

# UNICEF MICROFICHE INPUT CONTROL AND INSTRUCTIONS RECORD

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**A** (17\*) ENGLISH **FINANCIAL REPORT & ACCOUNTS FOR 1964**

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**UNITED NATIONS CHILDREN'S FUND**

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**FINANCIAL REPORT AND ACCOUNTS**  
**for the year 1964**  
*and*  
**REPORTS OF THE BOARD OF AUDITORS**

**GENERAL ASSEMBLY**  
**OFFICIAL RECORDS : TWENTIETH SESSION**  
**SUPPLEMENT No. 6A (A/6006/Add.1)**

**UNITED NATIONS**

**UNITED NATIONS CHILDREN'S FUND**

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**for the year 1964**

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**GENERAL ASSEMBLY**

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**UNITED NATIONS**

*New York, 1965*

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## CONTENTS

	<i>Page</i>
LETTER OF TRANSMITTAL.....	v
<b>Part I. United Nations Children's Fund</b>	
A. FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 1964	
Summary .....	3
Assets and liabilities.....	6
Income and expenditure.....	9
Allocations .....	14
Internal matching.....	15
Budgetary authorizations—administrative costs and costs of operational services .....	16
<i>Ex gratia</i> payments.....	16
B. FINANCIAL STATEMENTS FOR THE EIGHTEENTH FINANCIAL PERIOD ENDED 31 DECEMBER 1964:	
I. Statement of assets and liabilities as at 31 December 1964....	18
II. Statement of income and expenditure for the year ended 31 December 1964.....	20
III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations—administrative costs and costs of operational services for the year ended 31 December 1964.....	22
<i>Schedule A</i> : Investments as at 31 December 1964.....	26
<i>Schedule B</i> : Contributions receivable from Governments as at 31 December 1964.....	27
<i>Schedule C</i> : Trust funds—Governments—as at 31 December 1964 .....	28
<i>Schedule D</i> : Contributions from Governments to the central account (including contributions receivable) during the year ended 31 December 1964.....	29
<i>Schedule E</i> : Statement of allocations, expenditures and balances of allocations for the year ended 31 December 1964..	34
C. REPORT OF THE BOARD OF AUDITORS .....	40
<b>Part II. UNICEF Greeting Card Fund</b>	
A. FINANCIAL REPORT FOR THE YEAR 1 SEPTEMBER 1963 TO 31 AUGUST 1964:	
Summary .....	42
Assets and liabilities.....	43
Working capital and transfers to the general resources of UNICEF	43
Income and expenditure.....	44
Inventory .....	45
Contingent liabilities.....	45
Budgetary authorizations, obligations incurred and unobligated balances of authorizations.....	45

**CONTENTS (continued)**

	<i>Page</i>
B. FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 1 SEPTEMBER 1963 TO 31 AUGUST 1964:	
I. Statement of assets and liabilities as at 31 August 1964.....	48
II. Statement of income and expenditure for the financial year 1 September 1963 to 31 August 1964.....	50
III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations for the financial year ended 31 August 1964.....	51
C. REPORT OF THE BOARD OF AUDITORS .....	52

**LETTER OF TRANSMITTAL**

4 June 1965

Sir,

I have the honour to transmit to you the financial statements relating to the United Nations Children's Fund with respect to the financial year ended 31 December 1964 and to the Greeting Card Fund for the period ended 31 August 1964. These statements have been examined and certified by the Board of Auditors.

In addition to the above, and in accordance with the relevant resolution of the General Assembly, I have the honour to present the reports of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurance of my highest consideration.

(Signed) L. GÖTZEN  
*Chairman of the Board of Auditors*

The President of the General Assembly  
of the United Nations  
New York

## A. FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 1964

1. The financial statements of the United Nations Children's Fund (UNICEF) for the eighteenth financial period, which ended on 31 December 1964, comprise the following principal statements along with supporting schedules:

- I. Statement of assets and liabilities as at 31 December 1964;
- II. Statement of income and expenditure for the year ended 31 December 1964;
- III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations—administrative costs and costs of operational services for the year ended 31 December 1964.

### Summary

2. In June 1963,<sup>1</sup> the Executive Board reviewed the financial policies adopted at its session of June 1961. It laid down the following guidelines:

(a) That \$25 million should be accepted as the target level for the operating fund (surplus of assets over liabilities), with the expectation that the amount would fluctuate between \$20 million and \$30 million;

(b) That outstanding commitments should be allowed to run up to \$30 million (at the session in January 1964 the Board amended this to provide that outstanding commitments should not exceed \$30 million for any future year);<sup>2</sup>

(c) That allocations in future should be based on resources foreseen up to the time of the next Board session, with any error of estimate to be corrected in the following period.

3. During 1964, the reduction of UNICEF's resources to the minimum safe level was completed. Expenditure exceeded income by \$6.9 million, reducing the operating fund to \$25.2 million (\$32.1 million on 31 December 1963). This brings the operating fund to the target level laid down by the Executive Board. UNICEF investments have declined further from \$17.2 million on 31 December 1963 (\$30.8 million on 31 December 1962) to \$10.8 million on 31 December 1964. These consist entirely of time deposits with banks in order that the funds may be available for immediate use for operating purposes. The allocations made at the June 1964 session of the Board (there being no session in December 1964) were based on the income expected to be received up to the time of the June 1965 Board session.

4. Income in 1964 amounted to \$32.9 million (compared with \$32.1 million in 1963 and \$29.7 million in 1962). Expenditures in 1964 amounted to \$39.8 million (\$38.9 million in 1963 and \$30.4 million in 1962). Allocations approved by the Executive Board at its sessions of January 1964 and June 1964 and by emergency mail polls totalled \$61.5 million, of which \$22.4 million had to be financed from future income; in addition, formal commitments outstanding at the end of 1964 to be financed when allocated from future income, totalled \$26.2 million (\$22.8 million at the end of 1963). In 1964, administrative expenditures amounted to 5.21 per cent of total expenditures (as compared with 5.33 per cent in 1963 and 6.28 per cent in 1962).

### INCOME

5. The income from all sources in 1964 amounted to \$32,881,566 (\$32,130,126 in 1963), an increase of \$751,440 over 1963. There was an increase of \$1,005,648 in government contributions (\$25,598,006 in 1964 as against \$24,592,358 in 1963), and of \$91,116 in "other income" (\$3,146,712 in 1964 as against \$3,055,596 in 1963), but private contributions decreased by \$345,324 (\$4,136,848 in 1964 as against \$4,482,172 in 1963).

6. The distribution of 1964 income, by source, is shown below:

Table 1  
UNICEF INCOME IN 1964 BY SOURCE

	<i>In thousands of US dollars</i>	<i>Per cent of total</i>
Government contributions.....	25,598	77.8
Private contributions.....	4,137	12.6
Other income.....	3,147	9.6
Total income.....	32,882	100.0

<sup>1</sup> Official Records of the Economic and Social Council, Thirty-seventh Session, Supplement No. 3 (E/3821/Rev.1-E/ICEF/469/Rev.1), para. 14.

<sup>2</sup> *Ibid.*, Supplement No. 3A (E/3868-E/ICEF/492), paras. 169-172.



7. Table 2 below indicates that the income of UNICEF has increased each year since 1954. For each of three years (1957, 1959 and 1964) the increase over the previous year was less than \$1 million; for the remaining eight years, the increase over the previous year was in each case in the neighbourhood of \$2 million.

*Table 2*  
UNICEF INCOME FROM ALL SOURCES

	<i>Income</i> <i>(In thousands of US dollars)</i>	<i>Increase over</i> <i>previous year</i>
1954 .....	15,044	—
1955 .....	17,515	2,471
1956 .....	19,819	2,304
1957 .....	20,716	897
1958 .....	23,008	2,292
1959 .....	23,820	812
1960 .....	25,767	1,947
1961 .....	27,945	2,178
1962 .....	29,697	1,752
1963 .....	32,130	2,433
1964 .....	32,882	752

8. A total of 121 Governments contributed to UNICEF in 1964 as compared with 118 in 1963 (and 105 in 1962). This, however, represents an increase of six in the number of contributing Governments, since four Governments listed separately as contributors in 1963 joined in the new State of Malaysia. A list of the contributing Governments is given in schedule D. Details of income from private contributions and other sources are given in paragraphs 39 to 42.

9. Apart from contributions to the central account of UNICEF, a number of Governments of developing countries made cash payments to accounts administered by UNICEF for the implementation of UNICEF-aided projects, to provide additional imported supplies and equipment and to help meet the local administrative and related costs of UNICEF field offices. These cash contributions totalled \$3.4 million and \$0.7 million respectively (schedule C).

10. For 1963 the contribution of the Government of the United States of America was \$12 million. The contribution in that year was subject to the condition that it would not exceed 42 per cent of the total amount of government contributions to UNICEF. While the amount of the United States contribution was again \$12 million in 1964, the percentage in relation to the total amount of government contributions was reduced to 40 per cent. For 1965, the United States has again pledged a contribution of \$12 million, subject to the same provision as for 1964, namely, that the contribution should not exceed 40 per cent of the total amount of government contributions to UNICEF.

#### COMMITMENTS AND ALLOCATIONS

11. Allocations approved by the Board effective 1963 amounted to \$28 million, of which \$13.7 million was approved by the Board in December 1962, effective in 1963 (against anticipated income in 1963) and \$14.3 million was approved in 1963 (at the June session and by mail poll). The second annual session of the Board, which would normally have been held in December 1963, took place in January 1964 and approved allocations amounting to \$24.1 million. In January 1964, the Board decided that in future it would hold only one session a year for discussion of policy questions and approval of assistance, this to be subject to review on the basis of experience. Consequently at the session of June 1964, provision had to be made for the needs of the following twelve months, and allocations amounted to \$37.1 million. The total of allocations made in January and June and by mail poll during 1964 (\$0.3 million), amounting to \$61.5 million for the year, are shown in table 3.

12. The allocations approved in 1964 included \$51.4 million for programme aid and \$10.1 million for administrative and operational services costs.

13. At the end of 1963, the total amount of commitments for allocations to be made in the future (known as "formal commitments") was \$22.8 million. In 1964, the Board approved additional commitments of \$64.9 million. Against these commitments and those carried forward from the previous year, the Board approved in 1964 allocations of \$61.5 million, leaving at 31 December 1964 a balance of \$26.2 million in formal commitments for allocations to be made in the future.

14. The distribution of the 1964 allocations of \$61.5 million is shown below :

Table 3

ALLOCATIONS APPROVED BY THE EXECUTIVE BOARD IN 1964

		<i>In US dollars</i>
<i>Health:</i>		
<i>Health services</i> .....		16,504,895
<i>Disease control</i>		
Malaria .....	9,299,000	
BCG anti-tuberculosis vaccination..	376,480	
Other tuberculosis control.....	1,843,700	
Yaws/VD .....	51,218	
Trachoma .....	1,505,297	
Leprosy .....	760,900	
Polyvalent disease control.....	53,100	
Other diseases .....	316,370	
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Total disease control .....		14,206,065
		<hr/>
Total health .....		30,710,960
<i>Nutrition</i>		
Child feeding .....	10,879	
Applied nutrition .....	5,855,500	
Milk conservation .....	2,008,100	
High-protein food development .....	709,000	
Other nutrition .....	200,000	
	<hr/>	
Total nutrition .....		8,783,479
<i>Family and child welfare</i> .....		1,343,532
<i>Education</i> .....		5,417,900
<i>Vocational training</i> .....		772,500
<i>Other</i> .....		543,000
<i>Emergency aid</i> .....		844,500
<i>Freight</i> .....		3,000,000
		<hr/>
Total, programme aid.....		51,415,871
<i>Estimated operational services for 1964 and first semester of 1965</i>		6,614,350
<i>Estimated administrative costs for 1964 and first semester of 1965</i>		3,470,050
		<hr/>
GRAND TOTAL, ALLOCATIONS		61,500,271
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15. The allocations approved by the Board in 1964 were financed as follows: \$5.4 million from unallocated funds carried over from 1963, \$32.9 million from 1964 income, \$0.8 million from the return to general resources of unused balances of previous allocations, and \$22.4 million from income anticipated in the first six months of 1965 prior to the Board session in June 1965.

16. The total of unexpended balances of approved allocations, referred to in the statement of assets and liabilities, increased from \$26.8 million at the end of 1963 to \$47.6 million at the end of 1964. As explained in a previous financial report,<sup>3</sup> there are inevitably at any given date substantial allocations approved by the Board but not yet spent. The increase from 1963 to 1964 was accounted for by the change of system to making allocations at a single Board session each year. On 31 December 1963, the allocation accounts of many continuing projects were depleted, and new allocations were about to be made at the session of January 1964. On 31 December 1964, unexpended allocations included provision for all continuing projects up to June 1965. The balances of such "approved allocations" at the end of 1964 by country and by category of general assistance, are shown in schedule E page 34. The \$47.6 million balance of allocations outstanding at the end of 1964 included \$43.9 million for programme aid, \$3.5 million for administrative and operational services costs for the first semester of 1965, while \$0.2 million represented unused funds to be returned to general resources in 1965. (see paragraph 33).

<sup>3</sup> Official Records of the General Assembly, Fifteenth Session, Supplement No. 6A (A/4382), para. 11.

## INTERNAL MATCHING

17. The primary responsibility for the projects aided by UNICEF rests with the assisted countries, and the purpose of UNICEF programme allocations is to stimulate and supplement the use of national resources. The local funds made available in each country in this connexion (in facilities, services, supplies and personnel) are called internal matching. In 1964, for each dollar allocated by UNICEF, the assisted Governments spent, or accepted commitments to spend, an average of \$2.17 (see paragraph 57).

## EXPENDITURES

18. Expenditures in 1964 amounted to \$39.8 million as compared with \$38.9 million in 1963, an increase of \$0.9 million (see paragraphs 43 to 53). A breakdown of the expenditures on programme aid, by programme and by type of supplies, is shown in paragraphs 46 and 47 respectively.

## RATIO OF ADMINISTRATIVE EXPENDITURES TO TOTAL EXPENDITURES

19. In 1964, expenditures on assistance amounted to approximately \$37.1 million (\$33.4 million for programmes and \$3.7 million (net) for operational services). Administrative costs totalled \$2 million (net). This resulted in a ratio of administrative costs to total expenditures of 5.21 per cent in 1964, compared with 5.33 per cent in 1963 (see paragraph 53).

## PROGRAMME TRENDS

20. General policy questions were reviewed at the Board session held at Bangkok in January 1964, of which the report is available in document E/3868-E/ICEF/492 (paragraphs 36 to 117).

## Assets and liabilities

21. The statement of assets and liabilities is shown on page 18. Detailed comments on each of the categories included therein are given below:

### ASSETS

22. *Cash on hand, in transit and at banks.* At 31 December 1964 these funds totalled \$6,937,059 compared with \$6,145,714 at 31 December 1963: included therein were deposits against irrevocable letters of credit amounting to \$232,122. Funds administered on behalf of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) are held in special bank accounts, designated UNICEF/UNRWA and these funds at 31 December 1964 amounted to \$718,691. Funds held on behalf of the UNICEF Greeting Card Fund amounted to \$2,861. The over-all balance of UNICEF-held funds at 31 December 1964 was \$6,215,507 (as compared with \$5,684,111 at 31 December 1963); \$1,338,214 was in United States currency, and the equivalent of \$4,877,293 was in fifty-seven other currencies. Wherever feasible, the cash holdings were put into interest-bearing accounts (see paragraph 42 (b)). Funds held in non-dollar currencies included the equivalent of approximately \$740,000 in USSR rubles; \$680,000 in Polish zloty; \$570,000 in Indian rupees; \$500,000 in United Kingdom pounds sterling; \$420,000 in Turkish liras; \$200,000 in UAR pounds; \$150,000 in Philippine pesos; and \$100,000 each in German marks, Italian lire, Pakistan rupees, Romanian lei and Yugoslav dinars. (For a breakdown of contractual commitments by type of currency, see paragraph 33.) Funds in currencies other than United States dollars were converted in the accounts at the rates of exchange in effect at 31 December 1964, as quoted by the International Monetary Fund.

23. *Investments.* At 31 December 1964, investments amounted to \$10,777,467 (compared with \$17,192,588 at 31 December 1963) and consisted entirely of time deposits with banks as listed in schedule A. Of this total, \$6,132,132 was in deposits in United States currency, and \$4,645,335 in nine other currencies. The average yield on investments during the year was 3.68 per cent, as compared with 3.69 per cent in 1963; however, at the end of 1964, the yield on investments held at 31 December had risen to 3.79 per cent. Income from investments in 1964 amounted to \$600,473 as compared with \$857,555 in 1963 (see paragraph 42 (b)).

24. *Custodial investments.* Funds held in trust by UNICEF on behalf of UNRWA and the UNICEF Greeting Card Fund, and not required for immediate use are placed in interest-bearing time-deposit accounts with banks. At 31 December 1964 a sum of £17,003 (\$47,608) was held on behalf of UNRWA with a London bank. No money from the Greeting Card Fund was held in interest-bearing deposit accounts as of 31 December 1964.

25. *Deposits with governmental agencies and suppliers.* These deposits at 31 December 1964, amounted to \$3,462,237 as compared with \$7,212,323 at 31 December 1963. Of the total, \$2,951 was trust funds held on behalf of UNRWA in a separate account, and \$3,459,286 was UNICEF funds. The latter included a non-negotiable, non-interest-bearing United States Treasury Bond, payable upon demand in the amount of \$1,649,911; an interest-bearing deposit with the National Provident Fund in Wellington, New Zealand, of \$380,064 (in New Zealand pounds); and the following amounts placed with governmental procurement agencies: the equivalent of approximately \$800,000 with the Australian Commonwealth Department of Supply (in Australian pounds); \$300,000

with the New Zealand Department of Industries and Commerce (in New Zealand pounds); and \$100,000 with the Canadian Commercial Corporation (in Canadian dollars).

26. *Accounts receivable, advances, deposits, etc.* These amounted to \$2,931,763 at 31 December 1964, compared with \$3,696,186 at 31 December 1963. They consisted of (a) private contributions collected and in course of transfer to UNICEF bank accounts, comprising \$1,751,521 from the United States Committee for UNICEF; \$326,124 from the United Nations Association in Canada—Committee for UNICEF; and \$26,389 from UNICEF Association of Japan; (b) receivables from other national committees and the United Nations bookshop (\$15,152); (c) receivables from the United Nations and international agencies (\$391,632); (d) receivables from Governments and governmental agencies (\$137,227); (e) freight, commissions and insurance claims (\$99,781); (f) prepayment of 1965 expenses (\$80,790); (g) interest accrued to 31 December 1964 on UNICEF and custodial investments (\$41,654); (h) salary and travel advances to UNICEF staff (\$30,469); (i) service deposits (\$19,256) and (j) other sundry receivables (\$11,768).

27. *Contributions receivable from Governments.* Of \$8,771,877 in Government contributions receivable at 31 December 1964 (as compared with \$5,758,491 at 31 December 1963), the amount of \$6,778,485 had been transferred to UNICEF by April 1965.

#### LIABILITIES

28. *Accounts payable and other unliquidated obligations.* These amounted to \$2,811,915 at 31 December 1964, compared with \$3,736,987 at 31 December 1963. Of this sum approximately \$1,100,000 was payable in United States dollars and the equivalent of \$1,712,000 in fifty-one other currencies. The main items making up this total were as follows: (a) accounts payable for supplies and equipment shipped but unpaid as of 31 December 1964 and for freight costs due at that date (\$1,356,342); (b) amounts owed to Governments and governmental agencies (\$678,047); (c) amounts owed to the United Nations Joint Staff Pension Fund and to international agencies (\$248,782); (d) amounts owed to staff members under the Tax Equalization Fund (\$208,458); (e) obligations outstanding in respect of administrative costs (\$59,151) and operational services (\$88,691), as shown in statement III (budgetary authorizations) see page 23; (f) "Revolving Fund for UNICEF Public Information", established by the Executive Board for certain public information revenue-producing activities (\$72,992);<sup>4</sup> (g) amounts owed to UNICEF staff (\$22,853); (h) amounts owed for supplies shipped on behalf of UNRWA by 31 December 1964 but for which payment had not been made at that date (\$14,526); and (i) amounts owed to sundry creditors (\$62,073).

29. *Trust Funds—Governments.* The funds amounted to \$3,963,558 at 31 December 1964, as compared with \$3,411,732 at 31 December 1963. They consisted of unexpended balances of contributions made to UNICEF by assisted Governments (see paragraph 9): (a) towards the implementation of UNICEF-aided projects (for additional required imported supplies and equipment); (b) towards the local administrative and related costs of UNICEF field offices. Schedule C gives details of each of these two groups of funds, namely: balances at the beginning of the financial year; funds received during the year; disbursements (including funds returned); and balances remaining on hand at the end of the year.

30. *UNRWA agency procurement account.* The balance of this account at 31 December 1964 was \$738,728, compared with \$1,090,180 at 31 December 1963. It represents funds made available to UNICEF by UNRWA for agency procurement operations. Since 1951 an agreement has been in effect under which UNICEF has undertaken to procure as agent for UNRWA certain supplies required by that agency. No UNICEF funds are employed in these procurement operations. A fee of \$52,084 was paid by UNRWA to UNICEF in reimbursement of all costs incurred by UNICEF in the performance of these services in 1964. At 31 December 1964 the funds held in trust on behalf of UNRWA amounted to \$769,418 (cash at banks \$718,691, investments \$47,608, deposits with suppliers \$2,951 and accounts receivable \$168), against which there were unpaid obligations of \$30,690 (of which \$16,164 was payable to UNICEF), leaving a balance of \$738,728 in net funds held by UNICEF on behalf of UNRWA at 31 December 1964.

31. *Greeting Card Fund.* Holdings on behalf of the Greeting Card Fund at 31 December 1964 amounted to \$17,320 compared with \$308,184 at 31 December 1963. The financial report and accounts of the Greeting Card Fund for 1963 (see Part II) covers the period 1 September 1963 to 31 August 1964. During this campaign 30.6 million cards were sold (compared with 26.4 million in 1962). Sales of the engagement calendar in 1963 also rose to a total of 222,867 copies, compared with 177,276 in 1962. The net income realized in the 1963 campaign amounted to \$1,731,324 compared with \$1,612,883 in 1962. Preliminary estimates for the 1964 campaign indicate that some 38 million cards and 350,000 engagement calendars were sold with a net income of about \$2.4 million.

32. *Reserve for insurance.* A reserve for insurance of \$200,000 was established in November 1950 when UNICEF adopted a policy of self-insurance. On the recommendation of the Board of Auditors the reserve was to be restored annually to the above level of \$200,000; a transfer of \$10,676 was required for this purpose in 1964. No major loss occurred during 1964. Disbursements towards general average contributions in 1964 totalled \$11,702, against which \$1,026 were collected.

<sup>4</sup> E/ICEF/AB/L.34, paras. 40-41.

33. *Operating Fund.* Allocations approved by the Executive Board but not yet fulfilled at 31 December 1964 totalled \$47,638,665 (as compared with \$26,779,626 at 31 December 1963), as shown in schedule E, mainly on a country basis. A further summary is given hereunder:

Table 4

UNFULFILLED ALLOCATIONS, 31 DECEMBER 1964

	<i>US dollars</i>
Area and country assistance (excluding freight).....	40,063,332
Freight (including \$4,665 on general assistance).....	2,178,202
General assistance (excluding operational services and freight).....	1,677,926
Total outstanding programme allocations.....	43,919,460
Operational services for the first semester of 1965.....	2,388,950
Administrative costs for the first semester of 1965.....	1,148,650
	<u>47,457,060</u>
Balance of allocation approved for 1964 costs of administration and operational services, to be cancelled at the June 1965 session of the Executive Board (see statement III "Budgetary authorizations, obligations incurred and unobligated balances of authorizations—administrative costs and costs of operational services").....	181,605
Total unfulfilled allocations, 31 December 1964.....	<u><u>47,638,665</u></u>

Against the amount of \$41,741,258 in unfulfilled area, country and general assistance (exclusive of freight and operational services), there were outstanding contractual commitments of \$11,526,620 at 31 December 1964 (compared with \$13,291,620 at 31 December 1963). These consisted of contracts for supplies and equipment on which deliveries had not yet been effected totalling \$6,815,903 (compared with \$9,583,855 at 31 December 1963) and commitments for project personnel, fellowships and training grants totalling \$4,710,717 (compared with \$3,707,765 at 31 December 1963). These contractual commitments included approximately \$7.3 million in United States dollars, and the equivalent of \$4.2 million in thirty-nine other currencies. Among the latter was the equivalent of approximately \$1,000,000 in USSR rubles, \$800,000 in United Kingdom pounds sterling, \$550,000 in Indian rupees, \$450,000 in German marks, \$200,000 each in Australian pounds, Danish kroner, French francs and Swedish kronor, \$100,000 each in Japanese yen, Netherlands guilders and Polish zloty.

34. As noted in paragraph 2 (c), the Executive Board decided that allocations at each session should be based on resources foreseen up to the time of the next Board session. In accordance with this policy decision the Executive Board at its session in June 1964 approved allocations based on the estimated future income up to June 1965. The Operating Fund at 31 December 1964 amounted to \$25,196,491, which represents the surplus of assets over liabilities at that date. If this amount is deducted from the balance of unexpended allocations (\$47,638,665) shown in the preceding paragraph, there remains \$22,442,174 of allocations to be financed out of future income. The following table summarizes the position:

Table 5

UNFULFILLED ALLOCATIONS TO BE FINANCED OUT OF FUTURE INCOME

	<i>US dollars</i>
Allocations approved in 1964 (see paras. 12 and 14) ..	61,500,271
Less unused balances of old allocations cancelled in 1964 (see para. 56) .....	817,176
	<u>60,683,095</u>
Unallocated funds at 31 December 1963 (see para. 15)	5,359,355
1964 income (see para. 36) .....	32,881,566
	<u>38,240,921</u>
Balance to be financed from future income.....	<u><u>22,442,174</u></u>

## Income and expenditure

35. Statement II (Income and expenditure) is given on page 20. Additional information on each of the categories of income and expenditure is given below.

### INCOME

36. Income from all sources in 1964 totalled \$32,881,566, representing an increase of \$751,440 or 2.3 per cent over 1963. The following table shows the income in 1964 by major sources, as compared with similar figures for 1963:

*Table 6*

<i>Source of income</i>	<i>Amount of income</i>		<i>Increase of 1964 over 1963</i>	
	<i>1963</i>	<i>1964</i>	<i>Amount</i>	<i>Per cent</i>
	<i>(In US dollars)</i>			
Governmental contributions.....	24,592,358	25,598,006	1,005,648	4.1
Private contributions (including organized campaigns) . . .	4,482,172	4,136,848	(345,324)	(7.7)
Other income (Greeting Card Fund, investments, staff assessment, agency procurement commission, miscellaneous and difference in exchange).....	3,055,596	3,146,712	91,116	3.0
	<u>32,130,126</u>	<u>32,881,566</u>	<u>751,440</u>	<u>2.3</u>

### GOVERNMENTAL CONTRIBUTIONS

37. Contributions from Governments in 1964 comprised 77.8 per cent of the total income for the year, compared with 76.5 per cent in 1963. The number of Governments contributing rose to 121, representing an increase of six, as explained in paragraph 8 above.

38. The Government of the United States again contributed \$12 million (see paragraph 10); other Governments contributed \$13,598,006 in 1964, compared with \$12,592,358 in 1963. In addition to contributions to the UNICEF central account, a number of Governments of developing countries made cash contributions to UNICEF-aided projects, namely \$3,401,050 (for additional imported supplies and equipment), and to the administrative and related costs of UNICEF field offices, namely \$715,070 (see paragraphs 9 and 29, and also schedule C).

### PRIVATE CONTRIBUTIONS

39. Private contributions in 1964 totalled \$4,136,848, compared with \$4,482,172 in 1963. Of this sum, \$3,812,679 was collected as a result of campaigns in the United States and Canada, Freedom-from-Hunger campaigns in the United Kingdom, New Zealand and Australia, and a milk fund drive in Austria. The largest single source was the United States Committee for UNICEF with receipts of \$2,150,000 accruing to UNICEF, mainly from its "Trick or Treat" Hallowe'en project. Receipts accruing to UNICEF in 1964 from Hallowe'en collections (Shell-out) in Canada, sponsored by the National UNICEF Committee of the United Nations Association in Canada, amounted to \$355,235. Proceeds of the Freedom-from-Hunger campaign totalled \$1,174,948, namely from: the United Kingdom (\$519,748); New Zealand (\$347,525) and Australia (\$307,675). A contribution of \$73,746 was received from the conclusion of the milk fund drive in Austria. Collections for special projects, assisted by UNICEF, totalled \$58,750, namely: in the Netherlands (\$55,249), the Federal Republic of Germany (\$2,500) and Norway (\$1,001).

40. Contributions from individuals, churches, women's groups, schools and other organizations amounted in 1964 to \$95,891 from twenty-eight countries, compared with \$105,169 from thirty-five countries in 1963. The largest amounts came from the United States (\$60,979) and the United Kingdom (\$18,946).

41. Apart from the collections mentioned in paragraph 39, activities of committees resulted in remittances to UNICEF of contributions totalling \$228,278 (\$178,484 in 1963) from the following countries: Australia (\$10,080); Belgium (\$40,722); Denmark (\$15,935); the Federal Republic of Germany (\$14,335); Ireland (\$15,400); Japan (\$47,389); the Netherlands (\$12,066); Norway (\$1,975); Sweden (\$28,764); Switzerland (\$3,450) and the United Kingdom (\$38,162).

### OTHER INCOME

42. Income from other sources amounted to \$3,146,712 in 1964, compared with \$3,055,596 in 1963, and consisted of the following:

(a) *Contributions from Greeting Card Fund* (see paragraph 31). The sum of \$1.7 million was transferred to UNICEF in 1964 from the net profits of the 1963 campaign (\$1,731,324). In 1963 a transfer of \$1.4 million was made from the net profits of the 1962 campaign (\$1,612,883).

(b) *Income from investments* (see paragraph 23): Income of \$600,473 was \$257,082 less than that received in 1963 (\$857,555), due to the continued reduction in investments held by UNICEF, which decreased during 1964 by \$6,415,121 (from \$17,192,588 on 1 January 1964 to \$10,777,467 at 31 December 1964). Apart from interest on United Kingdom Treasury Bills (\$23,254), this income was derived entirely from interest earned on time deposits with banks (\$553,774) and from other interest-bearing bank accounts (\$23,445).

(c) *Income from staff assessment plan*. Income from the staff assessment plan, \$582,220 showed an increase of \$83,869 over the income of \$498,351 in 1963. In accordance with the procedure adopted by the United Nations, administrative costs (\$2,235,487) and costs of operational services (\$4,129,708) are stated on a gross basis and the amount derived from the staff assessment plan (\$582,220) is shown as income. Income related to salaries of administrative personnel amounted to \$179,888, and income related to salaries of personnel of operational services to \$402,332.

(d) *Income from agency procurement commission* (see paragraph 30). In 1964 the amount reimbursed to UNICEF by UNRWA amounted to \$52,084 of which \$11,792 was paid in reimbursement of administrative costs, and \$40,292 in reimbursement of costs of operational services.

(e) *Miscellaneous income*. This income totalled \$590,665 in 1964 (as compared with \$441,379 in 1963) and consisted of (i) sundry commissions and discounts (\$236,687); (ii) surplus realized on the Copenhagen Packing and Assembly Centre (\$190,000); (iii) proceeds of the sale of surplus property (\$103,501); (iv) cancelled administrative obligations of previous years and refunds related thereto (\$38,576); (v) recoveries from carriers (\$9,196) and (vi) sundry receipts and refunds (\$12,705).

(f) *"Difference in exchange"*. This account showed a debit balance of \$378,730 in 1964 (as compared with \$216,689 in 1963) due to the devaluation of some non-convertible currencies during the year.

## EXPENDITURE

### *Summary of expenditures and allocations*

43. Expenditures in 1964 totalled \$39,824,056; allocations made in 1964 totalled \$61,500,271. (For a comparison of expenditures and allocations with those of the two preceding years, see paragraph 45.) Allocations remaining to be fulfilled at the end of 1964 amounted to \$47,638,665, an increase of \$20,859,039 over the balance of \$26,779,626 of allocations unfulfilled at the end of 1963 (see paragraphs 16 and 33).

44. Schedule E shows expenditures in 1964 on area and country assistance by category of expenditure (supplies and equipment; fellowships and training grants; project personnel and other services). A breakdown of expenditures by programme is given in paragraph 46. Schedule E gives also totals of expenditure on general assistance (i.e., assistance benefiting more than one area) and on administrative costs. In addition, it details the allocations made by the Executive Board in 1964 (as adjusted by returns of previous allocations) and shows the balances of allocations remaining to be fulfilled after 31 December 1964.

45. The following table gives the comparison of expenditures and allocations, in summarized form for the years 1962, 1963 and 1964:

*Table 7*

### COMPARISON OF EXPENDITURES AND ALLOCATIONS, 1962, 1963, 1964

	1962	1963	1964 <sup>a</sup>
	<i>(In US dollars)</i>		
<i>Expenditures:</i>			
Supplies and equipment (inclusive of freight).....	23,274,472	28,457,343	28,980,676
Fellowships and training grants.....	915,039	2,378,368	2,742,415
Project personnel.....	660,424	1,674,464	1,241,634
Other non-supply assistance.....	413,810	525,210	494,136
Operational services (gross).....	3,117,132	3,617,201	4,129,708
<b>TOTAL ASSISTANCE EXPENDITURES</b>	<b>28,380,877</b>	<b>36,652,586</b>	<b>37,588,569</b>
Administrative costs (gross).....	2,048,013	2,231,393	2,235,487
<b>TOTAL EXPENDITURES</b>	<b>30,428,890</b>	<b>38,883,979</b>	<b>39,824,056</b>
<i>Allocations:</i>			
Unfulfilled balances of allocations 1 January.....	39,167,056	38,833,003	26,779,626
Allocations made.....	30,949,807	27,944,681	61,500,271

Table 7 (continued)

	1962	1963	1964 <sup>a</sup>
	(In US dollars)		
Allocations returned .....	(854,970)	(1,114,079)	(817,176)
<i>Less</i> : Total expenditures .....	69,261,893	65,663,605	87,462,721
	30,428,890	38,883,979	39,824,056
<i>Unfulfilled balances of allocations 31 December</i> .....	38,833,003	26,779,626	47,638,665

<sup>a</sup> Figures for 1964 are shown in greater detail in schedule E.

*Programme expenditures*

46. The expenditures on programmes in 1964 amounted to \$33,458,861.<sup>5</sup> The following table gives a breakdown of these expenditures by programme, as compared with expenditures in the two preceding years:

Table 8

PROGRAMME EXPENDITURES BY PROGRAMME, 1962, 1963, 1964  
(Including freight as part of the expenditure for the respective programmes)

	1962	1963	1964
	(In thousands of US dollars)		
<b>A. LONG-RANGE AID</b>			
<i>Health</i> .....	17,086.6	19,099.5	22,493.8
<i>Health services</i> .....	9,091.7	10,050.1	11,797.1
<i>Disease control</i>			
Malaria: campaigns .....	4,966.0	5,411.4	7,264.4
DDT production .....	86.3	102.9	—
BCG anti-tuberculosis vaccination .....	310.2	373.9	389.9
Other tuberculosis control .....	1,011.5	1,485.7	1,091.3
Yaws/VD .....	473.9	218.4	78.3
Trachoma .....	324.2	652.7	843.9
Leprosy .....	748.3	728.2	868.9
Polyvalent disease control .....	—	—	11.8
Other diseases .....	72.3	71.2	148.2
Production: penicillin .....	2.2	5.0	—
	7,994.9	9,049.4	10,696.7
<i>Nutrition</i>			
Child feeding .....	1,045.8	552.2	270.3
Applied nutrition .....	1,166.1	2,661.4	2,880.0
Milk conservation .....	2,615.3	3,385.0	2,298.0
High-protein food development .....	141.2	167.6	236.4
Other nutrition .....	19.5	2.3	8.3
	4,987.9	6,768.5	5,693.0
<i>Family and child welfare</i> .....	529.6	537.3	1,058.1
<i>Education</i> .....	268.6	958.8	2,161.7
<i>Vocational training</i> .....	19.3	208.7	396.8

<sup>5</sup> This amount which consists of expenditure on supplies, equipment, fellowships, training grants, project personnel and other non-supply assistance, includes inventories of supplies and equipment undistributed at 31 December 1964 valued at \$10,177,326 (compared with \$8,888,809 at 31 December 1963); namely (a) in warehouses in receiving countries awaiting distribution, \$2,147,878; (b) in transit, \$1,618,304 (estimated); (c) with suppliers (paid for), or in warehouses (outside receiving countries) awaiting shipment, \$6,411,144.



Table 8 (continued)

	1962	1963	1964
	(In thousands of US dollars)		
Planning for children and youth .....	—	—	79.5
Country planning and programme development .....	32.1	66.6	119.7
TOTAL, long-range aid	22,924.1	27,639.4	32,002.6
B. EMERGENCY AID .....	779.1	713.2	602.8
TOTAL, long-range and emergency aid	23,703.2	28,352.6	32,605.4
C. UNDISTRIBUTED CHARGES .....	1,560.5	4,682.8	853.5
TOTAL, PROGRAMME EXPENDITURES	25,263.7	33,035.4	33,458.9

47. By main types of supplies, these expenditures were as follows:

Table 9  
PROGRAMME EXPENDITURES, 1962, 1963, 1964 BY MAIN TYPE OF SUPPLY

	1962	1963	1964
	(In thousands of US dollars)		
DDT .....	3,045.5	3,751.9	3,565.2
Dieldrin .....	43.8	147.9	5.1
Transport—vehicles .....	5,684.1	4,942.9	5,966.3
Vitamin A and D capsules and vitaminization of skim milk ..	680.5	662.0	536.7
Foods, miscellaneous .....	—	268.7	324.7
Penicillin .....	106.5	(1.7)	11.1
Textiles and blankets .....	200.9	56.9	80.6
Soap .....	151.5	140.3	73.8
Whole milk .....	358.5	150.7	136.4
Equipment and supplies (other than above)			
Health services and family and child welfare .....	3,644.4	4,896.4	6,481.8
Disease control .....	1,914.3	2,739.0	2,958.2
Milk conservation and high-protein food development .....	2,306.4	2,881.8	2,042.5
Education and vocational training .....	142.4	581.8	1,290.9
Miscellaneous .....	438.8	971.3	1,194.0
Warehouse stocks in Copenhagen .....	1,019.4	2,901.8	973.2
Advisory services .....	1,989.3	4,578.0	4,483.0
TOTALS, excluding freight	21,726.3	29,669.7	30,123.5
Freight: on powdered milk .....	1,536.3	970.9	711.0
on other supplies .....	2,001.1	2,394.8	2,624.4
TOTALS, including freight	25,263.7	33,035.4	33,458.9

48. The main types of bulk commodities were shipped in the quantities below:

Table 10  
BULK COMMODITIES (MAIN TYPES)

	1962	1963	1964
	(In thousands of pounds)		
DDT (75 per cent and 100 per cent) .....	12,721.8	18,125.2	20,025.5
Dieldrin .....	50.0	170.2	4.5
Soap .....	2,095.7	2,101.0	1,023.2

Table 10 (continued)

	1962	1963	1964
	(In thousands of pounds)		
Skim milk .....	64,871.7	36,397.1	18,441.6
Skim milk fortified .....	12,533.7	20,893.7	8,230.9
Whole milk .....	1,778.6	996.6	915.5
	(In thousands of capsules)		
Vitamin A and D .....	332,667.0	314,757.5	359,781.0
	(In thousands of vials)		
Penicillin .....	1,414.7	498.3	286.0

49. The United States Government provided 26,672,483 pounds of powdered skim milk from surplus stocks, free of cost at the port of exit; these supplies were shipped by UNICEF during 1964 for distribution through maternal and child welfare centres and schools. The costs of ocean freight on the milk were borne by UNICEF, as were the costs of vitaminizing 8,230,884 pounds of milk. A total of 915,496 pounds of powdered whole milk was shipped in 1964, of which 641,439 pounds were donated by the Swiss Government, f.o.b. Swiss plants; the packing charges and freight costs were borne by UNICEF. A further quantity of 274,057 pounds of powdered whole milk was purchased from funds collected by UNICEF national committees in special milk fund drives.

#### Operational services expenditures

50. Expenditures on operational services<sup>6</sup> totalled \$4,129,708 (gross). Salaries and wages have been stated on a "gross" basis and are offset by credits to income derived under the staff assessment plan. After deducting the appropriate part of income under the staff assessment plan (\$402,332), the income from "agency procurement commission" (\$40,292) as shown in paragraph 42, and the share (\$4,166) of the Technical Assistance Board in the expenditures of the Joint UNICEF/TAB office in Sydney (Table 14), the net cost of operational services in 1964 amounted to \$3,682,918.

#### Administrative expenditures

51. Expenditures on administration totalled \$2,235,487 (gross). Salaries and wages have been stated on a "gross" basis and are offset by credits to income derived under the staff assessment plan. After deducting the appropriate part of income under the staff assessment plan (\$179,888) and the income from "agency procurement commission" (\$11,792), the net cost of administration in 1964 amounted to \$2,043,807.

#### Ratio of administrative expenditures to total expenditures

52. Programme expenditures and net expenditures on operational services amounted in 1964 to \$37,141,779 compared with \$36,258,729 in 1963 (an increase of \$883,050). Administrative costs (net) totalled \$2,043,807 in 1964, as compared with \$2,043,399 in 1963 (an increase of \$408).

53. The ratio of expenditures on assistance (programme and operational services expenditures) to total expenditures was 94.79 per cent in 1964; the ratio of administrative expenditures was 5.21<sup>7</sup> per cent, as can be seen from the following table:

Table 11

#### RATIO OF EXPENDITURES ON ASSISTANCE AND ON ADMINISTRATION TO TOTAL EXPENDITURES

	\$	Per cent	\$	Per cent
<i>1964</i>				
Programme expenditures .....	33,458,861	85.39		
Operational services (net) .....	3,682,918	9.40	37,141,779	94.79
Administrative expenditures (net) .....			2,043,807	5.21
TOTAL			39,185,586	100.00

<sup>6</sup> Operational services consist of (a) cost of personnel and related services of the food conservation operation; (b) cost of personnel and related services of area and country offices; and (c) cost of personnel and related services of the procurement and shipping operation.

<sup>7</sup> The ratio is based on expenditures as per "Statement of income and expenditure". This basis does not include the value of cost-free powdered milk (26.7 million pounds shipped in 1964) and expenditures under reimbursable procurement on behalf of assisted Governments in furtherance of UNICEF-aided projects (\$2.8 million in 1964—see schedule C (expenditures)).

Table 11 (continued)

	\$	Per cent	\$	Per cent
Comparable figures for the years 1963 and 1962 are shown below:				
<i>1963</i>				
Programme expenditures .....	33,035,385	86.25		
Operational services (net) .....	3,223,344	8.42	36,258,729	94.67
Administrative expenditures (net) .....			2,043,399	5.33
TOTAL			38,302,128	100.00
<i>1962</i>				
Programme expenditures .....	25,263,745	84.48		
Operational services (net) .....	2,761,403	9.24	28,025,148	93.72
Administrative expenditures (net) .....			1,879,032	6.28
TOTAL			29,904,180	100.00

### Allocations

54. Allocations (gross) approved by the Executive Board in 1964 amounted to \$61,500,271 (see paragraph 14), compared with \$27,944,681 effective in 1963.

55. The following table shows these allocations by programme and geographical area:

Table 12

#### SUMMARY OF ALLOCATIONS APPROVED BY THE EXECUTIVE BOARD IN 1964 BY PROGRAMME AND GEOGRAPHICAL AREA

(In US dollars)

	Africa	East Asia and Pakistan	South Central Asia	Eastern Mediterranean	Europe	The Americas	Inter- regional	Total	Per cent
<b>LONG-RANGE AID</b>									
<i>Health</i> .....	3,350,609	6,898,099	4,460,500	3,741,396	90,376	11,251,980	918,000	30,710,960	63.43
<i>Health services</i> .....	2,453,312	4,700,029	2,788,700	701,396	67,158	4,876,300	918,000	16,504,895	34.09
<i>Disease control</i> .....	897,297	2,198,070	1,671,800	3,040,000	23,218	6,375,680	—	14,206,065	29.34
Malaria .....	71,000	521,000	148,000	2,587,000	—	5,972,000	—	9,299,000	19.21
BCG anti-tuberculosis vaccination .....	40,000	208,000	127,000	—	—	1,480	—	376,480	0.78
Other tuberculosis control .....	247,000	362,500	751,000	81,000	—	402,200	—	1,843,700	3.81
Yaws/VD .....	41,000	10,000	—	—	218	—	—	51,218	0.10
Trachoma .....	115,297	782,000	523,000	85,000	—	—	—	1,505,297	3.11
Leprosy .....	329,900	286,000	116,000	29,000	—	—	—	760,900	1.57
Polyvalent disease control .....	53,100	—	—	—	—	—	—	53,100	0.11
Other diseases .....	—	28,570	6,800	258,000	23,000	—	—	316,370	0.65
<i>Nutrition</i> .....	1,912,550	615,179	3,651,200	233,050	634,200	1,067,300	670,000	8,783,479	18.14
Child feeding .....	—	10,879	—	—	—	—	—	10,879	0.02
Applied nutrition .....	1,480,650	341,300	2,530,200	233,050	—	890,300	380,000	5,855,500	12.09
Milk conservation .....	366,900	183,000	901,000	—	482,200	75,000	—	2,008,100	4.15
High-protein food development .....	65,000	—	120,000	—	152,000	82,000	290,000	709,000	1.47
Other nutrition .....	—	80,000	100,000	—	—	20,000	—	200,000	0.41

Table 12 (continued)

	Africa	East Asia and Pakistan	South Central Asia	Eastern Mediterranean	Europe	The Americas	Inter- regional	Total	Per cent
Family and child welfare .....	697,132	273,400	—	160,000	—	213,000	—	1,343,532	2.78
Education .....	2,367,000	1,507,600	170,500	586,000	—	786,800	—	5,417,900	11.19
Vocational training ...	320,200	69,000	178,000	72,000	33,000	100,300	—	772,500	1.60
Other .....	—	90,000	—	—	—	173,000	280,000	543,000	1.12
Total for long-range aid	8,647,491	9,453,278	8,460,200	4,792,446	757,576	13,592,380	1,868,000	47,571,371	98.26
EMERGENCY AID .....								844,500	1.74
								48,415,871	100.00
FREIGHT .....								3,000,000	=====
Total for programme aid .....								51,415,871	
Estimated operational services for 1964 and first semester of 1965 .....								6,614,350	
Estimated administrative costs for 1964 and first semester of 1965 .....								3,470,050	
GRAND TOTAL, ALLOCATIONS								61,500,271	=====

56. Unused balances of allocations cancelled in 1964 amounted to \$817,176 of which \$512,220 in respect of programme allocations, and \$304,956 in respect of allocations for 1963 administrative and operational services costs. After deduction of these returns the net allocations approved in 1964 amounted to \$60,683,095.

### Internal matching

57. The provision by Governments of local funds, facilities, services, supplies, personnel and other resources for the execution of programmes aided by UNICEF is known as "internal matching". For allocations made by UNICEF in 1964 totalling \$61.5 million (see paragraph 14), the assisted Governments undertook to spend \$133.4 million, as shown in the following table:

Table 13  
INTERNAL MATCHING

	UNICEF allocations (In thousands of US dollars)	Internal matching by governments
<b>I. Programme assistance</b>		
Africa .....	8,650	25,606
East Asia and Pakistan .....	9,533	23,305
South Central Asia .....	8,460	21,029
Eastern Mediterranean .....	5,216	21,693
Europe .....	758	3,958
The Americas .....	13,906	36,984
Assistance benefiting more than one region .....	4,893	800
TOTAL	51,416	133,375
II. Estimated operational services costs for 1964 and first semester 1965 ..	6,614	a
III. Estimated administrative costs for 1964 and first semester 1965 .....	3,470	—
GRAND TOTAL	61,500	133,375

<sup>a</sup> See paragraphs 9 and 29, and schedule C.

**Budgetary authorizations—administrative costs  
and costs of operational services**

58. At the close of 1964 there remained unobligated balances totalling \$181,605 from the allocation of \$6,546,800 for administrative costs and costs of operational services for 1964; this balance of allocation is cancelled. Obligations (gross) incurred in 1964 represented 97.2 per cent of the budgetary authorizations (gross) for the year. The following table presents a summary of budgetary authorizations, obligations incurred and unobligated balances of authorizations for each of the nine organizational budget units:

Table 14

BUDGETARY AUTHORIZATIONS—ADMINISTRATIVE COSTS AND COSTS OF OPERATIONAL SERVICES

Units	Budgetary authorizations \$	Obligations incurred			Ratio of obligations incurred to budgetary authorizations (Percentage)	Unobligated balances of authorizations \$
		Administra-tion \$	Operational services \$	Total \$		
I. International staff costs.....	3,638,900	1,143,818	2,446,207	3,590,025	98.7	48,875
II. Local costs						
(a) New York Headquarters.....	1,190,600	785,364	380,187	1,165,551	97.9	25,049
(b) Field Offices						
1. Asia (excluding India, Afghan- istan and Ceylon).....	171,700	—	161,587	161,587	94.1	10,113
2. India, Afghanistan and Ceylon.....	100,500	—	91,151	91,151	90.7	9,349
3. Europe and North Africa.....	625,500	249,615	352,273	601,888	96.2	23,612
4. Africa, South of the Sahara.....	401,600	—	374,658	374,658	93.3	26,942
5. The Americas.....	251,900	56,690	186,806	243,496	96.7	8,404
6. Eastern Mediterranean.....	132,300	—	128,794	128,794	97.4	3,506
7. South-West Pacific Office.....	8,800	—	8,045	8,045	91.4	755
	6,521,800	2,235,487	4,129,708	6,365,195	97.6	156,605
Contingency Fund.....	25,000 <sup>a</sup>	—	—	—	—	25,000
	<u>6,546,800</u>	<u>2,235,487</u>	<u>4,129,708</u>	<u>6,365,195</u>	<u>97.2</u>	<u>181,605</u>
Less: Staff assessment plan.....		(179,888)	(402,332)	(582,220)		
Agency procurement commis- sion.....		(11,792)	(40,292)	(52,084)		
Reimbursement from TAB..		—	(4,166)	(4,166)		
		<u>2,043,807</u>	<u>3,682,918</u>	<u>5,726,725</u>		

<sup>a</sup>\$25,000 were drawn during the year from the Contingency Fund (original budgetary appropriation for the Contingency Fund was \$50,000) on the authority of the Committee on Administrative Budget (E/ICEF/AB/L.44, para. 40 and E/ICEF/500, para. 67) to supplement the budgetary provision for section 2 (Other expenses and permanent equipment); at the close of the year this section shows a surplus of \$50,472 (see statement III (Budgetary authorizations, obligations incurred and unobligated balances of authorizations)).

**Ex gratia payments**

59. In accordance with the requirements of the financial rule 110.13, the following statement is submitted:

The Executive Director of UNICEF approved an *ex gratia* payment of \$470.93 to a staff member in respect of the travelling expenses from his duty station, Teheran, to his home at Copenhagen to attend the funeral of his son. Originally this travel was authorized as home leave, but later in the year the duty station of the staff member was changed from Teheran to Addis Ababa and it became necessary for him to travel to Copenhagen again to arrange for the removal of his family from Denmark to Ethiopia. This second trip was approved as the home leave to which he was entitled, and the first trip was approved as an *ex gratia* payment for compassionate reasons.

3 May 1965

(Signed) E. J. R. HEYWARD  
Acting Executive Director

**B. FINANCIAL STATEMENTS FOR THE EIGHTEENTH FINANCIAL PERIOD  
ENDED 31 DECEMBER 1964**

**I. Statement of assets and liabilities**

ASSETS	\$
Cash on hand, in transit and at banks (including deposits against irrevocable letters of credit totalling \$232,122.42).....	6,937,058.76
Investments at cost (schedule A).....	10,777,467.14
Custodial investments (UNRWA).....	47,607.65
Deposits with governmental agencies and suppliers.....	3,462,237.71
Accounts receivable, advances, deposits, etc.....	2,931,763.63
Contributions receivable from Governments (schedule B).....	8,771,876.73
	<hr/> <hr/> <u>32,928,011.62</u>

CERTIFIED CORRECT:  
(Signed) Stanley SROKA  
Comptroller

**A U D I T**

The above Statement of Assets and Liabilities has been examined in accordance with our directions. We that, in our opinion, the above statement is correct.

as at 31 December 1964

LIABILITIES	\$	\$
Accounts payable and other unliquidated obligations (including obligations in respect of administrative costs and operational services of \$147,841.88).....		2,811,915.17
Trust funds—Governments (schedule C).....		3,963,557.74
UNRWA Agency procurement account.....		738,727.60
Greeting Card Fund.....		17,319.63
Reserve for insurance.....		200,000.00
Operating fund:		
Unexpended balances of approved allocations <sup>a</sup> .....	47,638,665.55	
Part thereof to be financed from future income.....	<u>22,442,174.07</u>	<u>25,196,491.48</u>
		<u><u>32,928,011.62</u></u>

<sup>a</sup> In addition, formal commitments approved by the Executive Board against future income amount to \$26,207,800.

APPROVED:

(Signed) E. J. R. HEYWARD  
*Acting Executive Director*

#### CERTIFICATE

have obtained all the information and explanations that we have required, and we certify, as a result of the audit,

(Signed) L. GÖTZEN, *Netherlands*  
R. VÁSQUEZ, *Colombia*  
Mushtaq AHMAD, *Pakistan*



**II. Statement of income and expenditure for the year ended  
31 December 1964**

	\$	\$	\$
<b>INCOME</b>			
Contributions from Governments, including receivables (schedule D).....		25,598,005.52	
Private contributions (including organized campaigns).....		4,136,847.99	
<i>Other income</i>			
Contributions from Greeting Card Fund.....	1,700,000.00		
Income from investments.....	600,473.09		
Staff assessment plan.....	582,219.89		
Agency procurement commission.....	52,083.35		
Miscellaneous income.....	590,665.26		
	3,525,441.59		
<i>Less:</i> Difference in exchange.....	378,729.66	3,146,711.93	32,881,565.44
<b>EXPENDITURE (schedule E)</b>			
Supplies and equipment.....		28,980,675.33	
Fellowships and training grants.....	2,742,415.31		
Project personnel.....	1,241,634.04		
Other non-supply assistance.....	494,135.89	4,478,185.24	
Operational services.....		4,129,707.67	
		37,588,568.24	
Administrative costs.....		2,235,487.26	39,824,055.50
<b>EXCESS OF EXPENDITURE OVER INCOME.....</b>			6,942,490.06
<b>CERTIFIED CORRECT:</b>		<b>APPROVED:</b>	
(Signed) Stanley SROKA Comptroller		(Signed) E. J. R. HEYWARD Acting Executive Director	

**AUDIT CERTIFICATE**

The above Statement of Income and Expenditure has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above Statement is correct.

(Signed) L. GÖTZEN, *Netherlands*  
R. VÁSQUEZ, *Colombia*  
Mushtaq AHMAD, *Pakistan*

**Statement of budgetary authorizations, obligations incurred, etc. follows overleaf**

**III. Statement of budgetary authorizations, obligations incurred and operational services for the year ended**

	<i>Budgetary authorizations</i>		
	<i>Original appropriation</i> \$	<i>Subsequent section transfers</i> \$	<i>Revised appropriation</i> \$
<i>Part</i>			
I. <i>International staff costs</i>			
Salaries, wages and common staff costs.....	3,722,800.00	(83,900.00)	3,638,900.00
II. <i>Local costs</i>			
(a) New York Headquarters			
Salaries, wages and common staff costs.....	855,200.00	44,000.00	899,200.00
Other expenses and permanent equipment.....	304,500.00	(13,100.00)	291,400.00
	<u>1,159,700.00</u>	<u>30,900.00</u>	<u>1,190,600.00</u>
(b) Field offices			
1. Asia (excluding India, Afghanistan and Ceylon)			
Salaries, wages and common staff costs.....	79,800.00	23,700.00	103,500.00
Other expenses and permanent equipment.....	61,500.00	6,700.00	68,200.00
	<u>141,300.00</u>	<u>30,400.00</u>	<u>171,700.00</u>
2. India, Afghanistan and Ceylon			
Salaries, wages and common staff costs.....	39,000.00	39,400.00	78,400.00
Other expenses and permanent equipment.....	15,300.00	6,800.00	22,100.00
	<u>54,300.00</u>	<u>46,200.00</u>	<u>100,500.00</u>
3. Europe and North Africa			
Salaries, wages and common staff costs.....	431,600.00	15,800.00	447,400.00
Other expenses and permanent equipment.....	175,800.00	2,300.00	178,100.00
	<u>607,400.00</u>	<u>18,100.00</u>	<u>625,500.00</u>
4. Africa, South of the Sahara			
Salaries, wages and common staff costs.....	250,900.00	(21,300.00)	229,600.00
Other expenses and permanent equipment.....	129,400.00	42,600.00	172,000.00
	<u>380,300.00</u>	<u>21,300.00</u>	<u>401,600.00</u>
5. The Americas			
Salaries, wages and common staff costs.....	162,800.00	12,200.00	175,000.00
Other expenses and permanent equipment.....	82,300.00	(5,400.00)	76,900.00
	<u>245,100.00</u>	<u>6,800.00</u>	<u>251,900.00</u>
6. Eastern Mediterranean			
Salaries, wages and common staff costs.....	105,800.00	(22,200.00)	83,600.00
Other expenses and permanent equipment.....	59,100.00	(10,400.00)	48,700.00
	<u>164,900.00</u>	<u>(32,600.00)</u>	<u>132,300.00</u>
7. South-West Pacific Office			
Salaries, wages and common staff costs.....	13,300.00	(7,700.00)	5,600.00
Other expenses and permanent equipment.....	7,700.00	(4,500.00)	3,200.00
	<u>21,000.00</u>	<u>(12,200.00)</u>	<u>8,800.00</u>
TOTAL PART II	<u>2,774,000.00</u>	<u>108,900.00</u>	<u>2,882,900.00</u>

**unobligated balances of authorizations—administrative costs and costs of  
31 December 1964**

<i>Obligations incurred</i>							<i>Unobligated balance of revised authori- zations</i> \$
<i>Administration</i>			<i>Operational services</i>				
<i>Liquidated by disbursements</i> \$	<i>Unliquidated</i> \$	<i>Total</i> \$	<i>Liquidated by disbursements</i> \$	<i>Unliquidated</i> \$	<i>Total</i> \$	<i>Total</i> \$	
1,141,118.52	2,699.43	1,143,817.95	2,395,812.93	50,394.11	2,446,207.04	3,590,024.99	48,875.01
592,131.40	4,099.15	596,230.55	292,539.13	492.50	293,031.63	889,262.18	9,937.82
155,495.08	33,638.70	189,133.78	82,137.53	5,017.55	87,155.08	276,288.86	15,111.14
747,626.48	37,737.85	785,364.33	374,676.66	5,510.05	380,186.71	1,165,551.04	25,048.96
—	—	—	99,377.94	546.21	99,924.15	99,924.15	3,575.85
—	—	—	60,020.29	1,642.80	61,663.09	61,663.09	6,536.91
—	—	—	159,398.23	2,189.01	161,587.24	161,587.24	10,112.76
—	—	—	70,763.06	204.33	70,967.39	70,967.39	7,432.61
—	—	—	18,702.40	1,481.47	20,183.87	20,183.87	1,916.13
—	—	—	89,465.46	1,685.80	91,151.26	91,151.26	9,348.74
168,365.20	39.37	168,404.57	265,327.60	23.40	265,351.00	433,755.57	13,644.43
63,825.47	17,384.53	81,210.00	75,731.01	11,191.41	86,922.42	168,132.42	9,967.58
232,190.67	17,423.90	249,614.57	341,058.61	11,214.81	352,273.42	601,887.99	23,612.01
—	—	—	212,983.49	—	212,983.49	212,983.49	16,616.51
—	—	—	149,134.28	12,540.01	161,674.29	161,674.29	10,325.71
—	—	—	362,117.77	12,540.01	374,657.78	374,657.78	26,942.22
43,825.12	—	43,825.12	126,309.83	—	126,309.83	170,134.95	4,865.05
11,575.07	1,290.22	12,865.29	56,671.94	3,824.24	60,496.18	73,361.47	3,538.53
55,400.19	1,290.22	56,690.41	182,981.77	3,824.24	186,806.01	243,496.42	8,403.58
—	—	—	82,622.95	—	82,622.95	82,622.95	977.05
—	—	—	44,838.17	1,332.45	46,170.62	46,170.62	2,529.38
—	—	—	127,461.12	1,332.45	128,793.57	128,793.57	3,506.43
—	—	—	5,391.33	—	5,391.33	5,391.33	208.67
—	—	—	2,653.31	—	2,653.31	2,653.31	546.69
—	—	—	8,044.64	—	8,044.64	8,044.64	755.36
1,035,217.34	56,451.97	1,091,669.31	1,645,204.26	38,296.37	1,683,500.63	2,775,169.94	107,730.06

**III. Statement of budgetary authorizations, obligations incurred and operational services for the year ended**

	<i>Budgetary authorizations</i>		
	<i>Original appropriation</i>	<i>Subsequent section transfers</i>	<i>Revised appropriation</i>
	\$	\$	\$
TOTALS PARTS I AND II			
Salaries, wages and common staff costs.....	5,661,200.00	—	5,661,200.00
Other expenses and permanent equipment.....	835,600.00	25,000.00	860,600.00
	<u>6,496,800.00</u>	<u>25,000.00</u>	<u>6,521,800.00</u>
Contingencies .....	50,000.00	(25,000.00)	25,000.00
	<u>6,546,800.00</u>	<u>—</u>	<u>6,546,800.00</u>
GRAND TOTAL	<u><u>6,546,800.00</u></u>	<u><u>—</u></u>	<u><u>6,546,800.00</u></u>

CERTIFIED CORRECT:  
 (Signed) Stanley SROKA  
 Comptroller

A U D I T

The above statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations that we have required, and we certify, as a result of the audit, that, in our opinion, the above statement is

SCHEDULE A

Investments as at 31 December 1964

	\$	Nominal value \$	Book value \$	Yield (per cent)
<i>Deposits with banks</i>				
<i>Deposits at seven days notice, in US dollars</i>				
Chase Manhattan Bank, New York.....	2,101,669.38			
Irving Trust Company, New York.....	1,705,596.25			
Chemical Bank New York Trust Company, New York .....	1,109,013.81			
Bankers Trust Company, New York.....	1,090,810.59			
Dime Savings Bank of Brooklyn, New York....	125,042.25	6,132,132.28	6,132,132.28	3.57
<hr/>				
<i>Time deposits in other currencies (due from January to March 1965)</i>				
Central Bank of India Ltd., New Delhi.....	2,016,000.00			
Commonwealth Trading Bank of Australia, Sydney	1,570,240.00			
Bankers Trust Company, London.....	552,625.48			
Bank of London and South America Ltd., London	256,279.08			
Chase Manhattan Bank, Paris.....	100,000.00			
Creditanstalt Bankverein, Vienna.....	96,153.84			
Amsterdamsche Bank, Amsterdam.....	41,436.46			
Provincial Bank of Ireland, Ltd., Dublin.....	12,600.00	4,645,334.86	4,645,334.86	4.09
<hr/>				
TOTAL INVESTMENTS		<u>10,777,467.14</u>	<u>10,777,467.14</u>	<u>3.79</u>

SCHEDULE B

Contributions receivable from Governments as at 31 December 1964  
(to the central account)

<i>Governments</i>	<i>Contributions for years prior to 1964 \$</i>	<i>Contributions for 1964 \$</i>	<i>Total contributions receivable \$</i>
Afghanistan .....		10,000.00	10,000.00
Algeria .....	35,000.00	35,000.00	70,000.00
Argentina .....	63,526.84	71,428.57	134,955.41
Belgium .....		200,000.00	200,000.00
Brazil .....	70,967.74		70,967.74
British Caribbean Territories.			
Barbados .....		2,000.00	2,000.00
Dominica .....		235.29	235.29
St. Kitts .....		291.67	291.67
St. Lucia .....		875.00	875.00
British Guiana .....		875.00	875.00
Brunei .....		3,266.67	3,266.67
Burma .....		56,000.00	56,000.00
Cambodia .....		5,000.00	5,000.00
Central African Republic .....		4,275.00	4,275.00
Chile .....	131,347.00		131,347.00
China .....		15,000.00	15,000.00
Colombia .....		60,761.14	60,761.14
Costa Rica .....	4,421.05		4,421.05
Dahomey .....		5,000.00	5,000.00
Dominican Republic .....	20,000.00	40,000.00	60,000.00
El Salvador .....		20,000.00	20,000.00
Ghana .....		16,800.00	16,800.00
Guinea .....		22,179.59	22,179.59
Haiti .....	10,000.00		10,000.00
Honduras .....		20,000.00	20,000.00
Hungary .....		6,388.42	6,388.42
India .....		546,000.00	546,000.00
Iran .....	5,000.00	275,000.00	280,000.00
Iraq .....		56,000.00	56,000.00
Israel .....		40,000.00	40,000.00
Italy .....	128,000.00	192,000.00	320,000.00
Laos .....		1,000.00	1,000.00
Mexico .....		80,000.00	80,000.00
Panama .....		15,000.00	15,000.00
Paraguay .....	40,000.00	30,000.00	70,000.00
Peru .....		14,925.37	14,925.37
Romania .....		25,000.00	25,000.00
Senegal .....		20,408.16	20,408.16
Spain .....		100,000.00	100,000.00
Syria .....	10,526.32	12,500.00	23,026.32
Thailand .....		7,146.32	7,146.32
Trinidad and Tobago .....		7,000.00	7,000.00
Tunisia .....		16,620.00	16,620.00
Turkey .....		72,222.22	72,222.22
Uganda .....		8,403.36	8,403.36
United States of America .....	24,766.00	6,112,720.00	6,137,486.00
Venezuela .....		1,000.00	1,000.00
	543,554.95	8,228,321.78	8,771,876.73

SCHEDULE C

Trust Funds—Governments—as at 31 December 1964

	<i>Cash contributions</i>		
	<i>To UNICEF-aided projects</i> \$	<i>To the local administrative and other costs of UNICEF field offices</i> \$	<i>Total</i> \$
Balances 1 January 1964.....	3,287,935.29	123,796.92	3,411,732.21
<i>Receipts</i>			
Funds received during year.....	3,401,049.69	715,069.85	4,116,119.54
<b>TOTAL</b>	<b>6,688,984.98</b>	<b>838,866.77</b>	<b>7,527,851.75</b>
<i>Disbursements</i>			
Expenditures .....	2,795,833.75	705,414.81	3,501,248.56
Funds returned .....	63,021.37	24.08	63,045.45
<b>TOTAL</b>	<b>2,858,855.12</b>	<b>705,438.89</b>	<b>3,564,294.01</b>
Balances 31 December 1964.....	3,830,129.86	133,427.88	3,963,557.74



SCHEDULE D

**Contributions from Governments to the central account (including contributions receivable) during the year ended 31 December 1964**

<i>Governments</i>	<i>Currency paid or pledged</i>	<i>US dollar equivalent</i>	<i>Cash contributions from Governments of UNICEF-assisted countries towards local administrative and other costs of UNICEF Field Offices (Trust Funds)</i>
			<i>US dollar equivalent</i>
Afghanistan	US dollars (receivable) .....	10,000.00	3,478.80
Algeria	US dollars (receivable) .....	35,000.00	3,535.71
Argentina	Pesos (receivable) .....	71,428.57	
Australia	Pounds .....	537,600.00	
Austria	Schillings .....	96,153.85	
Belgium	Francs (receivable) .....	200,000.00	
Bolivia	US dollars .....	5,000.00	
Brazil	Cruzeiros .....	274,193.55	8,656.96
British Caribbean Territories			
Antigua	Pounds sterling .....	175.00	
Bahamas	Pounds sterling .....	2,800.00	
Barbados	US dollars (receivable) .....	2,000.00	
Dominica	West Indian dollars (receivable) .....	235.29	
Grenada	US dollars .....	588.23	
St. Kitts	West Indian dollars (receivable) .....	291.67	
St. Lucia	West Indian dollars (receivable) .....	875.00	
British Guiana	West Indian dollars (receivable) .....	875.00	
British Honduras	Pounds sterling .....	700.00	
Brunei	Pounds sterling (receivable) .....	3,266.67	
Bulgaria	Leva .....	4,273.50	
Burma	Pounds sterling (receivable) .....	56,000.00	66,057.60
Byelorussian Soviet Socialist Republic	Rubles .....	62,500.00	
Cambodia	US dollars (receivable) .....	3,500.00	
	Riels (receivable) .....	1,500.00	5,000.00
Cameroon	Francs (CFA) .....	13,300.00	
Canada	US dollars .....	739,884.39	
Central African Republic	Francs (CFA) (receivable) .....	4,275.00	
Ceylon	Pounds sterling .....	14,700.00	3,323.87
Chad	Francs (CFA) .....	6,122.45	
Chile	US dollars .....	80,000.00	1,562.50
China	N.T. dollars .....	25.00	
	N.T. dollars (receivable) .....	10,000.00	
	US dollars (receivable) .....	5,000.00	15,025.00
Colombia	US dollars .....	89,238.86	
	US dollars (receivable) .....	60,761.14	150,000.00
Congo (Brazzaville)	Francs (CFA) .....	14,285.71	
Congo (Leopoldville)	US dollars .....	18,000.00	
Costa Rica	US dollars .....	30,000.00	
Cuba	Contribution in kind (sugar) .....	70,000.00	
Cyprus	Pounds sterling .....	2,000.00	
Czechoslovakia	Koruny .....	52,083.33	
Dahomey	Francs (CFA) (receivable) .....	5,000.00	
Denmark	Kroner .....	202,720.00	
Dominican Republic	US dollars (receivable) .....	40,000.00	
Ecuador	US dollars .....	19,967.03	
	Sucres .....	3,778.21	23,745.24
		1,627.19	

SCHEDULE D (continued)

Contributions from Governments to the central account (including contributions receivable) during the year ended 31 December 1964

<i>Governments</i>	<i>Currency paid or pledged</i>	<i>US dollar equivalent</i>	<i>Cash contributions from Governments of UNICEF-assisted countries towards local administrative and other costs of UNICEF Field Offices (Trust Funds)</i>
			<i>US dollar equivalent</i>
El Salvador	Guatemalan quetzales (receivable)	20,000.00	
Ethiopia	Dollars	18,000.00	9,350.00
Federal Republic of Germany	Marks	1,500,000.00	
Finland	Markkaas	62,500.00	
France	Francs	1,109,183.67	
Gabon	Francs (CFA)	13,300.00	
Gambia	Pounds sterling	1,120.00	
Ghana	Pounds sterling (receivable)	16,800.00	
Greece	US dollars	57,000.00	
Guatemala	Quetzales	80,000.00	
Guinea	Francs (CFA) (receivable)	22,179.59	
Holy See	US dollars	1,000.00	
Honduras	US dollars	10,000.00	
	US dollars (receivable)	20,000.00	
		<hr/>	
Hong Kong	Pounds sterling	3,500.00	1,632.40
Hungary	Forints (receivable)	6,388.42	
Iceland	Kronur	10,651.16	
India	Rupees	294,000.00	
	Rupees (receivable)	546,000.00	253,680.00
		<hr/>	
Indonesia	US dollars	110,000.00	1,608.70
Iran	US dollars (receivable)	275,000.00	55,000.00
Iraq	Dinars (receivable)	56,000.00	
Ireland	Pounds	12,041.72	
Israel	US dollars (receivable)	40,000.00	
Italy	Lire (receivable)	192,000.00 <sup>a</sup>	
Ivory Coast	Francs (CFA)	10,204.08	32,653.06
Jamaica	US dollars	8,400.00	
Japan	US dollars	196,200.00	
Jordan	Lebanese pounds	5,411.29	
Kenya	East African shillings	2,801.12	
Kuwait	US dollars	10,000.00	
Laos	US dollars (receivable)	1,000.00	
Lebanon	Pounds	14,516.13	
Libya	Pounds sterling	12,600.00	
Liechtenstein	Swiss francs	1,504.36	
Luxembourg	Belgian francs	6,000.00	
Madagascar	Francs (CFA)	10,204.08	
Malaysia	Pounds sterling	47,842.67	
	Thai bahts	9,800.00	8,683.00
		<hr/>	
Mali	Francs (CFA)	12,244.90	2,497.50
Mauritania	Francs (CFA)	4,081.63	
Mexico	US dollars	500,000.00	
	Contribution in kind (vaccine) (receivable)	80,000.00	33,306.62
		<hr/>	
Monaco	French francs	2,040.82	
Morocco	French francs	25,136.73	13,097.06
Netherlands	Guilders	138,121.55	

SCHEDULE D (continued)

Contributions from Governments to the central account (including contributions receivable) during the year ended 31 December 1964

<i>Governments</i>	<i>Currency paid or pledged</i>	<i>US dollar equivalent</i>		<i>Cash contributions from Governments of UNICEF-assisted countries towards local administrative and other costs of UNICEF Field Offices (Trust Funds)</i>
		<i>US dollar equivalent</i>		<i>US dollar equivalent</i>
New Zealand	Pounds .....		210,000.00	
Nicaragua	US dollars .....		10,000.00	
Niger	Francs (CFA) .....		8,163.26	
Nigeria	Pounds .....		21,000.00	
Norway	Kroner .....		450,864.47	
Pakistan	Rupees .....	98,700.00		
	Pounds sterling .....	37,734.38	136,434.38	82,467.00
Panama	US dollars (receivable) .....		15,000.00	
Paraguay	US dollars (receivable) .....		30,000.00	
Peru	Soles .....	74,626.87		
	Soles (receivable) .....	14,925.37	89,552.24	
Philippines	Pesos .....		185,000.00	62,500.00
Poland	Zlotych .....		100,000.00	
Republic of Korea	Won .....	25,000.00		
	US dollars .....	5,000.00	30,000.00	
Republic of Viet-Nam	Piastres .....	10,000.00		
	US dollars .....	10,000.00	20,000.00	136.05
Romania	Lei (receivable) .....		25,000.00	
Saudi Arabia	US dollars .....		20,000.00	
Senegal	Francs (CFA) (receivable) .....		20,408.16	
Sierra Leone	Pounds sterling .....		11,200.00	
South Africa	Rands .....		30,124.63	
Spain	Pesetas (receivable) .....		100,000.00	
Sudan	Pounds sterling .....		13,075.88	
Sweden	Kronor .....		752,895.75	
Switzerland	Francs .....		441,860.47	
Syria	Pounds (receivable) .....		12,500.00	
Tanzania	East African shillings .....		700.28	
Thailand	Contribution in kind (rice) .....	132,853.68		
	Contribution in kind (rice) (receivable) .....	7,146.32	140,000.00	12,163.46
Togo	Francs (CFA) .....		8,163.26	
Trinidad and Tobago	US dollars (receivable) .....		7,000.00	
Tunisia	US dollars (receivable) .....		16,620.00	
Turkey	Liras .....	122,222.22		
	Liras (receivable) .....	72,222.22	194,444.44	34,222.22
Uganda	East African shillings .....	2,801.12		
	East African shillings (receivable) .....	8,403.36	11,204.48	
Ukrainian Soviet Socialist Republic	Rubles .....		125,000.00	
Union of Soviet Socialist Republics	Rubles .....		675,000.00	
United Arab Republic	Pounds .....		114,800.00	12,197.50
United Kingdom of Great Britain and Northern Ireland	Pounds sterling .....		938,000.00	

SCHEDULE D (concluded)

Contributions from Governments to the central account (including contributions receivable) during the year ended 31 December 1964

<i>Governments</i>	<i>Currency paid or pledged</i>	<i>US dollar equivalent</i>		<i>Cash contributions from Governments of UNICEF-assisted countries towards local administrative and other costs of UNICEF Field Offices (Trust Funds) US dollar equivalent</i>
United States of America	Dollars .....	5,887,280.00		
	Dollars (receivable) .....	6,112,720.00	12,000,000.00	
Upper Volta	Francs (CFA) .....		6,122.45	
Venezuela	US dollars (receivable) .....		1,000.00	
Yemen	US dollars .....		2,000.00	
Yugoslavia	Dinars .....		200,000.00	
			<u>25,598,005.52</u>	<u>715,069.85*</u>

<sup>a</sup> In the 1963 accounts the contribution of the Government of Italy was shown at \$320,000 (Lire 200,000,000) on the basis of a pledge raising the annual contribution from \$192,000 (Lire 120,000,000) to \$320,000 (Lire 200,000,000). The increased contribution was finally approved in 1964 with effect as from 1 January 1964, too late to decrease the 1963 pledge in UNICEF accounts. At the same time the Italian fiscal year had been changed to correspond with the calendar year. Consequently the 1964 contribution of \$320,000 (Lire 200,000,000) has had to be applied partly (\$128,000—Lire 80,000,000) towards clearing the increase set up prematurely in 1963. No further contribution other than the above is due by the Italian Government for the year 1964.

\* *Note:* In addition to the cash funds as stated above, a number of Governments gave free services (Ethiopia, Guatemala, Indonesia, Nigeria, Pakistan, Republic of Korea, Thailand) valuation of which is not recorded in UNICEF financial accounts.

SCHEDULE "E" *follows overleaf*

## Statement of allocations, expenditures and balances of

	<i>Allocations</i>		
	<i>Balance 1 January 1964 (1) \$</i>	<i>Authorized in 1964 (2) \$</i>	<i>Total for 1964 and after (3) \$</i>
<b>AREA AND COUNTRY ASSISTANCE</b>			
<i>Africa</i>			
Algeria .....	340,622.82	648,613.00	989,235.82
Basutoland .....	134,319.10	94,205.10	228,524.20
Burundi .....	9,961.65	52,019.84	61,981.49
Cameroon .....	71,983.61	69,204.11	141,187.72
Central African Republic .....	78,946.93	72,971.78	151,918.71
Chad .....	93,816.78	95,809.45	189,626.23
Comoro Islands .....	6,919.76	33,303.05	40,222.81
Congo (Brazzaville) .....	46,899.05	164,263.04	211,162.09
Congo (Leopoldville) .....	403,501.54	567,563.97	971,065.51
Dahomey .....	99,522.98	63,873.97	163,396.95
Ethiopia .....	321,041.19	619,351.69	940,392.88
French West Africa, Cameroon and Togoland <sup>a</sup> .....	575.00	(575.00)	
Gabon .....	34,932.11	132,676.88	167,608.99
Gambia .....	10,617.47	18,829.28	29,446.75
Ghana .....	265,575.08	251,318.19	516,893.27
Guinea .....	223,243.83	(7,511.75)	215,732.08
Ivory Coast .....	422,929.92	174,263.31	597,193.23
Kenya .....	850,605.41	795,083.91	1,645,689.32
Liberia .....	30,939.56	16,402.14	47,341.70
Madagascar .....	211,801.75	243,811.05	455,612.80
Malawi .....	87,797.43	54,719.55	142,516.98
Mali .....	85,404.50	416,360.58	501,765.08
Mauritania .....	114,360.60	190,246.31	304,606.91
Mauritius .....	11,744.85	84,454.06	96,198.91
Morocco .....	265,112.91	633,065.77	898,178.68
Niger .....	69,451.92	163,692.21	233,144.13
Nigeria .....	886,397.96	671,364.88	1,557,762.84
Rwanda .....	54,322.47	115,295.29	169,617.76
St. Helena .....	647.71	(177.12)	470.59
Senegal .....	120,178.52	253,270.81	373,449.33
Seychelles .....	(624.84)	13,724.35	13,099.51
Sierra Leone .....	54,529.68	47,475.36	102,005.04
Somalia .....	55,541.28	330,403.43	385,944.71
Swaziland .....	47,216.62	93,789.49	141,006.11
Tanzania .....	340,146.07	490,407.75	830,553.82
Togo .....	43,192.03	36,861.85	80,053.88
Tunisia .....	371,925.35	468,986.44	840,911.79
Uganda .....	168,269.35	162,635.37	330,904.72
Upper Volta .....	98,823.88	83,481.15	182,305.03
Zambia .....	63,524.56	189,730.52	253,255.08
Regional .....	893,381.27	338,207.54	1,231,588.81
<b>AREA TOTAL</b>	<b>7,490,099.66</b>	<b>8,943,472.60</b>	<b>16,433,572.26</b>
<i>Asia</i>			
<i>East Asia and Pakistan</i>			
Burma .....	411,107.03	756,435.48	1,167,542.51
Cambodia .....	31,602.28	196,050.23	227,652.51
China .....	751,014.58	1,135,386.11	1,886,400.69
Hong Kong .....	98,505.15	5,031.44	103,536.59
Indonesia .....	914,327.98	2,472,712.32	3,387,040.30
Japan .....	(15,573.01)	21,069.75	5,496.74
Laos .....	37,747.41	35,679.39	73,426.80
Malaysia .....	264,827.28	282,376.45	547,203.73

**allocations for the year ended 31 December 1964**

*Expenditures*

<i>Supplies and equipment (4) \$</i>	<i>Fellowships and training grants (5) \$</i>	<i>Project personnel (6) \$</i>	<i>Other services (7) \$</i>	<i>Total (8) \$</i>	<i>Balances of allocations 31 December 1964 (9) \$</i>
122,921.69	85,517.22	21,551.02		229,989.93	759,245.89
55,896.02	5,626.22	12,111.40		73,633.64	154,890.56
2,616.39	2,434.68			5,051.07	56,930.42
59,161.70	3,150.00		105.00	62,416.70	78,771.02
56,944.99	1,053.06			57,998.05	93,920.66
58,005.38	8,833.96			66,839.34	122,786.89
					40,222.81
46,825.22	20,550.00			67,375.22	143,786.87
164,587.87	9,949.70	37,120.72	10,427.86	222,086.15	748,979.36
47,230.54		3,932.37		51,162.91	112,234.04
171,439.40	142,327.42	12,420.38	2,835.12	329,022.32	611,370.56
22,443.01	5,970.00	8,488.21		36,901.22	130,707.77
15,039.44	1,978.76			17,018.20	12,428.55
64,954.25				64,954.25	451,939.02
41,021.18	2,871.70			43,892.88	171,839.20
237,146.56	36,577.33	25,535.10		299,258.99	297,934.24
733,382.26	37,416.69	20,814.07	118.35	791,731.37	853,957.95
7,662.93		2,076.72		9,739.65	37,602.05
50,874.32	3,914.00	19,364.32		74,152.64	381,460.16
42,030.94	921.85	7,353.66		50,306.45	92,210.53
223,655.03	5,187.02			228,842.05	272,923.03
100,030.18	6,185.38	1,603.34		107,818.90	196,788.01
21,871.40				21,871.40	74,327.51
118,272.58	10,173.94	10,550.60		138,997.12	759,181.56
49,133.04	5,538.20	24,378.26		79,049.50	154,094.63
462,063.22	15,588.01	8,760.30		486,411.53	1,071,351.31
53,149.24	340.00			53,489.24	116,128.52
236.57				236.57	234.02
151,940.47	2,497.96	22,654.00		177,092.43	196,356.90
1,221.90				1,221.90	11,877.61
30,839.21	2,961.58	8,314.82		42,115.61	59,889.43
72,694.85	30,190.68			102,885.53	283,059.18
5,454.19				5,454.19	135,551.92
366,425.31	2,421.43	6,987.72		375,834.46	454,719.36
34,113.56	5,055.67			39,169.23	40,884.65
208,487.88	91,286.57	8,325.21		308,099.66	532,812.13
78,192.06	45,262.17			123,454.23	207,450.49
110,060.71		12,236.26		122,296.97	60,008.06
9,520.20	154.06	7,582.54		17,256.80	235,998.28
10,729.85	28,866.30	194,968.51		234,564.66	997,024.15
<u>4,108,275.54</u>	<u>620,801.56</u>	<u>477,129.53</u>	<u>13,486.33</u>	<u>5,219,692.96</u>	<u>11,213,879.30</u>
466,759.94	26,599.31			493,359.25	674,183.26
72,792.07	2,442.87	388.57		75,623.51	152,029.00
529,792.10	54,992.61	79,996.63	2,133.00	666,914.34	1,219,486.35
47,283.78	17,201.29			64,485.07	39,051.52
1,414,210.29	23,090.75	25,579.36	4,146.86	1,467,027.26	1,920,013.04
5,496.74				5,496.74	
30,436.19	3,501.04	21.00		33,958.23	39,468.57
353,994.10				353,994.10	193,209.63

## Statement of allocations, expenditures and balances of

	<i>Allocations</i>		
	<i>Balance 1 January 1964 (1) \$</i>	<i>Authorized in 1964 (2) \$</i>	<i>Total for 1964 and after (3) \$</i>
<i>East Asia and Pakistan (continued)</i>			
Pakistan .....	2,534,586.73	2,738,314.24	5,272,900.97
Philippines .....	743,037.11	909,269.40	1,652,306.51
Republic of Korea .....	124,340.14	354,830.07	479,170.21
Republic of Viet-Nam .....	55,241.18	672,464.34	727,705.52
Solomon Islands .....	(792.29)	79.29	(713.00)
Thailand .....	591,396.24	947,187.08	1,538,583.32
Tonga .....	11,861.18	46,271.23	58,132.41
Western Samoa .....	2,525.59	28,065.17	30,590.76
Pacific Islands Territories .....	43,702.08	77,593.54	121,295.62
Regional .....	16,163.15	89,089.84	105,252.99
AREA TOTAL	6,615,619.81	10,767,905.37	17,383,525.18
<i>South Central Asia</i>			
Afghanistan .....	217,832.74	683,727.49	901,560.23
Ceylon .....	38,899.86	118,487.17	157,387.03
India .....	5,433,843.40	8,035,105.40	13,468,948.80
Nepal .....		27,939.92	27,939.92
AREA TOTAL	5,690,576.00	8,865,259.98	14,555,835.98
<i>Eastern Mediterranean</i>			
Aden .....	38,051.32	67,477.00	105,528.32
Cyprus .....	69,332.29	69,848.32	139,180.61
Iran .....	943,849.12	1,758,908.05	2,702,757.17
Iraq .....	98,604.00	746,395.68	844,999.68
Israel .....	57,812.98	(5,471.57)	52,341.41
Jordan .....	128,339.58	585,270.41	713,609.99
Lebanon .....	52,692.78	32,354.07	85,046.85
Libya .....	145,540.93	34,674.58	180,215.51
Saudi Arabia .....	70,761.84	5,479.84	76,241.68
Sudan .....	33,813.59	303,153.12	336,966.71
Syria .....	97,862.21	51,639.16	149,501.37
Turkey .....	497,560.64	934,415.18	1,431,975.82
United Arab Republic .....	301,304.66	670,069.24	971,373.90
Yemen .....	23,896.54	43,566.17	67,462.71
AREA TOTAL	2,559,422.48	5,297,779.25	7,857,201.73
<i>Europe</i>			
Greece .....	208,482.02	163,138.87	371,620.89
Italy .....	36,039.69	1,064.79	37,104.48
Malta .....		33,000.00	33,000.00
Poland .....	430,083.05	233,921.36	664,004.41
Spain .....	177,664.82	164,987.94	342,652.76
Yugoslavia .....	560,166.32	170,927.26	731,093.58
AREA TOTAL	1,412,435.90	767,040.22	2,179,476.12
<i>The Americas</i>			
Argentina .....	309,865.84	381,956.30	691,822.14
Bolivia .....	224,181.04	212,267.73	436,448.77
Brazil .....	859,406.33	2,671,366.34	3,530,772.67
British Guiana .....	88,718.03	52,683.52	141,401.55
British Honduras .....	37,448.15	(702.13)	36,746.02



E (continued)

allocations for the year ended 31 December 1964

<i>Expenditures</i>					
<i>Supplies and equipment (4) \$</i>	<i>Fellowships and training grants (5) \$</i>	<i>Project personnel (6) \$</i>	<i>Other services (7) \$</i>	<i>Total (8) \$</i>	<i>Balances of allocations 31 December 1964 (9) \$</i>
2,065,794.73	39,271.96		5,297.99	2,110,364.68	3,162,536.29
675,783.41	22,210.09	6,223.25	3,488.92	707,705.67	944,600.84
159,042.14	36,079.50	149.02		195,270.66	283,899.55
435,352.12	15,627.90	598.91	185.53	451,764.46	275,941.06
(713.00)				(713.00)	
741,714.72	62,198.35	317.35		804,230.42	734,352.90
37,936.55				37,936.55	20,195.86
1,403.99				1,403.99	29,186.77
66,754.15				66,754.15	54,541.47
532.49	220.80			753.29	104,499.70
<u>7,104,366.51</u>	<u>303,436.47</u>	<u>113,274.09</u>	<u>15,252.30</u>	<u>7,536,329.37</u>	<u>9,847,195.81</u>
489,741.56	1,014.47			490,756.03	410,804.20
20,438.88				20,438.88	136,948.15
4,914,198.16	88,595.34	71,882.92	2,777.37	5,077,453.79	8,391,495.01
14,745.77				14,745.77	13,194.15
<u>5,439,124.37</u>	<u>89,609.81</u>	<u>71,882.92</u>	<u>2,777.37</u>	<u>5,603,394.47</u>	<u>8,952,441.51</u>
18,152.30	15,979.90			34,132.20	71,396.12
3,925.06	6,888.25			10,813.31	128,367.30
1,771,178.07	70,000.68		1,492.00	1,842,670.75	860,086.42
215,684.78	4,337.82		1,418.34	221,440.94	623,558.74
309.52	2,764.00			3,073.52	49,267.89
389,367.85	21,786.66	16,061.93	1,005.50	428,221.94	285,388.05
161.86	15,890.49	12,415.12		28,467.47	56,579.38
23,476.15	1,885.92			25,362.07	154,853.44
53,347.88				53,347.88	22,893.80
51,790.60	10.61	693.14		52,494.35	284,472.36
41,705.01				41,705.01	107,796.36
386,538.31	121,172.43	12,893.71	1,163.89	521,768.34	910,207.48
527,483.65	2,416.46	15,331.73		545,231.84	426,142.06
17,596.97	5,294.80			22,891.77	44,570.94
<u>3,500,718.01</u>	<u>268,428.02</u>	<u>57,395.63</u>	<u>5,079.73</u>	<u>3,831,621.39</u>	<u>4,025,580.34</u>
151,486.28	1,044.75			152,531.03	219,089.86
	10,802.28			10,802.28	26,302.20
328,402.84	1,918.48		289.38	330,610.70	333,393.71
10,736.76	14,962.50		10,530.23	36,229.49	306,423.27
305,010.51			2,204.64	307,215.15	423,878.43
<u>795,636.39</u>	<u>28,728.01</u>		<u>13,024.25</u>	<u>837,388.65</u>	<u>1,342,087.47</u>
100,835.40	32,562.07			133,397.47	558,424.67
123,190.42	74,671.87			197,862.29	238,586.48
385,530.55	216,126.18	9,212.68		610,869.41	2,919,903.26
13,273.35				13,273.35	128,128.20
13,679.87				13,679.87	23,066.15

## Statement of allocations, expenditures and balances of

	<i>Allocations</i>		
	<i>Balance 1 January 1964 (1) \$</i>	<i>Authorized in 1964 (2) \$</i>	<i>Total for 1964 and after (3) \$</i>
<i>The Americas (continued)</i>			
Chile .....	695,555.34	386,945.87	1,082,501.21
Colombia .....	826,859.42	914,380.29	1,741,239.71
Costa Rica .....	124,811.97	475,753.71	600,565.68
Cuba .....	42,468.78	260,837.77	303,306.55
Dominican Republic .....	331,674.40	272,554.09	604,228.49
Ecuador .....	349,182.73	419,082.90	768,265.63
El Salvador .....	175,618.38	593,747.41	769,365.79
Guatemala .....	349,690.52	548,571.61	898,262.13
Haiti .....	150,681.18	713,667.33	864,348.51
Honduras .....	259,535.97	239,292.41	498,828.38
Jamaica .....	71,524.58	105,592.77	177,117.35
Mexico .....	287,404.30	2,771,024.67	3,058,428.97
Nicaragua .....	8,356.34	680,340.22	688,696.56
Panama .....	274,695.31	230,478.37	505,173.68
Paraguay .....	290,329.05	252,319.22	542,648.27
Peru .....	844,611.31	643,557.64	1,488,168.95
Surinam .....	(2,310.61)	53,581.97	51,271.36
Trinidad and Tobago .....	95,386.47	32,270.66	127,657.13
Uruguay .....	11,223.38	158,201.32	169,424.70
Venezuela .....	8,830.47	263,963.90	272,794.37
British Caribbean Territories:			
Antigua .....	(2,417.95)	5,620.75	3,202.80
Barbados .....	11,579.20	(2,033.47)	9,545.73
Dominica .....	41,816.02	4,711.15	46,527.17
Grenada .....	9,234.73	29,547.38	38,782.11
Montserrat .....	41,936.99	(120.12)	41,816.87
St. Kitts-Nevis-Anguilla .....	12,647.39	12,690.87	25,338.26
St. Lucia .....	14,225.00	69,330.95	83,555.95
St. Vincent .....	1,032.36	6,316.45	7,348.81
Turks and Caicos Islands .....	(1,229.07)	1,779.35	550.28
Regional .....	233,436.89	733,011.39	966,448.28
<b>AREA TOTAL</b>	<b>7,078,010.24</b>	<b>14,194,590.59</b>	<b>21,272,600.83</b>
Undistributed charges .....	(7,440,544.51)		(7,440,544.51)
<b>TOTAL FOR ALL AREAS</b>	<b>23,405,619.58</b>	<b>48,836,048.01</b>	<b>72,241,667.59</b>
<b>GENERAL ASSISTANCE</b>			
Country planning and programme development ...	186,759.98	200,000.00	386,759.98
Development of protein-rich foods for children ..	66,251.08	290,000.00	356,251.08
Fellowships—Calcutta Training Centre .....	(4,524.33)	68,000.00	63,475.67
International Children's Centre, Paris and Pae- diatric Training (United Kingdom and Poland)	90,421.95	850,000.00	940,421.95
Nutrition and dairy training .....	149,960.69	380,365.15	530,325.84
Nutrition personnel .....	560,646.98	55,200.00	615,846.98
Planning Seminar (Bellagio) .....		20,000.00	20,000.00
Freight on milk .....	2,025,000.00	(1,181,914.49)	843,085.51
Freight on supplies .....		1,330,452.04	1,330,452.04
Emergencies .....	(5,465.59)	55,500.00	50,034.41
Operational services .....	179,598.76	6,434,751.24	6,614,350.00
ADMINISTRATIVE COSTS .....	125,357.51	3,344,692.49	3,470,050.00
<b>TOTALS</b>	<b>26,779,626.61</b>	<b>60,683,094.44</b>	<b>87,462,721.05</b>

\* Allocations made prior to independence.

E (concluded)

allocations for the year ended 31 December 1964

<i>Expenditures</i>					<i>Balances of allocations</i>
<i>Supplies and equipment</i> (4) \$	<i>Fellowships and training grants</i> (5) \$	<i>Project personnel</i> (6) \$	<i>Other services</i> (7) \$	<i>Total</i> (8) \$	<i>31 December 1964</i> (9) \$
303,242.19	26,766.07		570.63	330,578.89	751,922.32
571,808.33	152,096.95	12,467.66		736,372.94	1,004,866.77
146,777.44	61,550.46	3,649.48		211,977.38	388,588.30
153,474.74				153,474.74	149,831.81
378,228.99	15,377.60			393,606.59	210,621.90
471,289.97	33,220.02			504,509.99	263,755.64
339,107.52	6,058.78			345,166.30	424,199.49
218,022.57	7,115.00	8,400.00	255.00	233,792.57	664,469.56
399,921.12	4,990.22			404,911.34	459,437.17
210,391.98	23,602.00	2,100.00		236,093.98	262,734.40
6,329.56				6,329.56	170,787.79
1,883,179.36	196,037.65	2,512.00		2,081,729.01	976,699.96
65,124.02	6,203.57			71,327.59	617,368.97
193,999.97	23,553.53	11,663.90		229,217.40	275,956.28
108,171.01	48,293.45	12,421.66		168,886.12	373,762.15
382,890.24	113,083.30			495,973.54	992,195.41
27,367.19				27,367.19	23,904.17
51,365.67	568.37			51,934.04	75,723.09
68,357.84				68,357.84	101,066.86
217,355.03				217,355.03	55,439.34
3,202.80				3,202.80	
3,216.79				3,216.79	6,328.94
36,818.28				36,818.28	9,708.89
9,990.41				9,990.41	28,791.70
18,597.68				18,597.68	23,219.19
2,948.35				2,948.35	22,389.91
45,131.13	2,447.79			47,578.92	35,977.03
4,630.90				4,630.90	2,717.91
550.28				550.28	
25,687.46	158,688.24	96,524.06		280,899.76	685,548.52
<u>6,983,688.41</u>	<u>1,203,013.12</u>	<u>158,951.44</u>	<u>825.63</u>	<u>8,346,478.60</u>	<u>12,926,122.23</u>
<u>956,437.13</u>	<u>(142,681.17)</u>	<u>40,683.06</u>	<u>(974.52)</u>	<u>853,464.50</u>	<u>(8,294,009.01)</u>
28,888,246.36	2,371,335.82	919,316.67	49,471.09	32,228,369.94	40,013,297.65
154.38	18,088.14	101,497.07		119,739.59	267,020.39
92,019.49	45,266.49	221.50	36,077.28	173,584.76	182,666.32
	37,404.07			37,404.07	26,071.60
	66,574.18		401,734.82	468,309.00	472,112.95
255.10	148,561.52	7,526.54	6,852.70	163,195.86	367,129.98
	55,185.09	188,895.28		244,080.37	371,766.61
		24,176.98		24,176.98	(4,176.98)
					843,085.51
					1,330,452.04
					50,034.41
			4,129,707.67	4,129,707.67	2,484,642.33
			2,235,487.26	2,235,487.26	1,234,562.74
<u>28,980,675.33</u>	<u>2,742,415.31</u>	<u>1,241,634.04</u>	<u>6,859,330.82</u>	<u>39,824,055.50</u>	<u>47,638,665.55</u>

### C. REPORT OF THE BOARD OF AUDITORS

1. The Acting Executive Director of the United Nations Children's Fund submitted the following statements for certification by the Board of Auditors:

- I. Statement of assets and liabilities;
- II. Statement of income and expenditure;
- III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations, administrative costs and costs of operational services.

2. The above statements for the year ended 31 December 1964 were examined as per our instructions and were found to be in accordance with the books and records of the Fund.

3. As a result of audit findings for the fiscal year under review, the Board reports the following facts:

(a) The Malaria Eradication Programme has suffered setbacks due to the poor quality of the product (DDT) used. UNICEF has taken steps on this matter, but the causes of low suspensibility of the product have as yet not been established and the difficulties still exist,

(b) No claims have been filed with the suppliers for indemnification for the damages caused to the Programme;

(c) The powder or detergent used as an additive improved the suspensibility of the DDT, but there is no specific proof that the product so modified has full power to combat malaria;

(d) Despite the fact that full strength of the DDT supplied has not been guaranteed, the product continues to be bought from the same supplier and shipped to assisted countries.

4. The Board wishes to express its gratitude for the co-operation and collaboration rendered during the audit by the Comptroller of UNICEF and the Administrative Division in particular, as well as by the whole organization and staff at New York, Paris and Copenhagen.

*(Signed)* L. GÖTZEN, *Netherlands*  
R. VÁSQUEZ, *Colombia*  
Mushtaq AHMAD, *Pakistan*

4 June 1965

**Part II**  
**UNICEF GREETING CARD FUND**

## A. FINANCIAL REPORT FOR THE YEAR 1 SEPTEMBER 1963 TO 31 AUGUST 1964

### Summary

1. The financial statements of the UNICEF Greeting Card Fund for the financial year 1 September 1963 to 31 August 1964, covering the 1963 sales campaign, are presented herewith. They comprise the following statements:

- I. Statement of assets and liabilities as at 31 August 1964;
- II. Statement of income and expenditure for the financial year from 1 September 1963 to 31 August 1964;
- III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations for the financial year ended 31 August 1964.

2. As mentioned in previous reports, the Greeting Card Fund produces greeting cards from designs contributed by contemporary artists and illustrators of many nationalities. They acquaint people throughout the world with UNICEF, and raise money for the Fund. They show to the public the designs of other countries. Many designs are related to children and reflect some of the common elements of the life of children everywhere. The cards are sold through the efforts of national committees and other voluntary agencies by mail order and direct sale. An engagement calendar is published in addition.

3. In the 1963 campaign, eleven different boxes containing eighteen new designs by eleven artists were offered for sale. 30.6 million cards and 222,867 calendars were sold (compared with 26.4 million cards and 177,276 calendars in 1962). The campaign brought a net income of \$1.7 million (compared with \$1.6 million in 1962). Preliminary estimates for the 1964 campaign indicate that 38 million cards and 350,000 calendars were sold with a net income of \$2.4 million.

4. The following tabulation shows the volume of sales, gross income, costs and net income of the Greeting Card Fund over the three years 1961 to 1963:

*Table 1*  
SALES, COSTS AND INCOME, 1961-1963

<i>Campaign year</i>	<i>Cards sold</i> \$	<i>Gross income<sup>a</sup></i> <i>(less commission,</i> <i>duties and taxes)</i> \$	<i>Production,</i> <i>promotion and</i> <i>administrative</i> <i>costs</i> \$	<i>Net income</i> \$
1961 .....	21,651,000	1,954,552	837,949	1,116,603
1962 .....	26,415,000	2,623,051	1,010,168	1,612,883
1963 .....	30,575,000	2,973,982	1,242,658	1,731,324

*Notes:*

(i) The "campaign year" ends on 31 August of the following calendar year.

(ii) Inventory at 31 August 1964 was valued at \$21,698 above the corresponding valuation at 31 August 1963. This increase has been credited as a deduction from the production costs for 1963. In 1961 and earlier years the inventory was not carried as an asset.

<sup>a</sup> Includes: cards, the book *The Children Come Running* (see para. 16) and in 1962 and 1963 also the engagement calendar (see paras. 2 and 16), interest on investments and other miscellaneous income.

5. Table 2 shows the breakdown of sales as between countries in 1961, 1962 and 1963; it also shows the percentage of increase or decrease in sales for 1963 over 1962:

*Table 2*  
BREAKDOWN OF SALES BY COUNTRIES AND AREAS 1961-1963

<i>Country</i>	<i>1961</i>		<i>1962</i>		<i>1963</i>		<i>Percentage of increase 1963 over 1962</i>
	<i>Cards sold</i>	<i>Percentage of total sales</i>	<i>Cards sold</i>	<i>Percentage of total sales</i>	<i>Cards sold</i>	<i>Percentage of total sales</i>	
<i>North America</i>							
United States of America.....	9,609,035	44.4	10,556,988	40.0	12,615,400	41.3	19.5
Canada .....	1,800,000	8.3	2,360,935	8.9	3,782,904	12.4	60.2

Table 2 (continued)

Country	1961		1962		1963		Percentage of increase 1963 over 1962
	Cards sold	Percentage of total sales	Cards sold	Percentage of total sales	Cards sold	Percentage of total sales	
<i>Europe</i>							
United Kingdom of Great Britain and Northern Ireland.....	2,484,416	11.5	2,971,663	11.3	2,898,749	9.5	(2.5)
Federal Republic of Germany	1,291,011	6.0	1,416,571	5.4	1,633,027	5.3	15.3
France .....	848,950	3.9	1,144,036	4.3	1,081,120	3.5	(5.5)
Denmark .....	652,691	3.0	697,264	2.6	890,442	2.9	27.7
Netherlands .....	700,000	3.2	845,110	3.2	858,890	2.8	1.6
Sweden .....	547,830	2.5	758,030	2.9	788,590	2.6	4.0
Switzerland .....	385,770	1.8	690,380	2.6	684,480	2.2	(0.9)
Norway .....	505,092	2.3	750,287	2.8	617,478	2.0	(17.7)
Other European countries....	732,094	3.4	940,484	3.6	1,314,250	4.3	39.7
Asia .....	632,265	3.0	1,113,247	4.2	1,085,353	3.5	(2.5)
Australia and New Zealand....	691,111	3.2	936,150	3.5	1,062,221	3.5	13.5
Middle and South America....	489,238	2.2	691,533	2.6	848,343	2.8	22.7
Africa and Eastern Mediterranean .....	281,784	1.3	542,033	2.1	413,868	1.4	(23.6)
<b>TOTALS</b>	<b>21,651,287</b>	<b>100.0</b>	<b>26,414,711</b>	<b>100.0</b>	<b>30,575,115</b>	<b>100.0</b>	<b>15.8</b>

### Assets and liabilities

#### ASSETS

6. Funds with banks amounted to \$12,645.
7. Investments consisted of a deposit of \$680,000 in a bank account, bearing interest at 3½ per cent per annum.
8. Accounts receivable totalled \$1,129,361, of which \$1,108,574 had been collected by April 1965.
9. Inventories of cards and books have been valued at \$67,397 (cards \$60,679, books \$6,718). The valuation is based on average production costs less depreciation.
10. Prepaid expenses amounted to \$766,014 of which \$759,778 was in respect of the 1964 campaign, and \$6,236 in respect of the 1965 campaign. The expenses for the 1964 campaign consisted of \$528,107 in respect of the cost of production of cards, \$78,916 for the cost of production of calendars, \$94,494 for the printing of brochures, \$24,266 for duties and taxes and \$33,995 in respect of miscellaneous costs (posters, promotion kits, other publicity material and office equipment). The prepaid expenses for the 1965 campaign were all in respect of publicity material.

#### LIABILITIES

11. Accounts payable and other unliquidated obligations totalling \$23,381 comprised the following items:
  - (a) Duties and taxes: \$11,112;
  - (b) Refunds due to staff members for federal and state income taxes: \$7,490;
  - (c) Obligations outstanding in respect of administrative costs: \$3,459;
  - (d) Amounts due to sundry creditors: \$1,320.
12. The surplus of assets over liabilities, \$2,632,035, consisted of the working capital of \$900,711 brought forward from the 1962 campaign, and the net profit of \$1,731,324 earned in the campaign under review. Under the authority of the Executive Director, a sum of \$1.7 million was transferred in September 1964 to the general resources of UNICEF, leaving a balance of \$932,035 to be used as working capital for the 1964 campaign.

### Working capital and transfers to the general resources of UNICEF

13. At its September 1959 session, the Executive Board on the recommendation of the Committee on Administrative Budget, authorized the Executive Director to finance the approved budget of the Greeting Card Fund

from the net income of the previous year's campaign and to transfer to the general resources of UNICEF any surplus of income remaining over and above the authorized budgetary estimates. The Board also agreed that this procedure should be followed in subsequent years (E/ICEF/391/Rev.1, para. 197).

14. The table below shows, for the three years 1961 to 1963, the working capital at the beginning of each financial year, the net income, transfers to the general resources of UNICEF and the working capital retained for the campaign in the following year.

*Table 3*  
WORKING CAPITAL, NET INCOME AND TRANSFERS TO THE GENERAL RESOURCES OF UNICEF, 1961-1963  
(In US dollars)

Campaign year	<i>Working capital at the beginning of the financial year</i> (1)	<i>Net income</i> (2)	<i>Surplus of assets over liabilities at the end of the financial year (total of columns (1) and (2))</i> (3)	<i>Transfer to general resources of UNICEF<sup>a</sup></i> (4)	<i>Working capital for the following year</i> (5)
1961	671,225	1,116,603	1,787,828	1,100,000	687,828
1962	687,828	1,612,883	2,300,711	1,400,000	900,711
1963	900,711	1,731,324	2,632,035	1,700,000	932,035
1964	932,035				

<sup>a</sup> These amounts are shown in UNICEF accounts in the subsequent calendar year.

### Income and expenditure

#### INCOME

15. *Sales of greeting cards.* During the 1963 campaign \$2,713,660 was realized from sales of cards in all countries (gross proceeds \$3,547,545, less commission \$833,885 (23.5 per cent)), for a total of 30,575,115 cards sold. The highest sales were in the United States of America (12,615,400 cards), Canada (3,782,904 cards) and the United Kingdom (2,898,749 cards). As in previous campaigns, the sale of greeting cards in the United States was the responsibility of the United States Committee for UNICEF, and the campaign in Canada was conducted by the National UNICEF Committee of the United Nations Association in Canada. In many countries the campaign is conducted by national committees; in others, sales are made by the Greeting Card Fund directly. The able cooperation of national committees and countless voluntary organizations all over the world contributes greatly to the success of the campaigns.

16. *Sales of calendars and books.* During the 1963 campaign, the second edition of the engagement calendar was produced and sold. Sales were made primarily in the United States of America, Canada, the United Kingdom and the Netherlands and realized a total of \$273,867 (gross proceeds \$375,266, less commission \$101,399) for a total of 222,867 calendars sold. In view of the success of the engagement calendar for the second year, future plans call for its production as a continuing feature. It should be noted that the gross proceeds shown above represent 85 per cent of the total revenue from calendar sales; the production costs of the remaining 15 per cent were financed by and revenue accruing to the Revolving Fund for UNICEF Public Information. Sales of the book *The Children Come Running*<sup>8</sup> continued in 1963 and realized a total of \$5,487 (gross proceeds \$8,138, less commission \$2,651) for the 5,651 books sold. The production costs and the proceeds of this book are divided equally between the Greeting Card Fund and the Revolving Fund for UNICEF Public Information.

17. *Interest on investments and other income:* these totalled \$35,545, namely:

(a) Interest on investments (\$15,103);

(b) Other income (\$20,442) consisting of: income from staff assessment plan (\$12,883), profit on imprinting of cards (\$7,462) and sundry receipts (\$97).

#### EXPENDITURE

18. About one-third of the cost of production of a card is incurred for printing in sheet form, and about two-thirds for collating with envelopes, into boxes. During the 1963 campaign 41,623,975 cards (32,461,000 in 1962) were printed (approximately 55 per cent printed in the United States, 21 per cent in Denmark, 11 per cent each in Canada and the Netherlands and 2 per cent in Switzerland). 34,534,684 cards were collated (approximately 46 per cent in the United States, 32 per cent in Denmark, 12 per cent in Canada and 10 per cent in the United Kingdom). Table 4 below shows the unit cost per card sold:

<sup>8</sup> Published in 1960: this book contains reproductions of greeting card designs sold over the years and the text written and contributed by Elizabeth Coatsworth.



Table 4

## UNIT COST PER CARD SOLD, 1961-1963

	1963 Campaign (30,575,115 cards sold)		1962 Campaign (26,414,711 cards sold)		1961 Campaign (19,851,287 cards sold) <sup>a</sup>	
	Total Expenditure <sup>b</sup> \$	Cost per card Cents	Total Expenditure <sup>b</sup> \$	Cost per card Cents	Total Expenditure <sup>b</sup> \$	Cost per card Cents
Staff costs.....	170,891	0.56	143,790	0.54	122,507 <sup>c</sup>	0.62
Production costs.....	637,342 <sup>d</sup>	2.08	519,720	1.97	393,249	1.98
Sales promotion costs and other expenses.....	323,684 <sup>e</sup>	1.06	295,736	1.12	158,356 <sup>f</sup>	0.80
	1,131,917	3.70	959,246	3.63	674,112	3.40

Note: "Cost per card" is the total cost divided by the number of cards sold, and therefore, includes the cost of unsold cards except to the small extent that this is credited to an increase in the value of the inventory.

<sup>a</sup> In the 1961 campaign, the bulk of the cards sold in Canada was produced by the United Nations Association in Canada, and the costs thereof were not included in expenditure. Canadian sales, therefore, have been excluded.

<sup>b</sup> Payments of duties and taxes excluded.

<sup>c</sup> 12/19 of actual staff costs (\$193,969). At its December 1961 session, the Committee on Administrative Budget of the Executive Board, on the recommendation of the Chairman of the Board of Auditors, approved a change in the financial year of the Greeting Card Fund so that it would end each year on 31 August rather than on 31 January (E/ICEF/AB/L.15, paras. 4-6). The Board of Auditors suggested that the end of the financial year should not coincide with the busiest quarter of operations and that more time should be available for the receipt of the results of all financial transactions from local voluntary committees in various countries. Accordingly the financial statements of the Greeting Card Fund for 1961 campaign covered the nineteen-month period from 1 February 1961 to 31 August 1962.

<sup>d</sup> Consists of inventory value \$37,891 as at 1 September 1963 plus production costs \$660,130 for the period of 1 September 1963 to 31 August 1964 less inventory value \$60,679 as at 31 August 1964.

<sup>e</sup> After deduction of promotion costs (posters) totalling \$361 in respect of the book, *The Children Come Running*.

<sup>f</sup> 12/19 of actual sales promotion costs (\$250,731).

### Inventory

19. As shown in tables 1 and 2 above, sales have increased substantially over the years. A wider selection of designs, combined with an increasing number of sales outlets has resulted in large stocks spread throughout the world. As at 31 August 1964, the total inventory amounted to 21,170,663 cards<sup>9</sup> (as compared with the inventory at 31 August 1963 of 13,861,814 cards); the major portion of the inventory was held in Europe and the United States. Losses in transit, shortages and free issues (samples) totalled 740,365 cards (approximately 1.3 per cent of the total cards to be accounted for); 2,999,646 cards of old designs were found to be unmarketable and were destroyed. Inventories at 31 August 1964 were valued at \$67,397, of which \$60,679 in respect of cards and \$6,718 in respect of stocks of the book *The Children Come Running*. This valuation was based on average production costs less depreciation which was taken at 80 per cent, reflecting a conservative estimate of future sales.

### Contingent liabilities

20. At 31 August 1964 unfulfilled contracts placed with suppliers in regard to the 1964 campaign (\$315,949) and the 1965 campaign (\$206,231) totalled \$522,180.

### Budgetary authorizations, obligations incurred and unobligated balances of authorizations

21. The Committee on Administrative Budget at its thirty-second session (E/ICEF/AB/L.34) approved the budget estimates of the Greeting Card Fund for the twelve-month period 1 September 1963 to 31 August 1964, totalling \$1,213,300 (gross), and authorized the Executive Director to spend an additional amount of up to 10 per cent of the gross budget, if necessary, to meet unpredictable costs of production and distribution, should they occur. Owing to the increased demand for cards and calendars it was necessary for the Executive Director to act on this authorization, and to increase the gross budget from \$1,213,300 to \$1,334,630. Obligations incurred during the financial year amounted to \$1,264,356, leaving unobligated balances of authorizations totalling \$70,274, which surplus has been cancelled.

22. The approved budget for the 1963 campaign provided for 19 established posts, nine in New York and ten in Europe (London and Paris). During the sales season additional temporary staff was employed when the volume of sales warranted it.

(Signed) E. J. R. HEYWARD  
Acting Executive Director

6 May 1965

<sup>9</sup> Apart from cards in sheet form, printed in 1963 and prior years.

**B. FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR  
1 SEPTEMBER 1963 TO 31 AUGUST 1964**

I. Statement of assets and liabilities

ASSETS

Cash on hand and at banks .....		\$ 12,644.79
Investments .....		680,000.00
Accounts receivable:		
UNICEF .....	\$ 846,390.08	
UNICEF national committees .....	258,860.80	
Miscellaneous .....	24,110.56	1,129,361.44
		<hr/>
Inventories .....		67,396.80
Prepaid expenses .....		766,013.79
		<hr/> <hr/>
		2,655,416.82

CERTIFIED CORRECT:  
 (Signed) Stanley SROKA  
 Comptroller

AUDIT

The above statement of assets and liabilities has been examined in accordance with our directions. We have in our opinion, the above statement is correct.

as at 31 August 1964

LIABILITIES

Accounts payable and other unliquidated obligations.....		\$ 23,381.47
Working Capital:		
Balance as at 1 September 1963.....	\$ 2,300,711.02	
Less: Transfer to UNICEF.....	1,400,000.00	
	<hr/>	
	900,711.02	
<i>Add:</i> Excess of Income over Expenditure for the financial year ended 31 August 1964 as per Statement of Income and Expenditure.....	1,731,324.33	2,632,035.35
	<hr/>	
		<u>2,655,416.82</u>

APPROVED:  
(Signed) E. J. R. HEYWARD  
*Acting Executive Director*

CERTIFICATE

obtained all the information and explanations that we have required, and we certify, as a result of the audit, that,

(Signed) L. GÖTZEN, *Netherlands*  
R. VÁSQUEZ, *Colombia*  
Mushtaq AHMAD, *Pakistan*

**II. Statement of income and expenditure  
for the financial year 1 September 1963 to 31 August 1964**

	\$	\$
Proceeds of sale:		
Greeting cards .....	3,547,544.69	
Calendars .....	375,265.81	
Books .....	8,137.75	
	3,930,948.25	
Less commission .....	937,934.66	2,993,013.59
Cost of goods sold:		
Inventories—1 September 1963 .....	45,698.88	
Production costs .....	769,420.38	
	815,119.26	
Less inventories—31 August 1964 .....	67,396.80	747,722.46
Gross profit on sales .....		2,245,291.13
Staff costs .....	170,891.13	
Sales promotion costs and other expenses .....	324,044.54	
Duties and taxes .....	54,576.21	549,511.88
Net operating income .....		1,695,779.25
Interest on investments .....	15,103.26	
Other income .....	20,441.82	35,545.08
Excess of income over expenditure .....		1,731,324.33
 CERTIFIED CORRECT:		APPROVED:
(Signed) Stanley SROKA Comptroller		(Signed) E. J. R. HEYWARD Acting Executive Director

**AUDIT CERTIFICATE**

The above statement of income and expenditure has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above statement is correct.

(Signed) L. GÖTZEN, *Netherlands*  
R. VÁSQUEZ, *Colombia*  
Mushtaq AHMAD, *Pakistan*

**III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations for the financial year ended 31 August 1964**

	<i>Budgetary authorizations</i> \$	<i>Obligations incurred</i> \$	<i>Unobligated balances of authorizations</i> \$
<i>Chapter I. Staff costs</i>			
Salaries and wages .....	182,900.00	154,528.33	28,371.67
Contributions Staff Pension Fund .....	12,800.00	10,508.05	2,291.95
Dependency allowances .....	4,200.00	2,587.88	1,612.12
Contributions medical and social insurance .....	3,700.00	3,266.87	433.13
	<hr/>	<hr/>	<hr/>
	203,600.00	170,891.13	32,708.87
 <i>Chapter II. Productions costs</i>			
Greeting cards .....	661,000.00	660,129.77	870.23
Calendars .....	110,000.00	108,736.43	1,263.57
Books .....	1,000.00	554.18	445.82
	<hr/>	<hr/>	<hr/>
	772,000.00	769,420.38	2,579.62
 <i>Chapter III. Sales promotion costs and other expenses</i>			
Addressing services .....	1,000.00	372.31	627.69
Brochures printing .....	135,000.00	132,049.56	2,950.44
External and internal audit costs .....	8,000.00	8,000.00	—
Freight .....	75,000.00	70,568.27	4,431.73
Miscellaneous .....	3,500.00	2,505.08	994.92
Office equipment .....	2,500.00	1,350.56	1,149.44
Packing and mailing services .....	10,230.00	6,104.64	4,125.36
Postage .....	16,450.00	9,333.07	7,116.93
Publicity and promotion .....	35,000.00	33,752.12	1,247.88
Rental of premises .....	18,000.00	12,400.06	5,599.94
Stationery and office supplies .....	6,000.00	4,854.52	1,145.48
Storage .....	37,650.00	36,103.41	1,546.59
Telephone and cables .....	2,200.00	1,547.96	652.04
Travel on official business .....	8,500.00	5,102.98	3,397.02
	<hr/>	<hr/>	<hr/>
	359,030.00	324,044.54	34,985.46
<b>GRAND TOTAL</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	1,334,630.00	1,264,356.05	70,273.95

CERTIFIED CORRECT:

(Signed) Stanley SROKA  
Comptroller

APPROVED:

(Signed) E. J. R. HEYWARD  
Acting Executive Director

**AUDIT CERTIFICATE**

The above statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above statement is correct.

(Signed) L. GÖTZEN, *Netherlands*  
R. VÁSQUEZ, *Colombia*  
Mushtaq AHMAD, *Pakistan*

### C. REPORT OF THE BOARD OF AUDITORS

1. The Acting Executive Director of the United Nations Children's Fund submitted the following statements for certification:

- I. Statement of assets and liabilities;
- II. Statement of income and expenditure;
- III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations for the financial year ended 31 August 1964.

2. A consultant expert on management has undertaken a study of all aspects of the Fund's operation, as per recommendation of the Board of Auditors in its last year's report. However, at this stage it is too early to report the outcome of the study.

3. The Board wishes to state its thankfulness for the co-operation and assistance rendered by all UNICEF and Greeting Card Fund staff.

*(Signed)* L. GÖTZEN, *Netherlands*  
R. VÁSQUEZ, *Colombia*  
Mushtaq AHMAD, *Pakistan*

4 June 1965

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