



# United Nations Environment Programme



Distr.  
GENERAL

UNEP/GC.10/10/Add.2/Supplement 2  
20 May 1982

ENGLISH

GOVERNING COUNCIL  
Tenth session  
Nairobi, 20 May - 2 June 1982  
Item 8 (a) of the agenda

## PROPOSAL FOR SPECIAL PURPOSE TRUST FUND FOR A NEW INTERNATIONAL ENVIRONMENTAL PRIZE

### Note by the Executive Director

1. In response to Governing Council decision 9/2, paragraph 3, the Executive Director has attempted to find ways of establishing a new international environment prize, and, in that connection, was able to inform the Governing Council at its special session that he had received from Mr. Ryoichi Sasakawa, chairman of the Japanese Shipbuilding Industry Foundation, a written pledge, dated 11 May 1982, to contribute a sum of \$US 1 million to endow a fund for the establishment of a prize to be called the "United Nations Sasakawa Environment Prize". At the same time, the Executive Director informed the Governing Council of his intention to submit to it at its tenth session a proposal for acceptance of the offer, for the establishment of a United Nations trust fund under which to receive and administer the endowment and regarding the naming of the prize.
2. Following the announcement of the offer, the Government of Kuwait informed the Executive Director that it is prepared to make a contribution of \$US5,000 towards the financing of an international award for environment to be granted to individuals, organizations or institutions which play an outstanding role in the field of environment at an international or regional level.
3. If the Governing Council approves the establishment of a special purpose trust fund for an international environmental prize, the trust fund would be established in accordance with general procedures governing the operations of the Environment Fund, article V, and under the Financial Rules of the Fund of the United Nations Environment Programme and the Financial Rules and Regulations of the United Nations. In accordance with rule 20.2(d) of the Financial Rules of the Environment Fund, a separate account would be maintained for this trust fund. However, approval of the establishment of the trust fund will be subject to the consent of the Secretary-General following agreement on the terms of reference.

4. If approved, the trust fund would be endowed with the donation from the Japanese Shipbuilding Industry Foundation in the amount of \$US1 million. The proceeds from the investment of the endowment would be used, up to the equivalent of 70 per cent of the interest received in a given year, to finance the prize in the following year. Any excess of income over the amount of the prize in any year would, after deduction of the support costs for the administration of the prize, be re-invested to provide, so far as possible, a hedge against lower interest rates and against inflation.

5. The prize would be awarded for the most outstanding contributions, by individuals or institutions, in the management and protection of the environment, consistent with the policies, aims and objectives of the United Nations Environment Programme and according to the procedure previously approved by the Governing Council in respect of the discontinued International Pahlavi Environment Prize.

6. The Governing Council may wish to consider a possible decision:

(a) Accepting the contribution of the Japanese Shipbuilding Industry Foundation,

(b) Approving the establishment of the trust fund for the purpose of financing a new International environmental prize,

(c) Designating the name of the prize.

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