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OTHER FUNDS AND PROGRAMMES
UNITED NATIONS REVOLVING FUND
FOR NATURAL RESOURCES EXPLORATION

Report of the Administrator

Summary

This report on the activities of the Revolving Fund in 1979 is submitted in compliance with Economic and Social Council resolution 1762 (LIV), paragraph 1(o).

The report notes a decisive turning point in the Fund's development, with its first exploration success and a significant increase in the number of Governments which in 1979 met the pre-requisite for Fund assistance. Substantial progress is also reported with regard to approval of new projects and successful negotiation of Project Agreements, as well as in identification and development of new projects.

The Governing Council is requested to approve three proposals put forward by the Administrator in Section V: (1) delegation of authority to approve Fund projects; (2) financing of an expert group to assist in the 1981 review of Fund operations; and (3) approval of the appointment of the new Director of the Revolving Fund.

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I. INTRODUCTION

1. The year 1979 marked a decisive turning point for the Revolving Fund in terms of its acceptance by potential "recipient" countries. Operationally, the Fund also scored its first exploration success when the Government of Ecuador accepted its final report confirming the discovery of a small but high-grade silver mine which could be brought into production relatively quickly. Several potential investors have already approached the Government about developing the mine, and the Fund may therefore receive its first replenishment contribution from a successful project sooner than had been anticipated.
2. In contrast to the difficulties encountered in previous years, a significant number of Governments from all five regions met the pre-requisite for Fund assistance by formally accepting its operational policies; an equally significant number of Governments expressed firm interest in receiving Fund assistance. Substantial progress was also registered in terms of new projects approved and successful negotiation of Project Agreements, as well as in identification and development of new projects. Section II of this report gives an overview of the Fund's operational activities, and Section III reviews over-all progress and results achieved.
3. These successful efforts, combined with the full-funding policy required by the Revolving Fund's operational mandate (DP/142, paragraph 24) have resulted in commitment levels, at year-end, just short of the Fund's total available resources. The Fund expects to submit 13 projects for approval in 1980 at a total estimated cost of \$28 million, whereas it will start the new year with an unencumbered balance of only \$5.4 million. (See Annex III, Financial Statement as at 31 December 1979).
4. The Pledging Conference held in November 1979, while yielding a new major contributor (Italy), did not produce the level of contributions needed to allow the Fund to finance all of the projects scheduled for submission to the Governing Council for approval in 1980, on a full-funding basis. Nor will it be able to respond to requests for financing feasibility studies, a new area of activity approved by the Governing Council at its twenty-sixth session (decision 79/26). The Administrator therefore intends to undertake a major fund-raising effort on behalf of the Revolving Fund and seeks the support and assistance of Governing Council members in bringing this situation to the attention of their Governments. Section IV of this report discusses, inter alia, the Fund's financial situation in the light of its mandated full-funding policy.

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II. OPERATIONAL SUMMARY

A. Approved projects

5. During 1979, five new projects were approved, four Project Agreements were signed, one project was successfully completed, two were cancelled and three projects were operational. (See Annex I for details).

6. The three operational projects (Argentina, Cyprus and Panama) were either on schedule or in advance of the established work programme. All three projects are achieving results somewhat more promising than expected. In all cases, however, the Minimum Work programmes will have to be completed before the potential economic significance of discoveries can be evaluated. The Argentina project, although severely limited by climatic circumstances, had made such solid progress that detailed studies (drilling, sampling, trenching, etc.) were entered into in some areas well before the programmed completion of the Minimum Work.

B. Proposed projects

7. At year end, four projects were ready for submission to the Governing Council for approval and, in order to avoid the loss of a full field season, the Administrator decided to submit these projects to Council members early in 1980 with a request for approval by correspondence, rather than wait for the Council's annual session in June 1980. An additional nine new projects are scheduled to be submitted for approval in 1980. (See Annex I for details).

C. Pipeline

8. A further 22 projects were at various stages of development at year-end. Two of these are requests from Governments for financing of coal exploration. (See Annex I for details).

III. PROGRESS AND RESULTS ACHIEVED

9. After a slow start in 1979 and a series of setbacks encountered in the early stages, the Fund is now succeeding in establishing itself as an effective financing institution in the field of mineral exploration and is strengthening its potential for assisting Governments in other critical areas of natural resources exploration.

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10. The significant increase in the number of new projects developed in 1979 by the Fund 1/ and in the number of potential projects in the pipeline, is directly attributable to the Fund's recruitment of technical staff who were able to devote full-time efforts to this vital activity. Similarly, the gaining of wider acceptance among developing countries has been the result of stepped-up efforts by the Fund's technical staff to explain the Fund's policies and procedures.

11. The first successfully completed project, as noted earlier, has resulted in the discovery of an economic high-grade silver deposit. The Government has indicated its intention to develop the mine in which several investors have shown interest. The Government has also requested the Fund's assistance in providing consultants to advise on the most advantageous ways of attracting potential investors and developing the property.

12. In addition to the three projects currently operational, a further eight projects are expected to become operational in 1980: four have already been approved by the Governing Council in 1979 (Kenya, Liberia, Sudan and Suriname) and four projects (Egypt, Guyana, Philippines, and Upper Volta) are ready for submission to the Governing Council for approval by correspondence, as mentioned in paragraph 17. If rapid advance can be made in project development and negotiations with Governments, it may be possible to start implementation of a further five proposed projects during 1980. 2/

13. Thus, 1980 will be a critical and exciting year for the Fund, and one which will conclusively demonstrate the value of the Fund's role for natural resources development.

IV. ADMINISTRATIVE AND FINANCIAL SUMMARY

A. Management and technical staff

14. The Fund's first Director resigned in July 1979. A successor was designated to take up his appointment in early 1980. The council's endorsement of this designation is requested in accordance with ECOSOC resolution 1762(LIV).

15. As noted earlier, the marked increase in the number of Governments seeking Fund assistance, was directly attributable to the efforts of the Fund's technical staff. 3/ It will be recalled that the Fund's operational mandate (DP/142) required the Fund "in the initial stages, to utilize to the greatest extent possible, existing staff in the United Nations system" and

1/ Ten in 1979, bringing the cumulative total to 25 countries which have formally accepted DP/142, while 14 Governments requested or expressed firm interest in Fund assistance in 1979.

2/ In Benin, Brazil, Dominican Republic, Ecuador and Mali.

3/ Three recruitments were made during the period 1978-79 (Operations Supervisor, Technical Adviser and Technical Officer).

thereafter "to build up its own technical and managerial staff as expeditiously as possible...." This latter process began in 1979 and will continue through 1981 when it is planned to phase out by the end of 1980 the subvention arrangements with the United Nations Division of Natural Resources and Energy for technical and other support services. Thereafter, new avenues of co-operation between the Revolving Fund and DNRE will be explored. Legal services provided by the World Bank will continue, at no cost to the Fund. Similarly, the financial and administrative services provided by UNDP will be continued.

16. The Fund further consolidated its technical capacity by developing a technical data system as a back-up for its operational research activities in gathering, analyzing and applying a wide range of technical, financial and other information related to mineral exploration.

B. Project approval authority

17. The Joint Operations Group, which is the Fund's advisory body, met three times in 1979 to review on-going project operations, as well as new project proposals. In this latter connexion, the Administrator wishes to draw the Council's attention to difficulties experienced by the Fund in obtaining timely approval of new projects. Now that the Governing Council meets only once a year, there is a long hiatus during which a backlog of new projects awaiting approval will build up. Such a situation began to develop at the end of 1979 and the Administrator therefore decided to seek Council approval of four projects by correspondence in early 1980, as otherwise these projects would be set back by at least 12 months due to climatic factors which limit the field season.

18. It is expected that nine new projects, in addition to the four mentioned in paragraph 12 will be ready for submission to the Governing Council during 1980 and that there will be a continuing, steady increase in the project pipeline. The Administrator therefore requests the Governing Council to delegate authority to him to approve Revolving Fund projects. All such approvals would be reported to the Council at its regular annual session.

C. 1981 Review of Fund operations

19. The Revolving Fund's legislation (ECOSOC resolution 1762 - LIV, paragraph 1 (p)) calls for ECOSOC and the Governing Council to review the Fund's operations at the end of the first four years of operations. It will be recalled that the timing of this review was postponed to 1981 upon recommendation of the Administrator (Governing Council decision 25/14; ECOSOC resolution 1978/53).

20. The Committee on Natural Resources at its sixth session, in Ankara, 1978, recommended that a working group of government experts be established to assist in the review exercise. Although this recommendation was not

formally adopted by CNR due to lack of a quorum, it was endorsed by the UNDP Governing Council (decision 79/26), by ECOSOC (resolution 1979/65) and by the General Assembly (resolution 34/109).

21. The consultations called for between the Secretary-General and the Administrator (General Assembly resolution 34/109, para. 4) were initiated in October 1979. Budget estimates in connexion with the composition of the expert group and related logistics were prepared following the recommendations of an internal group composed of representatives of the United Nations, the World Bank and UNDP. The estimated amount required to finance the proposed expert group totaled \$285,000 covering travel, per diem allowance, United Nations conference services and documentation. Subsequently, however, it was learned that the necessary funds had not been appropriated by the General Assembly. The matter has been brought to the attention of the United Nations and, in the event that the United Nations is unable to finance the cost of the proposed expert group from its own programme resources, the Administrator may have to convene a smaller, representative group of experts at a maximum estimated cost of \$90,000 which will be charged to the general resources of the Revolving Fund. The Governing Council's approval of this proposal is requested.

22. While neither the Fund's legislative mandate nor its operational procedures (DP/142 of 24 October 1975) prohibit its entry into energy-related work, such work has been discouraged until such time as the funding has improved to a point whereby the rapidly expanding programme in minerals, as well as related feasibility studies and energy related exploration work, can be adequately financed. In this connexion, the Administrator wishes to draw the Council's attention to the proposal for establishing an Energy Fund for Exploration and Pre-Investment Surveys (Document DP/438) which envisages the eventual absorption of the Energy Fund by the Revolving Fund for Natural Resources Exploration.

D. Financial Situation

23. The November 1979 Pledging Conference produced pledges amounting to \$1,235,568 bringing total contributions pledged to date to \$26,926,011 of which \$4,745,568 represents unpaid pledges. The status of contributions is provided in Annex II.

24. Programme expenditures, including approved projects, pre-project activities and expenditures for project development concerning projects which were canceled later, totaled \$2,023,069 in 1979; cumulative programme expenditures for 1974 through 1979 totaled \$5,486,962. Administrative expenditures in 1979 amounted to \$465,366 and cumulative administrative expenditures for 1974 through 1979 totaled \$1,695,860.

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25. Taking into account the above cumulative programme and administrative expenditures, the excess of income over expenditures at 31 December 1979 (see Annex III) was \$19,202,414, excluding uncollected pledges of \$4,745,568. Of this balance, \$13,756,452 represents undisbursed commitments against approved projects (total approvals: \$18,419,000), thereby leaving a balance of uncommitted funds of only \$5,445,962 at year-end. The four project proposals, for which the Administrator decided to seek Governing Council's approval by correspondence (see paragraph 17), would require an allocation of \$9,864,000, and administrative expenses for 1980 are estimated at some \$1 million. These amounts, in addition to pre-project expenditures and other likely project approvals in 1980, will exceed the above-mentioned uncommitted available resources by about \$18 million.

26. A financial statement of the Fund as of 31 December 1979 is provided in Annex III.

E. Funding policy

27. As noted earlier, the Fund's operational mandate requires that each approved project be fully funded unless there is assurance that "the level of contributions in future years will not decrease and that further activities on existing projects will increase priority over new projects" (DP/142, para. 24). As a result of this full-funding policy, and because of the long lead-time needed to develop projects that meet the Fund's mandated criteria, liquid assets have inevitably built up. This situation, in turn, has led to criticism of the Fund's management by donor Governments and a sharp decline in contributions to the Fund. Meanwhile, its successful efforts in gaining acceptance among potential client countries, and in building up the project pipeline, have resulted in a large inventory of projects qualifying for Fund assistance. Thus, a paradoxical situation has developed which, if unresolved, will effectively paralyze the Fund at precisely the moment when it had reached the take-off point.

28. In order to avoid a loss of momentum, the Administrator has decided to adopt a policy whereby full-funding will be applied to the Minimum Work programme, which constitutes a firm obligation of the Fund to recipient Governments; and a conservative financial management system will be introduced for subsequent stages of a project beyond the Minimum Work, based on estimated expenditures rather than on the maximum funds allocation approved by the Governing Council.

29. The approach adopted is based on the assumption that one-third of all approved projects will use maximum potential funding (Minimum Work plus all possible additional expenditures); one-third would use an average of the difference between the Minimum Work allocation and the total potential earmarkings; and one-third of all projects would terminate when the Minimum Work obligation had been completed. This policy is completely compatible with the exploration success ratio used to calculate the level of the Fund's

replenishment system. Based on considerable past experience of the United Nations and international exploration organizations, even with good project selection, it is known that a substantial percentage of projects will not find potential deposits and will, therefore, be terminated either at the conclusion of Minimum Work or shortly thereafter. The assumed success ratio of one in three (or 33 per cent) used to determine the above funding policy is conservative and does not prejudice the Fund. This approach would allow approval in 1980 of the majority of new projects now being developed, while providing time for the Fund to seek additional contributions.

30. The modified funding system described above is an essential measure imposed by the lack of new resources and the need to avoid a complete halt in project development and project approvals. It will not, however, allow approval of all of the on-stream projects, nor will the Fund be able to undertake any full feasibility studies as authorized by the Council at its twenty-sixth session.

31. The funding situation is critical, and the Administrator therefore seeks the full support and active assistance of Governing Council members in discussions with their Governments, with a view to obtaining additional contributions for the Revolving Fund at the 1980 Pledging Conference. There is solid evidence of sustained growth in the volume of operations over the past two years and there is every expectation that this upward curve will continue, thus justifying additional contributions.

V. RECOMMENDATIONS

32. The Administrator recommends that:

The Governing Council:

(a) Delegate authority to the Administrator to approve projects financed by the United Nations Revolving Fund for Natural Resources Exploration on the understanding that each approval action be reported to the Council at its regular annual session;

(b) Approve the financing of an expert group to assist in the 1981 review of Fund operations at a maximum estimated cost of \$90,000 to be met from the Fund's general resources, in the event that the United Nations is unable to find a separate source of financing for this group;

(c) Endorse the appointment of Mr. Hajime Kobayashi as the new Director of the United Nations Revolving Fund for Natural Resources Exploration. 1/

1/ Refer to ECOSOC resolution 1762 (LIV) paragraph 1 (n).

ANNEX I

STATUS OF PROJECTS AS OF 31 DECEMBER 1979

I. APPROVED PROJECTS

Country and Project No.	Principal Target Minerals	Commitments (in thousand \$)	Key Dates	Status
AFGHANISTAN AFG/NR/77/001	Uranium, rare earths, porphyry-copper and associated minerals	MW 600 SS <u>1 500</u> 2 100	GC approval: June/78 Signature: N/C Ratification: N/C	Cancelled by Government as of February 1979.
ARGENTINA ARG/NR/77/001	Copper, lead, zinc gold, silver	MW 940 SS <u>1 500</u> 2 440	GC approval: Jan/78 Signature: 28 Oct/77 Ratification: 14 July 1978	Diamond drilling is continuing in Area I and will start soon in Area II: progress and results are very satisfactory.
CYPRUS CYP/NR/77/001	Copper, other base metals and gold	MW 195 SS <u>750</u> 945	GC approval: Jan/78 Signature: 17 Oct/78 Ratification: 29 Dec. 1978	Works in space imagery, processing and interpretation are going on. Sample collection and analyses are also continuing. A number of areas considered to be of maximum mineral potential have been identified and investigations of selected target areas commenced.
ECUADOR ECU/NR/76/001	Silver, gold, lead zinc	MW 1 216 SS <u>1 184</u> 2 400	GC approval: June/76 Signature: 20 May/76 Ratification: 1 August 1976	Project completed in July 1979 with discovery of an economic high-grade silver ore body. Government requested Fund's assistance to seek potential investors.
ECU/NR/77/001	Copper, lead, zinc, silver	MW 1 100 SS <u>2 000</u> 3 100	GC approval: Jan/79 Signature: N/C Ratification: N/C	Cancelled as of October 1979, because of negotiations protracted after the deadline for signing project agreement. The project may be re-considered.
GHANA GHA/NR/78/001	Diamonds	MW 1 390 SS <u>894</u> 2 284	GC approval: June/79 Signature: N/C Ratification: N/C	Government requested to have this project financed by UNDP. Under discussion.
KENYA KEN/NR/77/001	Copper, lead, zinc gold, silver	MW 1 100 SS <u>1 500</u> 2 600	GC approval: Jan/79 Signature: 24 Oct/79 Ratification: N/C	Ratification of Project Agreement expected by March 1980.
LIBERIA LIR/NR/78/001	Precious metals	MW 850 SS <u>1 650</u> 2 500	GC approval: June/79 Signature: 18 May/79 Ratification: 11 Dec. 1979	Project activity scheduled to start early in 1980.
PANAMA PAN/NR/77/001	Porphyry-copper and gold	MW 500 SS <u>500</u> 1 000	GC approval: Jan/78 Signature: 26 Oct/77 Ratification: 16 March 1979	Project became operational in March. Geochemical soil sampling and topographical survey carried out. Drilling to start early in 1980.
SUDAN SUD/NR/75/001	Gold and base metals	MW 125 SS <u>325</u> 450	GC approval: June/75 Signature: 13 July/75 Ratification: 30 Dec. 1976	Project completed in April 1978 with no economic minerals identified. Final report forwarded to Government in April.
SUD/NR/78/001	Diamonds	MW 300 SS <u>1 500</u> 1 800	GC approval: Jan/79 Signature: 25 Oct/79 Ratification: N/C	Ratification of Project Agreement expected by March 1980.

MW = Minimum work
SS = Subsequent stages
N/C = Not completed

ANNEX I (Cont'd)

Country and Project No.	Principal Target Minerals	Commitments (in thousand \$)	Key Dates	Status
SURINAME SUR/NR/76/001	Copper, zinc, gold, tungsten, nickel	MW 500 SS <u>1 500</u> 2 000	GC approval: Jan/79 Signature: 23 May/79 Ratification: N/C	Deadline for ratification of Project Agreement extended to March 1980, at request of Government

GRAND TOTAL APPROVED TO DATE: (excluding AFG/NR/77/001 and ECU/NR/77/001)	MW 7 116 SS <u>11 303</u> 18 419
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II. PROPOSED PROJECTS

Country and Project Number	Principal Target Minerals	Proposed Ear-Marking (in thousand \$)	Status
BENIN	Kaolinite	To be determined (approximately 100)	Following a negative evaluation of coastal phosphate areas, a second mission is scheduled for early 1980 to examine kaolinite deposits.
BRAZIL	Lead, copper, zinc	To be determined. (approximately 3 000).	Government's acceptance of DP/142 awaited. Evaluatory Mission scheduled for March/April 1980.
CHILE	Base and precious metals	To be determined. (approximately \$1 500)	Preliminary mission fielded in May 1979. Evaluatory mission scheduled for early 1980.
CONGO	Offshore phosphate	To be determined (approximately 1 500)	Government accepted DP/142. Preliminary assessment conducted in October 1979. Evaluatory mission to be conducted in January 1980.
DOMINICAN REPUBLIC DOM/NR/77/001	Porphyry copper, molybdenum, iron, cobalt and others	To be determined (approximately 2 300)	Cancelled as of October 1978. Contacts held with Government to revive the project.
ECUADOR ECU/NR/77/001	Copper, lead, zinc, silver	To be determined (approximately 3 000)	Cancelled as of October 1979. Contacts held with Government to revive the project.
EGYPT EGY/NR/79/001	Copper, zinc, lead, silver	MW 440 SS <u>2 000</u> 2 400	Ready for submission to Governing Council.
GUATEMALA	Lead, gold	To be determined	Government accepted DP/142. Mission undertaken in August to identify exploration targets.
GUYANA GUY/NR/78/001	Phosphate, rare earths, niobium, massive sulphides, gold	MW 650 SS <u>2 000</u> 2 650	Ready for submission to Governing Council.
MALI	Rare earths, carbonates and precious metals	To be determined (approximately 3 500)	Government accepted DP/142. Evaluation of a gold nickel project gave negative results. Evaluatory mission in progress December-January 1980.
PHILIPPINES PHI/NR/77/001	Copper, zinc, lead	MW 624 SS <u>1 500</u> 2 124	Ready for submission to Governing Council.
	Coal	To be determined (approximately 1 500)	Evaluatory mission to be fielded in January 1980.

Country and Project Number	Principal Target Minerals	Proposed Ear-Marking (in thousand \$)	Status
SENEGAL	Gold	To be determined (approximately 1 500)	Government accepted DP/142. Evaluatory mission conducted in December 1979. Being assessed.
UPPER VOLTA UPV/NR/78/001	Nickel	MW 650 SS <u>2 000</u> 2 650	Ready for submission to Governing Council.
YEMEN	Base metals	To be determined (approximately 1 000)	Government accepted DP/142. Identification/ evaluation mission scheduled for February 1980.
YUGOSLAVIA	Lead, zinc, silver	To be determined (approximately 1 500)	Government accepted DP/142. Evaluatory mission to be fielded in February 1980.

ANNEX I (Cont'd)

III. PIPELINE

A. ACTIVE

<u>Country</u>	<u>Principal Target Minerals</u>	<u>Status</u>
ANGOLA	Uranium, rare earths, apatite, base-precious metals, industrial minerals	Awaiting Government's acceptance of DP/142. Evaluatory mission scheduled for February 1980.
GREECE	Lead, zinc, silver	Government accepted DP/142. Contacts held with Government to develop project.
MOROCCO	Uranium, silver, tungsten, zinc, lead.	Mission fielded in May 1979. Government's acceptance of DP/142 awaited.
NIGER	Copper, nickel molybdenum	Acceptance of DP/142 awaited.
PAKISTAN	Copper, nickel and others	Preliminary mission fielded in February 1979. Government's acceptance of DP/142 awaited.
PAPUA-NEW GUINEA	Base and precious metals	Acceptance of DP/142 awaited. Preliminary mission fielded in March 1979.
PERU	Base and precious metals	Government accepted DP/142.
PORTUGAL	Base and precious metals	Preliminary mission to be fielded in January 1980.
SYRIAN ARAB REPUBLIC	Chromite	Mission fielded in April 1979. Government's acceptance of DP/142 awaited.

B. PRELIMINARY ACTIVITIES

<u>Country</u>	<u>Principal Target Minerals</u>	<u>Status</u>
BHUTAN	To be determined, probably base metals.) Work on these countries) is at a preliminary stage of) discussions and correspondence) only.)))
HAITI	Probably copper-gold.	
INDONESIA	To be determined.	
REPUBLIC OF KOREA	To be determined. (Probably base and precious metals).	
MALAYSIA	To be determined.	
SOLOMON ISLANDS	To be determined. (Base and precious metals).	
SWAZILAND	Iron-ore and/or other resources	
THAILAND	To be determined.	
VENEZUELA	"	
ZAMBIA	"	

ANNEX II

UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

STATUS OF CONTRIBUTIONS AS AT 31 DECEMBER 1979

(US\$)

Country	Pledges						Total Pledges	Payment Received	Amount Due	
	1974	1975	1976	1977	1978	1979				1980
Belgium			405,405	909,091	166,666			1,481,162	1,481,162	
Canada			1,500,000					1,500,000	1,500,000	
Indonesia						10,000		10,000	10,000	
Iraq			10,000					10,000	10,000	
Italy							1,234,568	1,234,568	1,234,568	
Japan	1,500,000	3,500,000	3,500,000	3,500,000	3,000,000	3,000,000		18,000,000	18,000,000	
Netherlands		411,523	374,532	403,226				1,189,281	1,189,281	
Panama							1,000	1,000	1,000	
U.S.A.				2,500,000	1,000,000			3,500,000	3,500,000	
Totals	1,500,000	3,911,523	5,789,937	7,312,317	4,166,666	3,010,000	1,235,568	26,926,011	22,180,443	4,745,568

ANNEX III

UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

Provisional Status of funds as at 31 December 1979
(US\$)

	<u>1979</u>
<u>Income and expenditure for the year</u>	
Voluntary contributions from Governments	3 010 000
Add/less: Exchange adjustments on collection of contributions	--
	<u>3 010 000</u>
Interest income	1 954 517
Miscellaneous income (expenditure)	4 401
	<u>4 968 918</u>
<u>Less: Expenditure</u>	
Project costs	2 023 069
Reimbursement of programme support costs to United Nations agencies	<u>465 366</u>
Administrative costs	<u>2 488 435</u>
Excess of income over expenditure	2 480 483 =====
<u>Assets</u>	
Cash	525 813
Convertible currencies	
Usuable non-convertible currencies	
Accumulated non-convertible currencies	<u>19 347 820</u>
Investments	--
Operating funds provided to United Nations Agencies	--
Due from UNDP	48 868
Accounts receivable	462 603
Accrued interest	<u>20 385 104</u>
Contributions pledged by Governments for current and prior years	4 745 568 =====
	<u>25 130 672</u> =====
<u>Liabilities and reserve</u>	
Operating fund payable to United Nations Agencies	88 426
Accounts payable	158 129
Unliquidated obligations of United Nations Agencies	--
Due to UNDP	<u>936 135</u>
	<u>1 182 690</u>
Contributions pledged by Governments	<u>4 745 568</u>
Reserve	
Balance 1 January	16 721 931
Add: Excess of income over expenditure	2 480 483
Less: Excess of expenditure over income	--
Balance 31 December	<u>19 202 414</u> ^{a/}
	<u>25 130 672</u> =====

^{a/} Comprised of:

Undisbursed commitments for approved projects:	\$13 756 452
Uncommitted funds available for further programming	5 445 962
	<u>19 202 414</u>