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/472, 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.
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.
10. The significant increase in the number of new projects developed in 1979 by the Fund 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.

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. 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

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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.
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 $i 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

<table>
<thead>
<tr>
<th>Country and Project No.</th>
<th>Principal Target Minerals</th>
<th>Commitments (in thousand $)</th>
<th>Key Dates</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFGHANISTAN AFG/NR/77/001</td>
<td>Uranium, rare earths, porphyry-copper and associated minerals</td>
<td>MW 600, SS 1,500</td>
<td>GC approval: June/78, Signature: N/C, Ratification: N/C</td>
<td>Cancelled by Government as of February 1979.</td>
</tr>
<tr>
<td>ARGENTINA ARG/NR/77/001</td>
<td>Copper, lead, zinc, gold, silver</td>
<td>MW 940, SS 1,500, 2,400</td>
<td>GC approval: Jan/78, Signature: 28 Oct/77, Ratification: 14 July 1978</td>
<td>Diamond drilling is continuing in Area I and will start soon in Area II: progress and results are very satisfactory.</td>
</tr>
<tr>
<td>CYPRUS CYP/NR/77/001</td>
<td>Copper, other base metals and gold</td>
<td>MW 195, SS 750, 945</td>
<td>GC approval: Jan/78, Signature: 17 Oct/78, Ratification: 29 Dec. 1978</td>
<td>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.</td>
</tr>
<tr>
<td>ECUADOR ECU/NR/76/001</td>
<td>Silver, gold, lead, zinc</td>
<td>MW 1,216, SS 1,104, 2,400</td>
<td>GC approval: June/76, Signature: 20 May/76, Ratification: 1 August 1976</td>
<td>Project completed in July 1979 with discovery of an economic high-grade silver ore body. Government requested Fund's assistance to seek potential investors.</td>
</tr>
<tr>
<td>ECUADOR ECU/NR/77/001</td>
<td>Copper, lead, zinc, silver</td>
<td>MW 1,100, SS 2,000, 3,100</td>
<td>GC approval: Jan/79, Signature: N/C, Ratification: N/C</td>
<td>Cancelled as of October 1979, because of negotiations protracted after the deadline for signing project agreement. The project may be reconsidered.</td>
</tr>
<tr>
<td>GHANA GHA/NR/78/001</td>
<td>Diamonds</td>
<td>MW 1,390, SS 894, 2,284</td>
<td>GC approval: June/79, Signature: N/C, Ratification: N/C</td>
<td>Government requested to have this project financed by UNDP. Under discussion.</td>
</tr>
<tr>
<td>KENYA KEN/NR/77/001</td>
<td>Copper, lead, zinc, gold, silver</td>
<td>MW 1,100, SS 1,500, 2,600</td>
<td>GC approval: Jan/79, Signature: 24 Oct/79, Ratification: N/C</td>
<td>Ratification of Project Agreement expected by March 1980.</td>
</tr>
<tr>
<td>PANAMA PAN/NR/77/001</td>
<td>Porphyry-copper and gold</td>
<td>MW 500, SS 500, 1,000</td>
<td>GC approval: Jan/78, Signature: 26 Oct/77, Ratification: 16 March 1979</td>
<td>Project became operational in March. Geochemical soil sampling and topographical survey carried out. Drilling to start early in 1980.</td>
</tr>
</tbody>
</table>

**MW** = Minimum work  
**SS** = Subsequent stages  
**N/C** = Not completed
### ANNEX I (Cont'd)

#### GRAND TOTAL APPROVED TO DATE:
(excluding AFG/NR/77/001 and ECU/NR/77/001)

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

#### II. PROPOSED PROJECTS

<table>
<thead>
<tr>
<th>Country and Project Number</th>
<th>Principal Target Minerals</th>
<th>Proposed Ear-Marking (in thousand $)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>BENIN</td>
<td>Kaolinite</td>
<td>To be determined (approximately 100)</td>
<td>Following a negative evaluation of coastal phosphate areas, a second mission is scheduled for early 1980 to examine kaolinite deposits.</td>
</tr>
<tr>
<td>BRAZIL</td>
<td>Lead, copper, zinc</td>
<td>To be determined. (approximately 3,000)</td>
<td>Government's acceptance of DP/142 awaited. Evaluatory Mission scheduled for March/April 1980.</td>
</tr>
<tr>
<td>CONGO</td>
<td>Offshore phosphate</td>
<td>To be determined (approximately 1,500)</td>
<td>Government accepted DP/142. Preliminary assessment conducted in October 1979. Evaluatory mission to be conducted in January 1980.</td>
</tr>
<tr>
<td>DOMINICAN REPUBLIC</td>
<td>Porphyry copper, molybdenum, iron, cobalt and others</td>
<td>To be determined (approximately 2,300)</td>
<td>Cancelled as of October 1978. Contacts held with Government to revive the project.</td>
</tr>
<tr>
<td>ECUADOR</td>
<td>Copper, lead, zinc, silver</td>
<td>To be determined (approximately 3,000)</td>
<td>Cancelled as of October 1979. Contacts held with Government to revive the project.</td>
</tr>
<tr>
<td>EGYPT</td>
<td>Copper, zinc, lead, silver</td>
<td>MW 440, SS 2,000</td>
<td>Ready for submission to Governing Council.</td>
</tr>
<tr>
<td>GUATEMALA</td>
<td>Lead, gold</td>
<td>To be determined</td>
<td>Government accepted DP/142. Mission undertaken in August to identify exploration targets.</td>
</tr>
<tr>
<td>GUYANA</td>
<td>Phosphate, rare earths, niobium, massive sulphides, gold</td>
<td>MW 650, SS 2,000</td>
<td>Ready for submission to Governing Council.</td>
</tr>
<tr>
<td>MALI</td>
<td>Rare earths, carbonatites and precious metals</td>
<td>To be determined (approximately 3,500)</td>
<td>Government accepted DP/142. Evaluation of a gold nickel project gave negative results. Evaluatory mission in progress December-January 1980.</td>
</tr>
<tr>
<td>PHILIPPINES</td>
<td>Copper, zinc, lead</td>
<td>MW 624, SS 1,500</td>
<td>Ready for submission to Governing Council.</td>
</tr>
<tr>
<td></td>
<td>Coal</td>
<td>To be determined (approximately 1,500)</td>
<td>Evaluatory mission to be fielded in January 1980.</td>
</tr>
<tr>
<td>Country and Project Number</td>
<td>Principal Target Minerals</td>
<td>Proposed Ear-Marking (in thousand $)</td>
<td>Status</td>
</tr>
<tr>
<td>----------------------------</td>
<td>---------------------------</td>
<td>--------------------------------------</td>
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</tr>
<tr>
<td>SENEGAL</td>
<td>Gold</td>
<td>To be determined (approximately 1 500)</td>
<td>Government accepted DP/112. Evaluatory mission conducted in December 1979. Being assessed.</td>
</tr>
<tr>
<td>UPPER VOLTA UPV/NR/78/001</td>
<td>Nickel</td>
<td>MN 650 SS 2 000</td>
<td>Ready for submission to Governing Council.</td>
</tr>
<tr>
<td>YEMEN</td>
<td>Base metals</td>
<td>To be determined (approximately 1 000)</td>
<td>Government accepted DP/112. Identification/evaluation mission scheduled for February 1980.</td>
</tr>
<tr>
<td>YUGOSLAVIA</td>
<td>Lead, zinc, silver</td>
<td>To be determined (approximately 1 500)</td>
<td>Government accepted DP/112. Evaluatory mission to be fielded in February 1980.</td>
</tr>
</tbody>
</table>
ANNEX I (Cont’d)

III. PIPELINE

A. ACTIVE

<table>
<thead>
<tr>
<th>Country</th>
<th>Principal Target Minerals</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>GREECE</td>
<td>Lead, zinc, silver</td>
<td>Government accepted DP/142. Contacts held with Government to develop project.</td>
</tr>
<tr>
<td>PORTUGAL</td>
<td>Base and precious metals</td>
<td></td>
</tr>
<tr>
<td>SYRIAN ARAB REPUBLIC</td>
<td>Chromite</td>
<td></td>
</tr>
</tbody>
</table>

B. PRELIMINARY ACTIVITIES

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

**UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION**

**STATUS OF CONTRIBUTIONS AS AT 31 DECEMBER 1979**

(US$)

<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>Belgium</td>
<td>405,405</td>
<td>909,091</td>
<td>166,666</td>
<td>1,481,162</td>
<td>1,481,162</td>
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<tr>
<td>Canada</td>
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</tr>
<tr>
<td>Indonesia</td>
<td>10,000</td>
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</tr>
<tr>
<td>Iraq</td>
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<tr>
<td>Italy</td>
<td>1,234,568</td>
<td>1,234,568</td>
<td>1,234,568</td>
<td></td>
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<td></td>
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<tr>
<td>Japan</td>
<td>1,500,000</td>
<td>3,500,000</td>
<td>3,500,000</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>18,000,000</td>
<td>18,000,000</td>
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</tr>
<tr>
<td>Netherlands</td>
<td>411,523</td>
<td>374,532</td>
<td>403,226</td>
<td>1,189,281</td>
<td>1,189,281</td>
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</tr>
<tr>
<td>Panama</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>U.S.A.</td>
<td>2,500,000</td>
<td>1,000,000</td>
<td>3,500,000</td>
<td>3,500,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>1,500,000</strong></td>
<td><strong>3,911,523</strong></td>
<td><strong>5,789,937</strong></td>
<td><strong>7,312,317</strong></td>
<td><strong>4,166,666</strong></td>
<td><strong>3,010,000</strong></td>
<td><strong>1,235,568</strong></td>
<td><strong>26,926,011</strong></td>
<td><strong>22,180,443</strong></td>
<td><strong>4,745,568</strong></td>
</tr>
</tbody>
</table>
**ANNEX III**

**UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION**

**Provisional Status of funds as at 31 December 1979**

(18S)

### Income and expenditure for the year

<table>
<thead>
<tr>
<th>Description</th>
<th>1979</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary contributions from Governments</td>
<td>3 010 000</td>
</tr>
<tr>
<td>Add/less: Exchange adjustments on collection of contributions</td>
<td>3 010 000</td>
</tr>
<tr>
<td>Interest income</td>
<td>3 010 000</td>
</tr>
<tr>
<td>Miscellaneous income (expenditure)</td>
<td>1 954 517</td>
</tr>
<tr>
<td><strong>Loss: Expenditure</strong></td>
<td>2 023 069</td>
</tr>
<tr>
<td>Project costs</td>
<td>465 366</td>
</tr>
<tr>
<td>Reimbursement of programme support costs to United Nations agencies</td>
<td>2 188 435</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>2 188 483</td>
</tr>
<tr>
<td><strong>Excess of income over expenditure</strong></td>
<td>===========</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>525 813</td>
</tr>
<tr>
<td>Cash</td>
<td>525 813</td>
</tr>
<tr>
<td>Convertible currencies</td>
<td>19 347 820</td>
</tr>
<tr>
<td>Usable non-convertible currencies</td>
<td>19 347 820</td>
</tr>
<tr>
<td>Accumulated non-convertible currencies</td>
<td>19 347 820</td>
</tr>
<tr>
<td>Investments</td>
<td>===========</td>
</tr>
<tr>
<td>Operating funds provided to United Nations Agencies</td>
<td>4 745 568</td>
</tr>
<tr>
<td>Due from UNDP</td>
<td>4 745 568</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>4 745 568</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>4 745 568</td>
</tr>
<tr>
<td>Contributions pledged by Governments for current and prior years</td>
<td>4 745 568</td>
</tr>
<tr>
<td><strong>Liabilities and reserve</strong></td>
<td>25 130 672</td>
</tr>
<tr>
<td>Operating fund payable to United Nations Agencies</td>
<td>25 130 672</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>25 130 672</td>
</tr>
<tr>
<td>Unliquidated obligations of United Nations Agencies</td>
<td>25 130 672</td>
</tr>
<tr>
<td>Due to UNDP</td>
<td>25 130 672</td>
</tr>
<tr>
<td>Contributions pledged by Governments</td>
<td>88 426</td>
</tr>
<tr>
<td>Reserve</td>
<td>===========</td>
</tr>
<tr>
<td>Balance 1 January</td>
<td>16 721 931</td>
</tr>
<tr>
<td>Add: Excess of income over expenditure</td>
<td>2 480 483</td>
</tr>
<tr>
<td>Less: Excess of expenditure over income</td>
<td>===========</td>
</tr>
<tr>
<td>Balance 31 December</td>
<td>19 202 414</td>
</tr>
</tbody>
</table>

2/ Comprised of:

- Undisbursed commitments for approved projects: $13 756 452
- Uncommitted funds available for further programming: 5 445 962
- 19 202 414