

UNITED NATIONS DEVELOPMENT PROGRAMME



UNDP

Distr.
GENERAL

DP/1982/40
1 April 1982

ORIGINAL: ENGLISH

GOVERNING COUNCIL
Twenty-ninth session
June 1982, Geneva
Agenda Item 6(e)

SUPPORT

OTHER FUNDS AND PROGRAMMES

UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

Annual report of the Administrator for 1981

Summary

This report describes the activities of the United Nations Revolving Fund for Natural Resources Exploration in 1981 and is submitted in compliance with Economic and Social Council resolution 1762(LIV), paragraph 1(o). The report describes progress in field activities and in the evaluation of new project requests. It also highlights the results of the decisions taken subsequent to the 1981 review of the Fund's activities by a Working Group of Government Experts and discusses the interest of developing nations in geothermal exploration activities which could be undertaken by the Fund. Information is included on measures to strengthen institutional co-operation and on the serious financial constraints which presently jeopardize the continued momentum in the level of activity reached by the Fund.

The attention of the Governing Council is directed to the proposals of the Administrator as set forth in paragraph 46.

INTRODUCTION

1. Following the review of the functions, institutional arrangements and repayment system of the United Nations Revolving Fund for Natural Resources Exploration by a Working Group of Government Experts, as called for in Governing Council decision 80/29, a number of recommendations were proposed and subsequently approved by the Governing Council, and incorporated into its decision 81/24 and into resolution 1981/57 of the Economic and Social Council. The follow-up actions taken by the Fund subsequent to the decision and the resolution will be reviewed in this report. For the consideration of the Council, the Fund has prepared a separate policy paper (DP/1982/41) summarizing the nature and scope of interest for assistance in the field of geothermal energy and the capacity of the Fund to respond thereto.

2. With regard to operational activities, there are many positive developments to report. By the end of 1981, there were 12 active projects of which field work was advanced in nine countries: Argentina, Cyprus, Guyana, Kenya, Liberia, Philippines, Sudan, Suriname and Upper Volta. Project Agreements were approved in 1981 for three countries: Benin, Congo and Mali. A Minimum Work programme also was approved for a project in Yugoslavia. During the year supplementary short-term funding was approved for two ongoing projects in Argentina and Cyprus, to carry on final phases of work where indications of promising mineralization had been discovered. Over-all project progress is summarized in chapter II.

3. The financial position of the Fund remains the outstanding uncertainty which clouds all the other favourable progress and places the Fund's future in jeopardy. Unless additional pledges are forthcoming, the momentum achieved will be lost and the approval of new projects at the target level will not be possible. Chapter III reviews the financial situation.

I. OPERATIONAL SUMMARY

4. 1981 proved to be a year of solid progress in Fund operations. In addition to the following brief review, a tabulated summary of approved projects, requests and active pipeline is included as annex I to this report.

A. Field operations

5. Results of the last phase of drilling operations in Argentina were positive and, under the additional funding approved by the Governing Council for this project in mid-1981, work began in November on underground tunnelling at the Huemules gold prospect. Mineralization previously found by drilling has been intersected in the tunnel and confirms expectations. The first analytical results to check mineral content, particularly gold, will be available in early 1982. At the request of the Government, the Fund has assisted in the identification of mining groups interested in providing follow-up investment

in the area. The Government has also provided road and bridge infrastructure investment of great benefit to the project.

6. In Cyprus work was concentrated on the assessment of target areas identified during Minimum Work operations. This multidisciplinary work utilized detailed lithological and structural mapping, geophysics (electrical IP and microgravity systems), drilling and assaying. By the end of the year, work was being concentrated on one prospect where indications were sufficiently promising to justify the request for an approval of limited supplementary funding for US\$ 210,000, which was approved by the Administrator in accordance with Governing Council decision 81/8. Working in close co-operation with the Government, interest has been generated with several private mining groups who are considering investments based on the Fund's preliminary findings. Detailed exploration by the Fund will be concluded by mid-1982.

7. In Guyana exploration work for gold and copper under extremely difficult logistic conditions was concentrated on the Cuyuni belt (Area II), where new geophysical techniques were successfully applied. These, combined with geological mapping and detailed geochemical surveys, defined potentially mineralized targets which will be ready for subsurface investigations through drilling early in 1982. Samples collected from Muri carbonatite (Area I) in 1980 are being subjected to various tests in specialized laboratories.

8. Excellent progress was maintained in Kenya. Based on the results of detailed geological and geochemical work and multi-method ground geophysical surveys, a number of promising targets were defined which will be drilled early in 1982. The Government of Kenya has made drilling facilities (both equipment and staff) available under a contract arrangement with the Fund.

9. Good progress was maintained in Liberia despite operational difficulties, due largely to extremely poor access to much of the area. Investigations of the alluvial gold potential were nearing completion. Test drilling results to date have been negative and, for the remainder of the Minimum Work, operations will be concentrated on a number of areas of potential bedrock gold mineralization. Detailed sampling and mapping of selected prospects were getting underway at the year's end.

10. In the Philippines good progress was made in the detailed evaluation of selected parts of the exploration area during the first half of the year. Results obtained to date are presently being evaluated and compiled and should lead to a good knowledge of the structural/lithological setting of the massive-sulphide mineralization.

11. Full scale field operations began in Suriname during 1981. Multi-element analysis of stream-sediment samples and broad-scale geological evaluation of the Bakhuis Mountain (Kabalebo) area (Area I) were nearing completion. Follow-up investigations began in previously known and newly selected detailed

target areas. Investigations of the hardrock gold potential of the Lawa area (Area II) commenced at the end of the year and, in addition, a zone with alluvial gold potential was identified and will be tested.

12. In Sudan the Minimum Work reconnaissance and the testing programme for diamonds were completed in the latter half of 1981. All samples collected earlier in the year were subjected to specialized mineralogical examinations. While results are yet to be evaluated, indications are that there is little technical justification for extending operations into subsequent work activity.

13. With the ratification of the Project Agreement in Upper Volta, field operations commenced promptly. A base camp was established and access roads for future drilling were constructed. Detailed mapping of the principal area of interest for nickel laterite at Bonga was completed and detailed sampling started through the construction of pits. Collection of samples for the evaluation of gold potential from three zones outside the Bonga nickel prospect was implemented and initial assay results were being received at the end of the year. This project drew upon the findings of the United Nations executed mineral survey funded by UNDP.

B. Completed project

14. The project in Panama was concluded in the first half of 1981 and was the third project to be completed. The co-operation and collaboration of the Government throughout the project was excellent. Porphyry-copper and gold mineralization was found in the main target area but evaluated as not being extensive enough to support a mining operation. A much smaller area away from the main mineralized centre could support a relatively small low grade gold-mining operation; the final report, which is nearing completion, will report this as a discovered mineral deposit from which the Fund might receive replenishment contributions in the future.

C. Pre-operational projects

15. Ratification of Project Agreements in both Congo and Benin was achieved, but not early enough for operations to begin in 1981 as originally scheduled. All advance preparations have been made and field work is to begin early in 1982. The complexity of bringing the specialized inputs together at the right time for offshore surveys in the Congo was nearing a solution, with offshore operations scheduled to begin in March 1982. Field operations in Benin were to begin in January 1982. Ratification of the Project Agreement with the Government of Mali was imminent and it was expected that full-scale exploration would start in the latter half of 1982.

D. Evaluation of potential projects

16. In 1981, detailed evaluations of potential projects effected through various field missions, were made in China, Haiti, Morocco, Peru, Philippines and the United Republic of Tanzania. No firm project has yet been developed in China but further consultations are in progress. Potential projects in Haiti (gold, silver and copper) and Peru (alluvial gold, zinc and silver and possibly uranium) were evaluated positively, and it is expected that at least one of these projects will be finalized, approved and brought to the operational stage in 1982. Further progress was made towards the development of an exploration project for silver and other metals in Morocco. A potential second project in the Philippines for coal exploration was negatively assessed. In the United Republic of Tanzania the Government is anxious for development of a Fund project to further explore for and evaluate the areas with nickel (sulphide) potential first recognized by a UNDP/United Nations project in 1975. Detailed evaluation was underway at the end of the year.

17. Other newly requested projects include one to revive a previously cancelled project in Ecuador for exploration of three areas, principally for copper, lead, zinc, silver and gold. Discussions were held with Government officials towards the end of 1981. A re-evaluation and possible re-orientation of work was being recommended. A request was received from the Government of Egypt to revive the previously cancelled project for gold and base metals in the eastern desert. This revived project was coming under evaluation at the year's end. In Yemen a project for the exploration of various base and precious metals was being evaluated in the latter part of the year.

18. Price trends as well as the supply and demand of mineral resources in the world economy are taken into careful consideration and user Governments are advised by the Fund, so that the target minerals sought have a reasonable marketing future both internally and externally.

E. Other project developments

19. During 1981, missions to identify possible projects were undertaken to Burundi, Colombia, Costa Rica, Fiji, Ivory Coast, Nicaragua, Oman, Portugal, Rwanda, Solomon Islands, Thailand and Vanuatu. Finally, no progress can be reported on reactivating the project in the Dominican Republic, and further discussions were held with authorities in Brazil.

20. The Fund is actively seeking further ways to provide positive assistance to the Government of Ecuador in order to bring the San Bartolome silver deposit into production; however, no concrete results can be reported as of the end of the year. While considerable delays between the discovery and the development of mineral resources is normal, the Fund's experience emphasizes the importance of becoming more actively involved in assisting Governments as

much as possible in identifying and co-ordinating the required technical and financial resources for follow-up investment upon the completion of successful projects.

II. PROGRESS AND RESULTS ACHIEVED

21. In sum, 1981 was characterized by steady progress in operational programmes and the continued development of new proposals. Field work proceeded on course in nine large-scale exploration projects. With its emphasis on sound technical direction and responsive management, the Fund concentrated its financial and human resources on avenues and techniques which maximize the chances of success.

22. The number of countries requesting the identification of projects continued to grow as noted in chapter 1. On the basis of a growing list of project proposals, the Fund is in a good position to select and recommend a steady level of approvals over the next several years and can look ahead to a meaningful long term programme.

23. Although limited in scale when looked at in the context of world mining exploration, the Fund has been successful in locating exploitable minerals in two (Ecuador and Panama) of the three completed projects. While reservations are obviously required when predicting the outcome of any exploration work, the chances are also reasonably good that the results of work in the two projects scheduled for completion in 1982 (Argentina and Cyprus) will be positive and attractive to investors.

24. Due to general economic stagnation, many developing countries, including those with traditionally strong mineral based economies, are finding it very difficult to gather the high-risk financing essential to maintain exploration activities. The Fund can now demonstrate that, given the required financial backing, it could play a larger role in strengthening the essential resource base of the developing nations.

25. The geothermal review found considerable requirements and demand for assistance in this sector by Governments of developing countries. The policy paper DP/1982/41 recommends immediate inclusion of geothermal exploration into the Fund's range of activities according to its original mandate.

III. MANAGEMENT AND FINANCE

26. The report of the Working Group of Government Experts (E/1981/23) reaffirmed the conceptual viability of the Fund and recognized that it had now gained wide acceptance among developing countries. Based on the recommendations of the Working Group, which were approved by the Governing Council and endorsed by the Economic and Social Council, the Fund was able to improve its operational procedures to include a fixed ceiling for replenishment contribu-

tions at ten times project costs, a specific repayment formula for feasibility studies over a five year period and, a reduction in the rate of replenishment contribution for least developed countries.

27. In accordance with Governing Council decision 81/24, the Fund has drafted a revised document to replace "Operational procedures and administrative arrangements" (DP/142), issued in 1975. This updated version of the Fund's policies and procedures, reflecting the decisions taken at the twenty-eighth session of the Council, will be issued in 1982.

28. Focus in 1981 was on the timely and effective management of day-to-day project developments. The high degree of uncertainty as to what lies ahead in an exploration project cannot be over-emphasized, particularly in those areas of the world where such ventures are the first of their kind and where the logistics for field activities are extremely difficult. While care in advance planning is required to better anticipate problem areas, there are unforeseen situations which require a quick response. The Fund showed the management flexibility and decision-making authority needed to attend expeditiously to new circumstances. Recognizing that work stoppages and indecision are costly, the Fund was able to examine technical findings quickly, reach decisions and meet unforeseen project inputs with a minimum of disruption and delay.

29. In accordance with the dynamism and flexibility indicated above, the Fund took steps to improve its internal procedures in both technical and financial management for a more systematic approach to decision-making. Particular attention was given to procedures which would provide more realistic cost estimates for projects and for the periodic monitoring of programme expenditures. A co-ordinated approach for project development between technical and administrative support staff was emphasized.

30. With a growing level of operations, 1981 was the first year of an exploration programme in full force. By the end of 1981, the Fund had 26 international staff in the field, a 73 per cent increase over 1980. The Fund's staff carried out missions to 27 developing countries for the monitoring and assessment of field activities and the evaluation of new project proposals. Utilization of national technical services and equipment for project development increased and contracts were awarded to local contractors in Argentina, Cyprus, Guyana, Kenya, Suriname and Upper Volta for a total of US\$ 762,000. The Joint Operations Group (JOG) continued to advise the Fund on major project decisions through regular meetings. JOG consists of officers of UNDP, the World Bank and the substantive office of the competent agency, which for the present solid minerals resources programme has been the United Nations.

31. There was a slight decrease in the administrative support costs of the Fund. A continuing decrease in the the proportion of administrative to programme costs in future years can only result from growth in the operational programme.

Financial position and resource requirements

32. The status of contributions and of resource utilization are summarized in annexes II and III respectively. Programme delivery reached an estimated US\$ 4.9 million in 1981, a 29 per cent increase over 1980.

33. The Fund's cumulative programme commitments were US\$ 25.7 million. This figure includes an estimate, on an actuarial basis, for subsequent work. For comparative purposes, on a maximum allocation basis the cumulative level would be US\$ 31 million. While the Fund was able to approve additional allocations for four projects in 1981 for a total possible maximum allocation of US\$ 7.9 million, it is presently operating under serious financial constraint. Funding available for additional programming, starting in 1982, is approximately US\$ 6.2 million, as noted in annex III; this will allow the approval of about three new projects only. This number is well below the Fund's target and its capacity for programme development of six new project approvals annually.

34. Without a reasonable expectation of contributions on a continuing basis, the Fund finds it increasingly difficult to proceed conscientiously with further project development work. On the average, the lead time from project identification to approval of a project agreement is two years. Moreover, the initiation of discussions for new Fund projects with requesting Governments includes the negotiating of legal guarantees by those Governments, especially with regard to the obligation to make exploration (concession) areas available at a very early stage. Should a project not be implemented for lack of funds, the Fund risks causing a very serious breach of confidence. This is one of the many considerations unique to mineral exploration activities which make assured funding necessary very early in the programming stage.

35. In monetary terms, based on projections of the level of project requests and the target of six project approvals annually, the Fund's financial requirement to meet the demand for solid minerals remains an average annual increase of US\$ 10 million in constant dollars over the next three years.

36. In 1981, a modest start was made to build up the Fund's financial position. Further contributions were received from countries which had supported the Fund in past years. Several developing countries contributed to the Fund for the first time.

37. If the target level of contributions is not approached, the Fund will be forced progressively to retrench instead of actively developing new project proposals. A downward cyclical pattern of project activity would result, which would diminish the image and momentum of work and ultimately put into question the viability of the Fund itself. The Fund would be unable either to meet the increasing needs of the developing countries or to enhance the possibilities of success and of replenishment contributions. As was recog-

nized by the Group of Government Experts, a statistically reasonable success ratio cannot be expected without a steady level of new projects ready for implementation.

38. In consultation with the World Bank, the Fund prepared guidelines for co-financing and held discussions with several interested Governments. The general response was positive. While there are complex considerations to be taken into account in order for co-financing to be effective, the Fund is examining specific possibilities, taking into account the technical characteristics of projects and the interests of potential co-financiers.

IV. CO-OPERATION WITHIN THE UNITED NATIONS SYSTEM

39. Since its establishment in 1975, the Fund has maintained close institutional co-operative arrangements with other organs of the United Nations system, in compliance with its mandate and in the interest of promoting a co-ordinated approach to natural resources exploration. These arrangements have strengthened the Fund's operational position significantly.

40. In 1981, under the subvention arrangement by which the Fund paid the United Nations for a pre-determined amount of services, the latter provided short-term specialized advisory services for project operations and development.

41. In accordance with Governing Council decision 81/24, a more practical system for close collaboration was established between the Fund and the Natural Resources and Energy Division of the United Nations Department of Technical Co-operation for Development. Its primary objective is to utilize combined technical staff resources more effectively. In this light, a co-operative agreement was reached replacing the previous subvention arrangement, which no longer reflected requirements of the Fund. Under a new formula, an agreed amount of technical support from the Department to the Fund on a reimbursement basis will be used during 1982 and 1983. These reimbursable services will also include collaboration in the geothermal sector, should authority be given to the Fund to activate its mandate in this field.

42. This new arrangement, in addition to being more cost effective, will be associated with mechanisms to strengthen programming ties. In this respect, an agreement was reached to establish a joint technical co-ordination working group. The objective is to promote better forward planning of the technical support which the Fund requires, thus avoiding some of the past difficulties in co-ordinating fund requests, and to establish a mutual exchange of information on exploration activities on a continuing basis. This exchange will include information on programme developments, mission reports, mission travel and relevant technical data. Also in 1981, a geothermal task force was established between the Fund and the United Nations Department of Technical Co-operation for Development. The geothermal review (see DP/1982/41) was direc-

ted by the Fund and involved fact-finding missions to some 20 countries by both Fund and United Nations staff.

43. Co-operation with the World Bank continued with legal advisory services for the negotiation of project agreements and the ratification and certification processes required by the Fund. Consultations were also held on matters related to investment follow-up.

44. Co-operation also extends to regional bodies of the United Nations, in particular the Regional Mineral Resource Development Centre of the Economic and Social Commission for Asia and the Pacific (ESCAP), which is providing the Fund with important information for project development work in the region. In other developments, co-operation continued in 1981 with the International Atomic Energy Agency (IAEA), including a joint pre-project evaluation mission to Peru.

V. CONCLUSIONS

45. Over the past several years, decisions were taken by the Governing Council and the Economic and Social Council which have strengthened the operational and managerial capacity of the Fund to carry out its mandate. As a result, the Fund is endowed with the necessary legislation, manpower and procedural and institutional bases to carry on its operations in solid minerals exploration effectively now and into the future. If the Council were to approve inclusion of geothermal exploration in its activities, the Fund would significantly increase its ability to assist developing countries. The major constraint to continued progress is the shortfall of financial resources for the approval of new projects.

46. In the light of the above, the Administrator suggests that the Governing Council may wish to consider taking note of the annual report of the Administrator covering activities of the United Nations Revolving Fund for Natural Resources Exploration during the year 1981. The Council may also wish to reaffirm the desirability of the Fund achieving an operational level of six new project approvals per year for solid mineral exploration programmes, requiring a resource base of US\$ 10 million in new contributions per annum in the foreseeable future in order to enable the Revolving Fund to respond to the requests of developing countries and to fulfill more adequately its mandate; and to urge States members to consider contributing or increasing their contributions to the Fund. The Council is further requested to approve the project recommendation contained in DP/NRE/PROJECTS/REC/1 and to take note of the report of the Administrator for (DP/NRE/PROJECTS/5) submitted in accordance with Governing Council decision 81/8.

- - - - -

Annex I

Status of projects as of 31 December 1981

A. Approved projects

Country and project number	Principal target minerals	Commitment (thousands of US dollars)	Key dates	Status
<u>(1) Operational</u>				
<u>Argentina</u> ARG/NR/77/001	Copper, lead, zinc, gold, silver	MW ^{a/} 940 SW ^{c/} <u>2150</u> <u>3090</u>	GC ^{b/} approval: 01/1978 Signature: 28/10/1977 Ratification: 14/07/1978	The final phase began in Oct. 1981 and consists of underground tunnelling to obtain valid data that will provide an estimate of grade and tonnage of ore found. Work is estimated to be completed by May 1982.
<u>Cyprus</u> CYP/NR/77/001	Copper, other base metals, gold	MW 195 SW 750 <u>210</u> <u>1155</u>	GC approval: 01/1978 Signature: 17/10/1978 Ratification: 29/12/1978	The major phase of field work is completed. Supplementary funding was approved by the Administrator in Dec.1981 to follow-up on promising targets.
<u>Guyana</u> GUY/NR/78/001	Phosphate, rare earths, niobium, massive sulphides, gold	MW 650 SW <u>2000</u> <u>2650</u>	GC approval: 03/1980 Signature: 24/07/1980 Ratification: 25/09/1980	50-60 per cent of the geophysical work is completed. Targets are identified for drilling to begin in Jan. 1982.
<u>Kenya</u> KEN/NR/78/001	Copper, lead, zinc, gold, silver	MW 1100 SW <u>1500</u> <u>2600</u>	GC approval: 01/1979 Signature: 24/10/1979 Ratification: 21/08/1979	Full-scale field activities started in Mar.1981. Auger sampling was in process while detailed geophysical surveys were nearing completion. Drilling targets are being identified.

a/ MW = Minimum Work
b/ GC = Governing Council
c/ SW = Subsequent Work

Country and project number	Principal target minerals	Commitment (thousands of US dollars)	Key dates	Status
(i) Operational (Contd.)				
<u>Liberia</u> LIR/NR/78/001	Precious metals	MW 850 SW <u>1650</u> <u>2500</u>	GC approval: 06/1979 Signature: 18/05/1979 Ratification: 11/12/1979	Results to date for placer gold are not encouraging. Emphasis is switched to hard rock exploration for gold.
<u>Philippines</u> PHI/NR/79/001	Copper, zinc, lead, precious metals	MW 624 SW <u>1500</u> <u>2124</u>	GC approval: 31/03/1980 Signature: 16/06/1980 Ratification: 17/09/1980	The project became operational in Oct.1980. The project area looks promising technically. Initial work was concentrated on geological mapping, geo-chemical analyses and geophysical (electro-magnetic) work.
<u>Sudan</u> SUD/NR/78/001	Diamonds	MW 300 SW <u>1500</u> <u>1800</u>	GC approval: 01/1979 Signature: 25/10/1980 Ratification: 10/10/1980	Detailed examination of sample concentrate was nearing completion. The decision to stop or continue with the project will be taken in early 1982.
<u>Suriname</u> SUR/NR/76/001	Copper, zinc, gold, tungsten	MW 500 SW <u>1500</u> <u>2000</u>	GC approval: 01/1979 Signature: 25/10/1979 Ratification: 11/07/1980	The project became operational in May 1981. Reconnaissance sampling in selected areas was completed.
<u>Upper Volta</u> UPV/NR/78/001	Lateritic nickel	MW 650 SW <u>2000</u> <u>2650</u>	GC approval: 31/03/1980 Signature: 30/10/1980 Ratification: 15/01/1981	The operations manager arrived in May 1981. Sample analysis has taken place and selective drilling was being carried out.

Country and project number	Principal target minerals	Commitment (thousands of US dollars)	Key dates	Status
(ii) <u>Not yet operational</u>				
<u>Benin</u> BEN/NR/80/001	Kaolin clay	MW 100 SW <u>500</u> <u>600</u>	GC approval: 31/03/1981 Signature: 12/11/1980 Ratification: 09/10/1981	An operations manager has been selected and the project should become operational in Jan. 1982.
<u>Congo</u> PRC/NR/80/001	Offshore phosphate	MW 165 SW <u>700</u> <u>865</u>	GC approval: 25/03/1981 Signature: 23/01/1981 Ratification: 12/12/1981	Certificate of ratification of the project agreement from the Government was received in Dec.1981. Contracts and equipment orders were being prepared.
<u>Mali</u> MLI/NR/78/001	Rare earths, niobium, tin, tungsten, tantalum	MW 1300 SW <u>1500</u> <u>2800</u>	GC approval: 06/1981 Signature: 12/10/1981 Ratification: 23/10/1981	The project agreement was ratified in Oct.1981. Field operations are scheduled for the latter half of 1982.
<u>Yugoslavia</u> YUG/NR/79/001	Lead, zinc, silver	MW <u>790</u>	Adm. approval: 27/06/1981	Project approval by Government is anticipated.
(iii) <u>Completed</u>				
<u>Ecuador</u> ECU/NR/76/001	Silver, gold, lead, zinc	Expenditure 2176	GC approval: 06/1976 Field activities commenced: 08/1976 Field activities completed: 07/1979	The Government has called for bids for the development of the San Bartolomé mine.

Country and project number	Principal target minerals	Commitment (thousands of US dollars)	Key dates	Status
-------------------------------	------------------------------	---	-----------	--------

(iii) Completed (Contd.)

<u>Sudan</u> SUD/NR/75/001	Gold and base metals	Expenditure 209	GC approval: Field activities commenced: Field activities completed:	06/1975 08/1977 04/1978	The project concluded with the final report to the Government in April 1979.
<u>Panama</u> PAN/NR/77/001	Porphyry-copper and gold	Expenditure 1053	GC approval: Field activities commenced: Field activities completed:	06/1977 03/1979 12/1980	The final report was under preparation.

B. Project requests and active pipeline

<u>Country</u>	<u>Principal target minerals</u>	<u>Status</u>
Brazil	Gold/nickel	Positive evaluation. Awaiting further response from Government.
Burundi	Alluvial gold	Request under evaluation.
China	Various	Awaiting further details from Government.
Costa Rica	Precious and base metals	Request being clarified.
Dominican Republic	Precious and base metals	Attempting to revive previously cancelled project.
Ecuador	Copper, lead, zinc, silver	Request received for revival of cancelled project under discussion and re-evaluation.
Egypt	Gold, copper	Request received for revival of cancelled project. Re- evaluation in early 1982.
Haiti	Copper, gold	Positive evaluation. Awaiting further details from Government.
Morocco	Silver	Positive evaluation. Awaiting clarification and details of areas.
Peru	Gold, base metals	Proposed details being finalized.
Senegal	Lignite (coal)	Request being clarified.
United Republic of Tanzania	Nickel	Request initially evaluated and discussion underway.
Yemen Arab Republic	Lead, zinc, silver	Positive request received. Under evaluation.

Annex II

UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

Status of contributions as of 31 December 1981
(in US dollars)

Country	1974	1975	1976	1977	1978	1979	1980	1981	Total pledges	Payment received	Amount due
Belgium	-	-	405405	909091	166666	-	-	133334	1614496	1481162	133334
Bangladesh	-	-	-	-	-	-	-	1000 ^{a/}	1000	-	1000
Canada	-	-	1500000	-	-	-	-	-	1500000	1500000	-
Chile	-	-	-	-	-	-	-	5000 ^{a/}	5000	-	5000
Dominican Republic	-	-	-	-	-	-	2000	-	2000	2000	-
Indonesia	-	-	-	-	-	10000	-	20000 ^{b/}	30000	30000	-
Iraq	-	-	10000	-	-	-	-	11863	21863	-	21863
Italy	-	-	-	-	-	-	840336	-	840336	840336	-
Japan	1500000	3500000	3500000	3500000	3000000	3000000	-	2000000	20000000	18000000	2000000
Mali	-	-	-	-	-	-	-	450	450	450	-
Netherlands	-	411523	374532	403226	-	-	-	-	1189281	1189281	-
Panama	-	-	-	-	-	-	1000	2000 ^{c/}	3000	1000	2000
Uganda	-	-	-	-	-	-	-	51	51	51	-
United States of America	-	-	-	2500000	983423	-	-	-	3483423	3483423	-
	1500000	3911523	5789937	7312317	4150089	3010000	843336	2173698	28690900	26527703	2163197
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

^{a/} Pledged in 1981 for 1982

^{b/} 1980 and 1981 contributions

^{c/} Pledged in 1981 for 1981 and 1982

Annex III

UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

Cumulative resources, commitments and additional programming
Availability estimated as of 31 December 1981

(Millions of US\$)

I. Cumulative resources

A. Contributions paid	26.5
B. Interest income (as of 31 December 1980)	6.9
C. Estimate of interest income for 1981-82	5.0
D. Total	38.4

II. Cumulative programme commitment

E. Possible maximum allocations approved by the Governing Council a/	31.0
F. Actual commitments (Minimum Work allocation and any additional approved allocations)	16.9
G. Maximum subsequent work	14.1
H. Realistic estimate of subsequent work b/	8.8
I. Total commitment and estimated subsequent work (F+H)	25.7
J. Pre-project development (including estimates of 0.6 for 1981-82)	1.5

III. Administrative costs

K. Cumulative administrative costs (through 1980)	2.8
L. Estimated administrative costs for 1981-1982	2.2

IV. Balance available for additional programming 6.2

(Based on actual allocation and estimated subsequent
work (D minus I+J+K+L))

a/ Including maximum allocation for Yugoslavia to be presented
to 1982 Governing Council and supplementary funding for Cyprus.

b/ Based on the assumption that approximately one third of all
approved projects expend their total allocations, one third
expend only the Minimum Work commitment and one third expend an
amount equal to Minimum Work plus half of the remaining amount
allocated. Based on an average duration of subsequent work
of 1.5 years, these calculations include an estimated increase
due to inflation of 15 per cent per annum.

