limited competition or circumvention of controls;
- (b) Failure to avail of the benefits of bulk procurement and to negotiate with suppliers for the most advantageous terms; and
- (c) Last minute requisitions which may hamper the delivery of services by the Secretariat; and

(d) Inadequate or excessive purchases.

43. SCBD agreed with the Board's recommendation to prepare a procurement plan and periodically evaluate its implementation.

44. In response to the Board's recommendation, the Administration issued an inter-office memorandum dated 01 April 2008 requiring the heads of the Divisions to assess their needs for goods and services to facilitate the preparation of a procurement plan.

6. Internal audit function

45. The Office of the Internal Oversight Services (OIOS) performed audits of the SCBD in 2002 and 2006. These audits covered areas such as governance, host country agreement, organisational structure and functions, rental agreement, conference services, human resources management, financial management, and security and safety. The 2006 audit followed up the implementation of the recommendations made in the 2002 audit.

46. As at the time of the Board's review, 15 of the 28 recommendations issued by OIOS were closed while the remaining 13 were still open. In 2007, SCBD hired a consultant to conduct a management review that would study the gaps identified by the OIOS audit.

7. Internal audit findings

47. The results of OIOS audit of SCBD in 2006 indicated a number of areas that the Administration needed to address. The key findings were:

(a) SCBD should approach the Canadian Government and the State of Quebec to see if they would be willing to house SCBD rent-free to enable it to use the current annual rental of approximately US\$775,000 for programmes that would fast-track the delivery of its mandate; and

(b) A specialist function dealing with organising meetings had been established but a review of whether this function should be outsourced or supplemented by external assistance needed to be undertaken to establish the cost-effectiveness of having a conference services section in-house.

8. Write-offs and disposals

48. SCBD informed the Board that in accordance with financial rule 104.16, property costing \$459 had been written-off in biennium 2006-2007 while dispositions in the same period totalled \$67,660.

9. Ex gratia payments

49. As required by regulation 5.11 and rule 105.12, SCBD reported no ex-gratia payments for the period under review.

10. Cases of fraud and presumptive fraud

50. SCBD informed the Board that no case of fraud or presumptive fraud had come to its notice during the biennium under review.

C. Acknowledgement

51. The Board wishes to express its appreciation to the Executive Secretary and his staff for the cooperation and assistance extended to the auditors.

Philippe Séguin

First President of the Court of Accounts of France
(Chairman, United Nations Board of Auditors)

Reynaldo A. Villar

Acting Chairman, Philippine Commission on Audit
(Lead Auditor)

Terence Nombembe

Auditor-General of the Republic of South Africa

16 May 2008

Report of the United Nations Board of Auditors to the Conference of Parties on the financial statements of the Secretariat of the Convention on Biological Diversity for the biennium ended 31 December 2007

We have audited the accompanying statement of income and expenditures and changes in reserves and fund balances, the statement of assets, liabilities, and reserves and fund balances and the supporting status of contributions of the Secretariat of the Convention on Biological Diversity (SCBD) for the biennium ended 31 December 2007. These financial statements are the responsibility of the Executive Secretary of SCBD. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the Executive Secretary, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

Paragraph 7 of the United Nations System Accounting Standards requires that the financial statements submitted for audit should in all cases include, among others, notes to the financial statements and a statement of cash flows. However, SCBD's financial statements for the biennium ended 31 December 2007 did not include these two requirements. As a result, the financial statements were incomplete.

General Assembly resolutions A/RES/60/255 and A/RES/61/264 require accounting provision and disclosure of end-of-service liabilities on the face of the financial statements. However, this was not done. The Secretariat submitted a separate statement after the audit had closed showing an amount of \$1,620,014 representing accrued leave credits and repatriation benefits as at 31 December 2007. This amount was not audited. No submission was made in respect of After-Service Health Insurance (ASHI). Since all end-of-service liabilities were not been reflected on the face of financial statements of SCBD, liabilities have been understated by an undetermined but material amount.

The amount of \$418,292 shown as reserves relates to the unspent balance on the Trust Fund for the Establishment of the Interim Secretariat of the Biological Diversity Convention. The Conference of Parties had approved the closure of this Fund and therefore, this amount should have been reflected as a liability to the donor. As a result, both the total reserves and fund balances and

liabilities of \$11,796,639 and \$4,609,518, respectively, were misstated by \$418,292.

Except for the effects of any adjustment that may arise as a result of the matters referred to in the preceding paragraphs, the financial statements present fairly, in all material respects, the financial position of Secretariat of the Convention on Biological Diversity as at 31 December 2007 and the results of its operations for the period then ended, in accordance with the United Nations System Accounting Standards.

Furthermore, in our opinion, the transactions of the Secretariat which have come to our notice, or which we have tested as part of our audit, have in all significant respects been in accordance with the Financial Regulations and Rules of the United Nations and legislative authorities.

Without further qualifying our opinions referred to above, we draw attention to the fact that this was the first set of financial statements of SCBD as a separate entity. Inasmuch as the financial statements reflected comparative figures relating to the previous biennium's income, expenditures, assets, liabilities, reserves and fund balances, the Board's audit coverage did not include the verification of these comparative figures.

In accordance with Article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of SCBD.

Philippe Séguin
First President of the Court of Accounts of France
Chairman of the United Nations Board of Auditors

Reynaldo A. Villar
Acting Chairman, Commission on Audit (Philippines)
(Lead Auditor)

Terence Nombembe
Auditor-General of the Republic of South Africa

16 May 2008

Ref.: SCBD/OES/AD/AR/63129

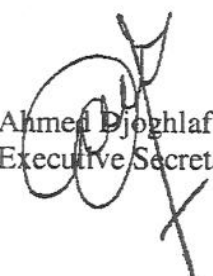
8 April 2008

Subject: UNEP-SCBD 2006-2007 Financial Accounts

Dear Mr. Goolsarran,

I have the honour to transmit the financial report and accounts of the United Nations Environment Programme - Secretariat of the Convention on Biological Diversity, for the biennium ended 31 December 2007.

Yours sincerely,



Ahmed Djoghla
Executive Secretary

Mr. Swatantra Armand Goolsarran
Executive Secretary
UN Board of Auditors
Room DC1-2680G
New York, NY 10017
Fax: 1 212 963 3684

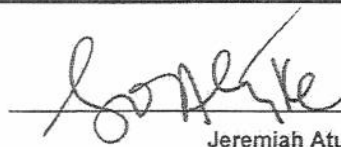
**General Trust Fund for Additional Voluntary Contributions in Support of Approved
Activities under the Convention on Biological Diversity**

**I. Combined statement of income and expenditure and changes in reserves and fund balances for the
second year of the biennium 2006-2007 ended 31 December 2007**

<u>Income</u>	USD
Voluntary contributions	4,903,442
Interest income	282,848
Miscellaneous income	181,838
Total Income	5,368,128
<u>Expenditure</u>	
Staff and other personnel costs	590,424
Contractual services	429,492
Travel	474,098
Operating expenses	1,192,283
Acquisitions	8,687
Programme support costs	350,348
Total Expenditure	3,045,332
Excess/(shortfall) of income over expenditure	2,322,796
Refund to donor	(45,861)
Prior period adjustment	(209,018)
Reserves and fund balance, beginning of period	1,756,088
Reserves and fund balance, end of period	3,824,005

II. Combined statement of assets, liabilities, reserves and fund balance as at 31 December 2007

<u>Assets</u>	
Cash and term deposits	-
Cash pool - Euro	2,488,187
Cash pool - US dollar	541,603
<u>Accounts receivable</u>	
Inter-fund balances	1,061,326
Voluntary contribution	(671)
Other accounts receivable	14,772
Other assets	1,305
Total assets	4,106,522
<u>Liabilities</u>	
Unliquidated obligations	281,093
Other accounts payable	1,424
Total liabilities	282,517
<u>Reserves and fund balance</u>	
Cumulative surplus	3,824,005
Total reserves and fund balance	3,824,005
Total liabilities, reserve and fund balance	4,106,522



 Jeremiah Atuke

Chief

ACCOUNTS SECTION

Countries/ Organisations	UNEP General Trust Funds					
	Combined Status of Contributions as at 31 December 20007					
	Unpaid pledges as at 1 January 2006	Adjustments to prior years' pledges and receipts	Pledges for 2006-2007	Revaluations	Net pledges	Collections for future years
	General Trust Fund for Additional Voluntary Contributions		In Support of Approved Activities under the Convention on Biological Diversity			Collections in 2007 for 2007 and prior years
Austria	-	-	29,155	431	29,586	30,257
Belgium	-	-	38,491	-	38,491	-
Brazil	-	-	219,589	-	-	219,589
Canada	-	-	155,136	-	155,136	-
Center for International	-	-	2,000	-	2,000	-
Denmark	-	-	9,975	-	9,975	-
European Union	-	(56,059)	247,163	-	247,163	191,104
Finland	-	-	44,631	-	44,631	-
France	-	-	144,892	2,493	147,385	147,601
Germany	-	(21,910)	231,325	-	231,325	209,415
Global Industry Coalition	-	-	-	-	-	-
International Council on Mining and Metals	-	-	-	-	-	-
Ireland	-	-	72,886	-	72,886	-
Italy	-	-	3,000	-	3,000	-
IBRD/World Bank IFC H	-	-	10,000	-	10,000	-
IUCN - USA	-	-	-	-	-	-
Japan	-	-	5,000	-	5,000	-
Malaysia	-	-	-	-	-	-
Namibia	-	-	-	-	-	-
Netherlands	-	(24,504)	504,360	-	504,360	479,856
Norway	-	-	501,442	-	501,442	-
Portugal	-	-	74,664	-	74,664	-
Spain	-	-	2,282,778	1,295	2,284,073	2,297,550
Sweden	-	-	144,217	-	144,217	-
Thailand	-	-	-	-	-	-
The Nature	-	-	-	-	-	-
Conservancy	-	-	10,000	-	10,000	-
Switzerland	-	-	65,653	-	65,653	-
United Kingdom	-	-	107,085	-	107,085	-
United States of America	-	-	-	-	-	-
SHELL & BP	-	-	-	-	-	-
BEL Total	-	(102,473)	4,903,442	3,788	4,907,661	4,819,552
						(14,364)

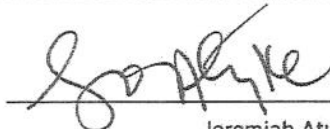
General Trust Fund for the Core Programme Budget for the Biosafety Protocol

I. Combined statement of income and expenditure and changes in reserves and fund balances for the second year of the biennium 2006-2007 ended 31 December 2007

<u>Income</u>	USD
Voluntary contributions	4,344,810
Interest income	248,964
Miscellaneous income	-
Total Income	4,593,774
<u>Expenditure</u>	
Staff and other personnel costs	2,181,363
Contractual services	43,098
Travel	41,499
Operating expenses	240,694
Acquisitions	143,187
Programme support costs	344,443
Total Expenditure	2,994,284
Excess/(shortfall) of income over expenditure	1,599,490
Transfer to reserves	(234,100)
Prior period adjustment	-
Reserves and fund balance, beginning of period	859,826
Reserves and fund balance, end of period	2,225,216

II. Combined statement of assets, liabilities, reserves and fund balance as at 31 December 2007

<u>Assets</u>	
Cash and term deposits	
Cash pool - US dollar	3,518,156
Accounts receivable	
Voluntary contribution	159,335
Other accounts receivable	8,113
Other assets	9,066
Total assets	3,694,670
<u>Liabilities</u>	
Payment or contributions received in advance	433,092
Unliquidated obligations	103,939
Inter-fund balances	687,085
Other accounts payable	11,238
Total liabilities	1,235,354
<u>Reserves and fund balance</u>	
Operating reserve	234,100
Cumulative surplus	2,225,216
Total reserves and fund balance	2,459,316
Total liabilities, reserve and fund balance	3,694,670



 Jeremiah Atuke

Chief

ACCOUNTS SECTION

Countries/ Organisations	Unpaid pledges as at 1 January 2006	UNEP General Trust Funds					Collections for 2007 and prior years	Unpaid pledges for 2007 and prior years	
		BGL	Adjustments to prior years' pledges and receipts	Pledges for 2008-2007	Revaluations	Net pledges			
									Combined Status of Contributions as at 31 December 20007
Albania	110	-	321	-	-	321	-	255	176
Algeria	-	-	4,894	-	-	4,894	1,991	4,894	-
Antigua and Barbuda	-	-	193	-	-	193	-	88	105
Armenia	-	-	129	-	-	129	-	59	70
Austria	-	-	55,308	-	-	55,308	22,498	55,308	-
Azerbaijan	86	-	321	-	-	321	-	-	407
Bahamas	-	-	837	-	-	837	-	382	455
Bangladesh	200	-	391	-	-	391	-	-	591
Barbados	-	-	644	-	-	644	262	644	-
Belarus	-	-	1,159	-	-	1,159	-	1,159	-
Belgium	36,731	-	68,829	-	-	68,829	-	79,586	25,974
Belize	34	-	64	-	-	64	-	63	35
Benin	39	-	129	-	-	129	-	168	-
Bhutan	34	-	64	-	-	64	26	98	-
Bolivia	-	-	580	-	-	580	-	265	315
Botswana	-	-	773	-	-	773	314	773	-
Brazil	-	-	98,062	-	-	98,062	-	98,062	-
Bulgaria	-	-	1,094	-	-	1,094	-	1,094	-
Burkina Faso	69	-	129	-	-	129	-	128	70
Cambodia	-	-	129	-	-	129	52	129	-
Cameroon	275	-	515	-	-	515	-	-	790
Canada	-	-	333,300	-	-	333,300	-	333,300	-
Cape Verde	-	-	61	-	-	61	-	-	61
Chad	-	-	33	-	-	33	-	33	-
China	21,235	-	129,585	-	-	129,585	-	150,820	-
Colombia	-	-	9,980	-	-	9,980	129	9,980	-
Congo	-	-	57	-	-	57	-	-	57
Congo, Dem. Rep.	54	-	193	-	-	193	-	-	247
Costa Rica	-	-	702	-	-	702	-	-	702
Croatia	1,271	-	2,383	-	-	2,383	-	3,654	-
Cuba	1,477	-	2,769	-	-	2,769	-	-	4,246
Cyprus	-	-	2,511	-	-	2,511	-	2,511	-
Czech Republic	-	-	11,783	-	-	11,783	4,793	11,783	-
Denmark	-	-	46,230	-	-	46,230	-	21,123	25,107
Djibouti	34	-	64	-	-	64	-	-	98
Dominican Republic	-	-	1,936	-	-	1,936	-	1,921	15
Dominica	34	-	64	-	-	64	-	-	98
D.P.R. of Korea	-	-	644	-	-	644	-	-	644
Democratic People's Republic of Korea	344	-	-	-	-	-	-	-	344
Ecuador	-	-	1,223	-	-	1,223	-	1,223	-
Egypt	-	-	773	-	-	773	-	-	773
El Salvador	756	-	1,416	-	-	1,416	-	2,172	-
Eritrea	19	-	64	-	-	64	-	-	83

Countries/ Organisations BGL	UNEP General Trust Funds					Collections for future years	Collections in 2007 for 2007 and prior years	Unpaid pledges for 2007 and prior years
	Combined Status of Contributions as at 31 December 20007		Revaluations	Net pledges under the Convention on Biological Diversity	Collections for future years			
	Unpaid pledges as at 1 January 2006 General Trust Fund for Additional Voluntary Contributions	Adjustments to prior years' pledges and receipts						
Estonia	-	-	773	-	773	314	773	-
Ethiopia	-	-	258	-	258	105	258	-
European Union	-	-	97,720	-	97,720	-	97,720	-
Fiji	137	-	258	-	258	-	255	140
Finland	-	-	34,318	-	34,318	13,960	34,318	-
France	-	-	388,253	-	388,253	-	388,253	-
Gambia	34	-	64	-	64	-	-	98
Gabon	-	-	135	-	135	-	-	135
Germany	-	-	557,719	-	557,719	226,866	557,719	-
Ghana	137	-	258	-	258	-	-	395
Greece	18,211	-	34,125	-	34,125	-	52,336	-
Grenada	34	-	64	-	64	-	-	98
Guatemala	-	-	1,923	-	1,923	788	1,923	-
Hungary	-	-	8,113	-	8,113	-	8,112	1
India	14,466	-	27,107	-	27,107	11,006	41,573	-
Indonesia	4,005	-	9,101	-	9,101	-	13,106	-
Iran	5,395	-	10,109	-	10,109	-	-	15,504
Ireland	-	-	22,536	-	22,536	9,167	22,536	-
Italy	-	-	314,530	-	314,530	-	314,530	-
Japan	-	-	859,935	-	859,935	-	859,935	-
Jordan	378	-	709	-	709	-	709	378
Kenya	309	-	580	-	580	-	574	315
Kiribati	34	-	64	-	64	-	98	-
Kyrgyzstan	-	-	63	-	63	28	63	-
Lao, People's Dem. Rep.	-	-	391	-	391	-	391	-
Latvia	-	-	966	-	966	393	966	-
Lesotho	34	-	64	-	64	63	98	-
Liberia	34	-	64	-	64	-	-	98
Libyan Arab Jamahiriya	1,332	-	8,244	-	8,244	-	-	9,576
Lithuania	-	-	1,545	-	1,545	629	1,545	-
Luxembourg	2,646	-	4,958	-	4,958	-	7,604	-
TFYR of Macedonia	62	-	386	-	386	163	448	-
Madagascar	-	-	193	-	193	81	193	-
Malaysia	-	-	13,070	-	13,070	5,317	13,070	-
Maldives	34	-	64	-	64	28	98	-
Mali	69	-	129	-	129	-	190	8
Malta	-	-	371	-	371	-	-	371
Marshall Islands	34	-	64	-	64	-	98	98
Mauritania	7	-	62	-	62	-	-	69
Mauritius	-	-	709	-	709	-	688	21
Mexico	20	-	121,240	-	121,240	49,318	121,260	-
Republic of Moldova	34	-	64	-	64	-	63	35
Mongolia	-	-	64	-	64	-	29	35
Mozambique	34	-	64	-	64	-	98	-

Countries/ Organisations BGL	Unpaid pledges as at 1 January 2006 General Trust Fund for Additional Voluntary Contributions in Support of Approved Activities under the Convention on Biological Diversity	UNEP General Trust Funds Combined Status of Contributions as at 31 December 20007					Net pledges under the Convention on Biological Diversity	Collections for future years	Collections in 2007 for 2007 and prior years	Unpaid pledges for 2007 and prior years
		Adjustments to prior years' pledges and receipts	Pledges for 2006- 2007	Revaluations						
Namibia	131	-	386	-	-	386	-	350	167	
Nauru	34	-	64	-	-	64	-	-	98	
Netherlands	-	-	108,814	-	-	108,814	44,263	108,814	-	
New Zealand	-	-	14,176	-	-	14,176	-	6,375	7,801	
Nicaragua	-	-	64	-	-	64	26	64	-	
Niger	34	-	29	-	-	29	-	-	63	
Nigeria	-	-	2,705	-	-	2,705	-	2,705	-	
The Government of Niue Island	34	-	64	-	-	64	-	35	63	
Norway	30	-	43,719	-	-	43,719	-	23,743	20,006	
Oman	-	-	4,507	-	-	4,507	1,833	4,507	-	
Palau, Republic of	34	-	64	-	-	64	-	-	98	
Panama	653	-	1,223	-	-	1,223	-	-	1,876	
Papua New Guinea	-	-	187	-	-	187	-	-	187	
Paraguay	412	-	773	-	-	773	-	-	1,185	
Peru	3,161	-	5,924	-	-	5,924	-	-	9,085	
Philippines	-	-	3,377	-	-	3,377	-	-	3,377	
Portugal	-	-	30,116	-	-	30,116	-	30,116	22	
Poland	-	-	29,682	-	-	29,682	-	29,660	1,270	
Qatar	-	-	1,270	-	-	1,270	-	-	-	
Romania	-	-	3,863	-	-	3,863	1,571	3,863	-	
Rwanda	34	-	64	-	-	64	26	98	-	
Saint Kitts and Nevis	34	-	64	-	-	64	28	98	-	
Saint Lucia	-	-	129	-	-	129	71	129	-	
Saudi Arabia	-	-	3,778	-	-	3,778	-	-	3,778	
Senegal	18	-	322	-	-	322	-	-	340	
Serbia and Montenegro	-	-	1,019	-	-	1,019	526	1,019	-	
Seychelles	-	-	129	-	-	129	52	129	-	
Slovakia	-	-	3,283	-	-	3,283	1,336	3,283	-	
Slovenia	-	-	5,279	-	-	5,279	2,148	5,279	-	
Solomon Islands	34	-	64	-	-	64	-	-	98	
South Africa	10,033	-	18,801	-	-	18,801	-	28,834	-	
Spain	-	-	162,255	-	-	162,255	-	162,255	-	
Sri Lanka	-	-	1,094	-	-	1,094	445	1,094	-	
St. Vincent and the Grena	34	-	64	-	-	64	-	-	98	
Sudan	61	-	391	-	-	391	-	-	452	
Swaziland	-	-	112	-	-	112	55	112	-	
Sweden	-	-	64,258	-	-	64,258	-	63,692	566	
Switzerland	-	-	77,071	-	-	77,071	31,326	77,071	-	
Syrian Arab Republic	-	-	2,447	-	-	2,447	-	2,447	-	
Tajikistan	34	-	64	-	-	64	-	-	98	
Tanzania, United Rep. of	206	-	387	-	-	387	-	568	25	
Thailand	-	-	12,610	-	-	12,610	-	12,610	-	
Togo	34	-	64	-	-	64	-	-	98	
Tonga	34	-	64	-	-	64	-	98	-	

Countries/ Organisations	Unpaid pledges as at 1 January 2006	UNEP General Trust Funds					Collections for 2007 and prior years	Unpaid pledges for 2007 and prior years
		Adjustments to prior years' pledges and receipts	Pledges for 2006-2007	Revaluations	Combined Status of Contributions as at 31 December 2007			
					Net pledges	Collections for future years		
BGL								
Trinidad and Tobago	-	-	1,416	-	1,416	576	1,416	-
Tunisia	-	-	2,060	-	2,060	-	2,060	-
Turkey	12,782	-	23,952	-	23,952	-	36,734	-
Uganda	200	-	381	-	381	86	581	-
Ukraine	1,340	-	2,511	-	2,511	-	2,487	1,364
United Kingdom	-	-	394,498	-	394,498	-	394,498	-
Venezuela	5,876	-	11,010	-	11,010	-	-	16,886
Viet Nam	-	-	1,352	-	1,352	-	618	734
Western Samoa	-	-	64	-	64	-	64	-
Republic of Montenegro	-	-	52	-	52	-	-	52
Republic of Yemen	-	-	353	-	353	-	-	353
Zambia	-	-	129	-	129	435	129	-
Zimbabwe	-	-	449	-	449	-	192	257
BGL Total	146,569	-	4,344,810	-	-	433,092	4,331,034	169,336

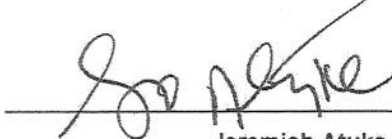
**Special Voluntary Trust Fund for the Additional Voluntary Contributions in Support
of Approved Activities**

**I. Combined statement of income and expenditure and changes in reserves and fund balances for the
second year of the biennium 2006-2007 ended 31 December 2007**

<u>Income</u>	USD
Voluntary contributions	580,797
Interest income	22,596
Miscellaneous income	-
Total Income	603,393
<u>Expenditure</u>	
Staff and other personnel costs	88,733
Contractual services	-
Travel	150,590
Operating expenses	134,546
Acquisitions	16,780
Programme support costs	50,784
Total Expenditure	441,433
Excess/(shortfall) of income over expenditure	161,960
Prior period adjustment	
Reserves and fund balance, beginning of period	138,830
Reserves and fund balance, end of period	300,790

II. Combined statement of assets, liabilities, reserves and fund balance as at 31 December 2007

<u>Assets</u>	
Cash and term deposits	
Cash pool - US dollar	472,212
<u>Accounts receivable</u>	
Other accounts receivable	-
Other assets	87
Total assets	472,299
<u>Liabilities</u>	
Unliquidated obligations	78,500
Inter-fund balances	91,482
Other accounts payable	1,527
Total liabilities	171,509
<u>Reserves and fund balance</u>	
Cumulative surplus	300,790
Total reserves and fund balance	300,790
Total liabilities, reserve and fund balance	472,299


Jeremiah Atuke

Chief

ACCOUNTS SECTION

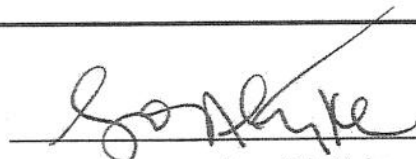
Special Voluntary Trust Fund for Facilitating Participation of Developing Country Parties and Small Island Developing States and Economies in Transition

I. Combined statement of income and expenditure and changes in reserves and fund balances for the second year of the biennium 2006-2007 ended 31 December 2007

Income	USD
Voluntary contributions	840,809
Interest income	27,187
Miscellaneous income	-
Total Income	867,996
Expenditure	
Staff and other personnel costs	
Contractual services	
Travel	
Operating expenses	787,757
Acquisitions	
Programme support costs	102,243
Total Expenditure	890,000
Excess/(shortfall) of income over expenditure	(22,004)
Prior period adjustment	-
Reserves and fund balance, beginning of period	302,133
Reserves and fund balance, end of period	280,129

II. Combined statement of assets, liabilities, reserves and fund balance as at 31 December 2007

Assets	
Cash and term deposits	
Cash pool - US dollar	110,976
Accounts receivable	
Inter-fund balances	169,153
Other accounts receivable	
Other assets	
Total assets	280,129
Liabilities	
Unliquidated obligations	
Other accounts payable	
Total liabilities	-
Reserves and fund balance	
Cumulative surplus	280,129
Total reserves and fund balance	280,129
Total liabilities, reserve and fund balance	280,129



Jeremiah Atuke

Chief

ACCOUNTS SECTION

		UNEP General Trust Funds						
		Combined Status of Contributions as at 31 December 2007						
Countries/ Organisations	Unpaid pledges as at 1 January 2006	Adjustments to prior years' receipts	Pledges for 2006-2007	Revaluations	Net pledges	Collections for future years	Collections in 2007 for 2007 and prior years	Unpaid pledges for 2007 and prior years
BIL								
Special Voluntary Trust Fund for Facilitating Participation of Developing Country Parties and Small Island Developing States and Economies in Transition								
Austria	-	-	40,121	(258)	39,863	-	39,863	-
Brazil	-	-	-	-	-	-	-	-
Canada	-	-	-	-	-	-	-	-
European Union	-	-	138,474	-	138,474	-	138,474	-
Denmark	-	-	-	-	-	-	-	-
Finland	-	-	36,318	-	36,318	-	36,318	-
France	-	-	-	-	-	-	-	-
Iceland	-	-	1,979	-	1,979	-	1,979	-
Ireland	-	-	-	-	-	-	-	-
Italy	-	-	-	-	-	-	-	-
Netherlands	-	-	208,635	-	208,635	-	208,635	-
Norway	-	-	137,541	-	137,541	-	137,541	-
Slovenia	-	-	3,953	-	3,953	-	3,953	-
Spain	-	-	128,610	-	128,610	-	128,610	-
Sweden	-	-	137,691	-	137,691	-	137,691	-
Switzerland	-	-	7,487	-	7,487	-	7,487	-
United Kingdom	-	-	-	-	-	-	-	-
BIL Total	-	-	840,809	(258)	840,551	-	840,551	-

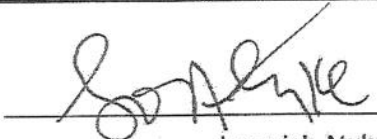
**Trust Fund for the Establishment of the Interim Secretariat of the Biological
Diversity Convention**

**I. Combined statement of income and expenditure and changes in reserves and fund balances for the
second year of the biennium 2006-2007 ended 31 December 2007**

<u>Income</u>	USD
Voluntary contributions	-
Interest income	44,279
Miscellaneous income	-
Total Income	44,279
<u>Expenditure</u>	
Staff and other personnel costs	
Contractual services	
Travel	
Operating expenses	
Acquisitions	
Programme support costs	
Total Expenditure	-
Excess/(shortfall) of income over expenditure	44,279
Prior period adjustment	
Reserves and fund balance, beginning of period	374,013
Reserves and fund balance, end of period	418,292

II. Combined statement of assets, liabilities, reserves and fund balance as at 31 December 2007

<u>Assets</u>	
Cash and term deposits	
Cash pool - US dollar	418,377
<u>Accounts receivable</u>	
Other accounts receivable	
Other assets	
Total assets	418,377
<u>Liabilities</u>	
Unliquidated obligations	
Inter-fund balances	85
Other accounts payable	
Total liabilities	85
<u>Reserves and fund balance</u>	
Cumulative surplus	418,292
Total reserves and fund balance	418,292
Total liabilities, reserve and fund balance	418,377



Jeremiah Atuke

Chief

ACCOUNTS SECTION

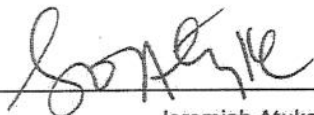
General Trust Fund for the Convention on Biological Diversity

I. Combined statement of income and expenditure and changes in reserves and fund balances for the second year of the biennium 2006-2007 ended 31 December 2007

<u>Income</u>	USD
Voluntary contributions	17,981,031
Interest income	431,409
Miscellaneous income	5,135
Total Income	18,417,575
<u>Expenditure</u>	
Staff and other personnel costs	14,962,530
Contractual services	315,236
Travel	777,191
Operating expenses	1,218,987
Acquisitions	1,897,202
Programme support costs	2,473,673
Total Expenditure	21,644,819
Excess/(shortfall) of income over expenditure	(3,227,244)
Transfer to reserves	(1,117,372)
Prior period adjustment	(5,379)
Reserves and fund balance, beginning of period	6,119,520
Reserves and fund balance, end of period	1,769,525

II. Combined statement of assets, liabilities, reserves and fund balance as at 31 December 2007

<u>Assets</u>	
Cash and term deposits	436,149
Cash pool - US dollar	2,151,375
Accounts receivable	
Inter-fund balances	8,048
Voluntary Contribution	665,166
Other accounts receivable	2,080,216
Other assets	40,208
Total assets	5,381,162
<u>Liabilities</u>	
Payment or contributions received in advance	1,656,435
Unliquidated obligations	793,040
Other accounts payable	44,790
Total liabilities	2,494,265
<u>Reserves and fund balance</u>	
Operating reserve	1,117,372
Cumulative surplus	1,769,525
Total reserves and fund balance	2,886,897
Total liabilities, reserve and fund balance	5,381,162



Jeremiah Atuke

Chief

ACCOUNTS SECTION

Countries/ Organisations	UNEP General Trust Funds					Collections for future years	Collections in 2007 and prior years	Unpaid pledges for 2007 and prior years
	Combined Status of Contributions as at 31 December 20007							
	Unpaid pledges as at 1 January 2006	Adjustments to prior years' pledges and receipts	Pledges for 2006-2007	Revaluations	Net pledges			
BYL	General Trust Fund for the Convention on Biological Diversity							
Afghanistan	1,922	-	420	-	420	-	2,131	211
Albania	790	-	1,049	-	1,049	-	1,839	-
Algeria	-	-	15,941	-	15,941	8,363	15,941	-
Angola	-	-	209	-	209	2,068	209	-
Antigua and Barbuda	-	-	629	-	629	330	629	-
Argentina	377,313	-	200,519	-	200,519	-	577,832	-
Armenia	9,281	-	420	-	420	-	9,701	-
Australia	-	-	333,917	-	333,917	175,177	333,917	-
Austria	-	-	180,172	-	180,172	94,521	180,172	-
Azerbaijan	-	-	1,049	-	1,049	-	1,049	-
Bahamas	-	-	2,727	-	2,727	1,430	2,727	-
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Bahrain	-	-	6,292	-	6,292	3,301	6,292	-
Bangladesh	747	-	1,624	-	1,624	-	2,371	-
Barbados	-	-	2,098	-	2,098	1,100	2,098	-
Belarus	48,081	-	3,776	-	3,776	-	18,776	33,081
Belgium	105,770	-	224,220	-	224,220	-	217,347	112,643
Belize	-	-	209	-	209	-	104	105
Benin	390	-	420	-	420	284	810	-
Bhutan	-	-	209	-	209	110	209	-
Bolivia	1,678	-	1,887	-	1,887	-	1,887	1,678
Bosnia and Herzegovina	-	-	629	-	629	330	629	-
Botswana	-	-	2,517	-	2,517	3,904	2,517	-
Brazil	-	-	319,444	-	319,444	-	233,564	85,880
Bulgaria	-	-	3,565	-	3,565	-	3,565	-
Burkina Faso	726	-	420	-	420	-	-	1,146
Burundi	687	-	209	-	209	-	-	896
Cambodia	-	-	420	-	420	220	420	-
Cameroon	-	-	1,678	-	1,678	506	1,678	-
Canada	-	-	1,872,718	-	1,872,718	-	1,872,718	-
Cape Verde	3,537	-	209	-	209	-	-	3,746
Central African Republic	197	-	209	-	209	-	295	111
Chad	-	-	209	-	209	25	171	38
Chile	21,425	-	46,774	-	46,774	-	68,199	-
China	-	-	430,610	-	430,610	-	430,610	-
Colombia	-	-	32,511	-	32,511	391	32,511	-

Countries/ Organisations	UNEP General Trust Funds					Collections for future years	Collections in 2007 for 2007 and prior years	Unpaid pledges for 2007 and prior years
	Combined Status of Contributions as at 31 December 20007							
	Unpaid pledges as at 1 January 2006	Adjustments to prior years' pledges and receipts	Pledges for 2006-2007	Revaluations	Net pledges			
BYL	General Trust Fund for the Convention on Biological Diversity							
Comoros	2,795	-	209	-	209	-	-	3,004
Congo	245	-	209	-	209	-	331	123
Congo, Dem. Rep.	5,179	-	629	-	629	-	-	5,808
Government of Cook Islands	99	-	209	-	209	-	99	209
Costa Rica	6,156	-	6,292	-	6,292	-	2,123	10,325
Cote D'Ivoire	2,620	-	2,098	-	2,098	-	3,671	1,047
Croatia	-	-	7,761	-	7,761	-	7,761	-
Cuba	24,877	-	9,019	-	9,019	-	-	33,896
Cyprus	-	-	8,181	-	8,181	-	8,181	-
Czech Republic	-	-	38,384	-	38,384	20,137	38,384	-
Denmark	-	-	150,598	-	150,598	154,633	74,911	75,687
Djibouti	197	-	209	-	209	-	-	406
Dominica	130	-	209	-	209	-	-	339
Dominican Republic	3,851	-	7,341	-	7,341	-	7,504	3,688
Ecuador	-	-	3,985	-	3,985	-	3,985	-
Egypt	11,873	-	25,170	-	25,170	-	37,043	-
El Salvador	2,177	-	4,614	-	4,614	-	6,791	-
Equatorial Guinea	2,894	-	420	-	420	-	2,914	400
Eritrea	289	-	209	-	209	362	498	-
Estonia	-	-	2,517	-	2,517	1,320	2,517	-
Ethiopia	-	-	839	-	839	440	839	-
Fiji	22	-	839	-	839	3,944	861	-
Finland	-	-	111,795	-	111,795	58,649	111,795	-
France	-	-	1,264,774	-	1,264,774	-	1,264,774	-
Gabon	-	-	1,887	-	1,887	24,379	1,887	-
Gambia	-	-	209	-	209	442	209	-
Georgia	42,041	-	629	-	629	-	40,586	2,084
Germany	-	-	1,816,828	-	1,816,828	-	1,816,828	-
Ghana	1,350	-	839	-	839	-	-	2,189
Greece	52,440	-	111,166	-	111,166	-	163,606	-
Grenada	99	-	209	-	209	-	203	105
Guatemala	-	-	6,292	-	6,292	-	6,292	-
Guinea	592	-	629	-	629	-	-	1,221
Guinea-Bissau	2,316	-	209	-	209	-	-	2,525
Guyana	-	-	209	-	209	429	209	-
Haiti	2,154	-	629	-	629	-	2,467	316

Countries/ Organisations	UNEP General Trust Funds						Collections for future years	Collections in 2007 and prior years	Unpaid pledges for 2007 and prior years
	Combined Status of Contributions as at 31 December 20007								
	Unpaid pledges as at 1 January 2006	Adjustments to prior years' pledges and receipts	Pledges for 2006-2007	Revaluati ons	Net pledges				
BYL	General Trust Fund for the Convention on Biological Diversity								
Honduras	2,561	-	1,049	-	1,049	-	523	3,087	
Hungary	-	-	26,428	-	26,428	(1)	26,428	-	
Iceland	-	-	7,132	-	7,132	3,699	7,132	-	
India	-	-	88,304	-	88,304	-	88,304	-	
Indonesia	14,050	-	29,784	-	29,784	15,625	43,834	-	
Iran	15,534	-	32,930	-	32,930	-	-	48,464	
Ireland	-	-	73,411	-	73,411	77,000	73,411	-	
Israel	-	-	97,952	-	97,952	51,387	97,952	-	
Italy	-	-	1,024,614	-	1,024,614	537,525	1,024,614	-	
Jamaica	11	-	1,678	-	1,678	880	1,689	-	
Japan	-	-	3,573,724	-	3,573,724	-	3,573,724	-	
Jordan	1,088	-	2,307	-	2,307	-	2,307	1,088	
Kazakhstan	232	-	5,243	-	5,243	-	-	5,475	
Kenya	-	-	1,887	-	1,887	990	1,887	-	
Kiribati	-	-	209	-	209	88	209	-	
D.P.R. of Korea	1,009	-	2,098	-	2,098	-	1,992	1,115	
Republic of Korea	97,189	-	376,706	-	376,706	-	473,895	-	
Kuwait	-	-	33,979	-	33,979	-	33,979	-	
Kyrgyzstan	197	-	209	-	209	110	406	-	
Lao, People's Dem. Rep.	-	-	209	-	209	125	209	-	
Latvia	-	-	3,147	-	3,147	1,651	3,147	-	
Lebanon	1,182	-	5,034	-	5,034	-	-	6,216	
Lesotho	99	-	209	-	209	111	308	-	
Liberia	632	-	209	-	209	-	-	841	
Libyan Arab Jamahiriya	16,616	-	27,687	-	27,687	-	-	44,303	
Liechtenstein	-	-	1,049	-	1,049	-	1,049	-	
Lithuania	-	-	5,034	-	5,034	2,641	5,034	-	
Luxembourg	-	-	16,151	-	16,151	-	16,151	-	
TFYR of Macedonia	594	-	1,258	-	1,258	660	1,852	-	
Madagascar	297	-	629	-	629	361	926	-	
Malawi	-	-	209	-	209	110	209	-	
Malaysia	-	-	42,578	-	42,578	22,337	42,578	-	
Maldives	40	-	209	-	209	110	249	-	
Mali	64	-	420	-	420	238	484	-	
Malta	-	-	2,936	-	2,936	-	2,936	-	
Marshall Islands	99	-	209	-	209	-	203	105	

Countries/ Organisations	UNEP General Trust Funds					Collections for future years	Collections in 2007 and prior years	Unpaid pledges for 2007 and prior years
	Combined Status of Contributions as at 31 December 20007							
	Unpaid pledges as at 1 January 2006	Adjustments to prior years' pledges and receipts	Pledges for 2006-2007	Revaluations	Net pledges			
BYL	General Trust Fund for the Convention on Biological Diversity							
Mauritania	1,626	-	209	-	209	-	-	1,835
Mauritius	-	-	2,307	-	2,307	-	2,307	-
Mexico	13,674	-	394,953	-	394,953	-	394,953	13,674
Micronesia	-	-	209	-	209	-	103	106
Republic of Moldova	11,209	-	209	-	209	-	11,418	-
Monaco	-	-	629	-	629	330	629	-
Mongolia	99	-	209	-	209	110	308	-
Morocco	16,791	-	9,858	-	9,858	-	21,697	4,952
Mozambique	380	-	209	-	209	110	589	-
Myanmar	-	-	1,624	-	1,624	-	-	1,624
Namibia	-	-	1,258	-	1,258	-	626	632
Nauru	2,915	-	209	-	209	-	-	3,124
Nepal	-	-	839	-	839	-	507	332
Netherlands	10	-	354,472	-	354,472	-	354,482	-
Netherlands Antilles	-	-	-	-	-	-	-	-
New Zealand	-	-	46,354	-	46,354	24,318	46,354	-
Nicaragua	-	-	209	-	209	-	104	105
Niger	2,651	-	209	-	209	-	-	2,860
Nigeria	-	-	8,810	-	8,810	4,622	8,810	-
The Government of the Republic of Norway	99	-	209	-	209	1	86	222
Oman	-	-	142,418	-	142,418	-	142,418	-
Pakistan	-	-	14,682	-	14,682	7,703	14,682	-
Palau, Republic of	-	-	11,536	-	11,536	5,687	11,536	-
Panama	-	-	209	-	209	102	209	-
Papua New Guinea	2,578	-	3,985	-	3,985	-	5,078	1,485
Paraguay	888	-	629	-	629	-	1,201	316
Peru	10,265	-	2,517	-	2,517	-	-	12,782
Philippines	57,274	-	19,297	-	19,297	-	16,610	59,961
Poland	11,616	-	19,926	-	19,926	-	8,907	22,635
Portugal	-	-	96,693	-	96,693	50,726	96,693	-
Province of Quebec, Canada	-	-	98,581	-	98,581	1,026	98,581	-
Qatar	1	-	404,000	-	404,000	-	404,001	-
Republic of Montenegro	-	-	13,424	-	13,424	7,042	13,424	-
Romania	-	-	165	-	165	-	-	165
Russian Federation	-	-	12,585	-	12,585	6,602	12,585	-
	-	-	230,722	-	230,722	-	230,722	-

Countries/ Organisations	UNEP General Trust Funds					Collections for future years	Collections in 2007 and prior years	Unpaid pledges for 2007 and prior years
	Combined Status of Contributions as at 31 December 20007							
	Unpaid pledges as at 1 January 2006	Adjustments to prior years' pledges and receipts	Pledges for 2006-2007	Revaluations	Net pledges			
BYL	General Trust Fund for the Convention on Biological Diversity							
Rwanda	-	-	209	-	209	110	209	-
Saint Kitts and Nevis	-	-	209	-	209	110	209	-
Saint Lucia	7	-	420	-	420	215	427	-
St. Vincent and the Grena	1,966	-	209	-	209	-	-	2,175
Western Samoa	-	-	209	-	209	-	79	130
San Marino	-	-	629	-	629	-	629	-
Sao Tome & Principe	468	-	209	-	209	-	-	677
Saudi Arabia	70,546	-	149,549	-	149,549	-	220,095	-
Senegal	-	-	1,049	-	1,049	2,974	1,049	-
Serbia and Montenegro	-	-	2,002	-	2,002	2,091	2,002	-
Seychelles	-	-	420	-	420	285	420	-
Sierra Leone	193	-	209	-	209	-	-	402
Singapore	-	-	81,382	-	81,382	42,674	81,382	-
Slovakia	-	-	10,697	-	10,697	5,612	10,697	-
Slovenia	-	-	17,199	-	17,199	9,023	17,199	-
Solomon Islands	2,316	-	209	-	209	110	2,525	-
South Africa	-	-	61,247	-	61,247	32,130	61,247	-
Spain	-	-	528,562	-	528,562	-	528,562	-
Sri Lanka	-	-	3,565	-	3,565	-	1,774	1,791
Sudan	5,945	-	1,624	-	1,624	-	-	7,569
Suriname	1,818	-	209	-	209	1,597	2,027	-
Swaziland	-	-	420	-	420	-	209	211
Sweden	-	-	209,327	-	209,327	-	209,327	-
Switzerland	-	-	251,067	-	251,067	131,688	251,067	-
Syrian Arab Republic	-	-	7,970	-	7,970	2,320	7,970	-
Tajikistan	-	-	209	-	209	447	209	-
Tanzania, United Rep. of	-	-	1,258	-	1,258	17,487	1,258	-
Thailand	-	-	43,837	-	43,837	-	43,837	-
Togo	196	-	209	-	209	92	405	-
Tonga	-	-	209	-	209	100	209	-
Trinidad and Tobago	-	-	4,614	-	4,614	-	4,614	-
Tunisia	-	-	6,712	-	6,712	3,521	6,712	-
Turkey	-	-	78,026	-	78,026	-	78,026	-
Turkmenistan	1,067	-	1,049	-	1,049	-	1,589	527
Tuvalu	289	-	209	-	209	503	498	-
Uganda	677	-	1,258	-	1,258	1,262	1,935	-

Countries/ Organisations	UNEP General Trust Funds						Collections for future years	Collections in 2007 for 2007 and prior years	Unpaid pledges for 2007 and prior years
	Combined Status of Contributions as at 31 December 20007								
	Unpaid pledges as at 1 January 2006	Adjustments to prior years' pledges and receipts	Pledges for 2006-2007	Revaluations	Net pledges				
BYL	General Trust Fund for the Convention on Biological Diversity								
Ukraine	9,079	-	8,181	-	8,181	-	13,124	4,136	
United Arab Emirates	20	-	49,290	-	49,290	-	49,240	70	
United Kingdom	-	-	1,285,119	-	1,285,119	-	1,285,119	-	
United States of America	-	-	50,000	-	50,000	-	50,000	-	
Uruguay	32,456	-	10,068	-	10,068	-	37,466	5,058	
Uzbekistan	11,987	-	2,936	-	2,936	-	2,964	11,959	
Vanuatu	195	-	209	-	209	-	299	105	
Venezuela	16,919	-	35,867	-	35,867	17,731	52,786	-	
Viet Nam	2,278	-	4,405	-	4,405	2,311	6,683	-	
Republic of Yemen	6,426	-	1,258	-	1,258	-	-	7,684	
(Yugoslavia)	3,850	-	1,983	-	1,983	-	5,833	-	
Zambia	-	-	420	-	420	966	420	-	
Zimbabwe	693	-	1,469	-	1,469	-	-	2,162	
European Union	-	-	406,106	-	406,106	-	406,106	-	
BYL Total	1,189,901	-	17,981,031	-	17,981,031	1,656,180	18,505,766	665,166	

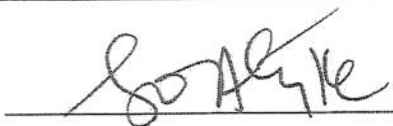
**General Trust Fund for Voluntary Contributions to Facilitate the Participation of
Parties in the Process of the Convention on Biological Diversity**

**I. Combined statement of income and expenditure and changes in reserves and fund balances for the
second year of the biennium 2006-2007 ended 31 December 2007**

<u>Income</u>	USD
Voluntary contributions	1,924,869
Interest income	120,806
Miscellaneous income	-
Total Income	2,045,675
<u>Expenditure</u>	
Staff and other personnel costs	-
Contractual services	-
Travel	-
Operating expenses	1,595,049
Acquisitions	-
Programme support costs	206,562
Total Expenditure	1,801,611
Excess/(shortfall) of income over expenditure	244,064
Prior period adjustment	(65,086)
Reserves and fund balance, beginning of period	1,246,708
Reserves and fund balance, end of period	1,425,686

II. Combined statement of assets, liabilities, reserves and fund balance as at 31 December 2007

<u>Assets</u>	
Cash and term deposits	-
Cash pool - US dollar	1,097,859
<u>Accounts receivable</u>	
Inter-fund balances	335,601
Other accounts receivable	
Other assets	
Total assets	1,433,460
<u>Liabilities</u>	
Unliquidated obligations	7,774
Other accounts payable	
Total liabilities	7,774
<u>Reserves and fund balance</u>	
Cumulative surplus	1,425,686
Total reserves and fund balance	1,425,686
Total liabilities, reserve and fund balance	1,433,460



Jeremiah Atuke

Chief

ACCOUNTS SECTION

	UNEP General Trust Funds							
	Combined Status of Contributions as at 31 December 20007							
	Unpaid pledges as at 1 January 2006	Adjustments to prior years' pledges and receipts	Pledges for 2006-2007	Revaluations	Net pledges	Collections for future years	Collections in 2007 for 2007 and prior years	Unpaid pledges for 2007 and prior years
Countries/ Organisations	GTF for Voluntary contributions to facilitate the participation of indigenous and local communities in the work of the convention of Biological Diversity							
VBL								
Austria	-	-	29,155	-	29,155	-	29,155	-
European Union	-	-	22,806	-	22,806	-	22,806	-
Norway	-	-	46,094	-	46,094	-	46,094	-
Spain	-	-	306,747	-	306,747	-	306,747	-
	-		404,802		404,802		404,802	