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THE ENVIRONMENT FUND

(1 January - 31 March 1980)

Note by the Executive Director

The present document covers developments in the Environment Fund between 1 January and 31 March 1980, taking into account the finalization of the accounts for the biennium 1978-1979.

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I. CONTRIBUTIONS TO THE ENVIRONMENT FUND

1. In the first three months of 1980, contributions to the Environment Fund compared with the first quarter of the previous two years were as follows:

	<u>Convertible currency</u> (\$)	<u>Non-convertible currency</u> (\$)	<u>Total</u> (\$)
1978	13,835,504	134,951	13,970,455
1979	4,969,793	45,181	5,014,974
1980	3,936,254	426,701	4,362,955

As at the end of March 1980, contributions paid in respect of pledges of \$32.05 million for 1979 totalled \$30.95 million.

II. EXPENDITURE ON FUND PROGRAMME ACTIVITIES 1979

2. As will be seen from Schedule 3 of the financial report and accounts of the Environment Fund (UNEP/GC.8/L.2, annex) total expenditures on Fund programme activities totalled \$27.0 million in 1979, compared with \$22.9 million in 1978. Expenditure for the biennium as a whole was therefore of \$49.9 million. Details of total expenditures by budget lines are set out in Table 2.

3. Recorded expenditures in 1979 represented 80 per cent of commitments as at 31 December 1979 and 75 per cent of the allocation assigned by the Executive Director for Fund Programme activities during the year.

4. Expenditure in non-convertible currencies in 1979 was \$3.1 million plus \$0.4 million for costs incurred in connexion with staff members employed on these projects which is reimbursable in dollars from the non-convertible currency accounts.

III. FORWARD COMMITMENTS FOR FUND PROJECTS

5. As at the end of March 1980, the commitments in respect of Fund projects (including projects approved and signed and projects accepted by UNEP but not yet signed by the Implementing agency) were as follows:

	<u>Convertible currency (\$ million)</u>	<u>Non-convertible currency (\$ million)</u>	<u>Total (\$ million)</u>
1980	20.62	5.61	26.23
1981	10.58	5.26	15.84
1982	1.97	1.98	3.95

These commitments are set out by budget lines in Table 2. A list of projects approved in the first three months of 1980 is annexed to this document.

IV. BALANCE OF THE FUND

5. On the basis of the financial report for the Environment Fund, the unencumbered balance of the Fund at the end of 1979 was \$26.95 million (or \$26.58 million excluding the value of the remaining loan for the UNEP headquarters). A summary of the flow and use of resources of the Fund reconciled with the interim financial statement for 1979, with revised estimates of the flow and use of resources on the basis of the proposed revised appropriations for 1980 and 1981, appears as Table 1 to this document.

V. TRUST FUNDS ADMINISTERED BY THE EXECUTIVE DIRECTOR

7. As at the end of March, total contributions received to the trust funds, together with interest credited in 1979 were as follows:

(a) Protection of the Mediterranean Sea Against Pollution	\$1,327,963
(b) Regional Trust Fund for the Kuwait Action Plan	\$2,456,706
(c) Convention on International Trade in Endangered Species of Wild Fauna and Flora	\$ 99,476 ^{1/}

8. Expenditures charged against the Trust Funds in 1979, as shown in the financial statement, were:

(a) Protection of the Mediterranean Sea Against Pollution	\$ 321,006
(b) Regional Trust Fund for the Kuwait Action Plan	\$ 113,084
(c) Convention on International Trade in Endangered Species of Wild Fauna and Flora	\$ Nil

Total commitments charged against the Trust Funds as at 31 March 1980, including amounts spent in 1979, were:

^{1/} No interest credited as yet.

(a) Protection of the Mediterranean Sea Against Pollution	\$1,248,455
(b) Regional Trust Fund for Kuwait Action Plan	\$1,000,400
(c) Convention on International Trade in Endangered Species of Wild Fauna and Flora.	\$ NIL

Table 1

ESTIMATED FLOW AND USE OF RESOURCES FOR THE YEARS 1979-1981
(in dollars million)

Revised as at 31 March 1980

	Actual 1979		Estimated 1980		Estimated 1981	
	Total	CC	NCC	Total	CC	NCC
I. Resources						
(a) Balance of Fund on 1 Jan	28.44	13.61	14.83	26.58	9.81	16.77
(b) Estimated Contributions	32.13	27.47	4.66	31.57	27.22	4.35
(c) Misc. Income	1.49	0.60	0.89	0.65	0.65	-
(d) NCC conversion	-	0.51	(0.51)	-	0.75	(0.75)
(e) Change in financial reserve	(0.40)	(0.40)	-	0.50	0.50	-
(f) Loan repayment	0.20	0.20	-	0.20	0.20	-
Total Resources	61.86	41.99	19.87	59.50	59.15	20.51
				55.54	56.02	11.52
II. Claims on resources						
(a) Programme and programme support costs	8.24	8.24	-	9.40	9.40	-
(b) Fund programme activities and Fund programme reserve activities	33.99	30.56	3.43	36.25	28.00	8.25
(i) Signed Commitments				26.23	20.62	5.61
(ii) Rephasing, extensions and new projects				9.02	6.38	2.64
(iii) Fund programme reserve				1.00	1.00	-
(c) Project expenditure cancelled or rephased to later years	(6.95)	(6.62)	(0.33)	(7.25)	(5.60)	(1.65)
(d) Total estimated project expenditure	27.04	23.94	3.10	29.00	22.40	6.60
(e) Total claims (a) + (d)	35.28	32.18	3.10	38.40	31.80	6.60
				21.10	7.33	13.77
III. Balance of Fund on 31 December	26.58	9.81	16.77	21.10	7.33	13.77
				16.26	5.62	10.64

a/ Including unpaid pledges of dollars 1.09 million and a reduction of dollars 0.08 million net resulting from the revised estimate of pledges as at 31 March 1980.

b/ Excluding value of loan for UNEP headquarters (dollars 568,800 at beginning and dollars 370,800 at end of 1979).

Table 2

PROJECT EXPENDITURES FOR 1979 AND COMMITMENTS 1980, 1981 AND 1982

	1979 Expenditures	1980 Commitments	1981 Commitments	1982 Commitments
	\$	\$	\$	\$
1 Human settlements and human health	3,088,590	2,823,821	1,322,162	516,018
3 Support	5,872,349	5,651,502	3,085,406	12,500
4 Environment and development	2,220,995	1,571,780	315,150	110,600
5 Oceans	2,742,539	2,467,187	1,140,120	29,000
7 Energy	277,280	694,230	73,000	-
0 Environmental management (including environmental law)	398,492	462,600	189,000	69,400
1 Terrestrial ecosystems	5,105,027	4,746,539	2,339,905	722,439
2 Natural disasters	74,185	54,800	-	-
3 Earthwatch	5,080,839	5,539,082	4,950,189	2,056,361
6 Environmental data	522,893	567,350	369,800	21,000
7 Arid and semi-arid lands (including desertification)	1,653,112	1,651,320	2,053,920	416,610
TOTAL	27,036,302	26,230,211	15,838,652	3,953,982

Annex

PROJECT APPROVED IN 1980

<u>Project No.</u>	<u>Project title</u>
FP/0104-80-01	Feasibility study for a regional co-operative project on Mediterranean coastal human settlements
FP/0303-79-03	Non-governmental organizations' participation in UNEP's World Environment Day programme 1980 and 1981
FP/0404-80-01	Inter-regional Seminar on Alternative Patterns of Development and Life Styles
FP/1108-80-01	Expert consultation on the conservation of genetic resources of fish
FP/1200-80-01	Improvement of tropical cyclone warnings including storm surge alerts
ME/0503-80-01	Mediterranean Action Plan - First phase
