



United Nations
Environment
Programme



Distr.
GENERAL

UNEP/GC.11/12
21 February 1983

ORIGINAL: ENGLISH

GOVERNING COUNCIL
Eleventh session
Nairobi, 11-24 May 1983
Item 9 (b) of the provisional agenda

THE MANAGEMENT OF THE ENVIRONMENT FUND

Report of the Executive Director

In this report the outlook for resources in 1983 is examined and a projection made of how they are likely to be used. Possible scenarios within which the Environment Fund may have to be managed during the period of the 1984-1985 medium-term plan are then considered.

I. THE SECOND YEAR OF THE BIENNIUM 1982-1983

A. The outlook for resources in 1983

1. By 31 December 1982, 83 countries had made firm pledges to contribute amounts totalling \$29.42 million to the Environment Fund for 1982, although only forty-nine of those countries had made firm pledges by that date to contribute in 1983, the amounts pledged for that year totalling \$12.84 million. However, under the terms of the conditions for the estimation of future resources and their apportionment, ^{1/} the Executive Director may assume that countries that contribute to the Fund in the first year of any medium-term plan period will contribute at the same level for the balance of that period unless he is advised otherwise.

2. No countries which have paid, or have notified the Executive Director of their intention to pay, a contribution to the Fund for 1982 have advised him that they will not contribute in 1983. However, three countries, Italy, Mexico and Zambia, have advised him that they will contribute at a lower level. It is possible, moreover, that the contributions of a number of countries which contribute in their national currencies may, as a result of the changes in the exchange rate of the United States dollar, provide a different quantum of dollars when they are converted; but, of course, movements in exchange rates, which can go in either direction, cannot be anticipated. Two countries, Ecuador and Zimbabwe, have pledged contributions to the Environment Fund for the first time, and 13 countries have pledged to make higher contributions in 1983 than they made in 1982. These last two groups of countries (15) will together contribute an additional \$1 million approximately in 1983.

3. Taking all these factors into account, the Executive Director believes that he would be justified in expecting an increase in the level of contributions in 1983, and that a reasonable target for the year might be \$33 million. However, he recognizes that a considerable number of uncertainties surround the outlook for contributions, particularly when measured in terms of US dollars, and so, for the time being, he proposes to continue to plan on the basis of a figure of \$30 million.

4. On this basis, the Executive Director's tentative estimate of total resources available to the Fund in 1983 is as follows:

	Convertible currency (CC) (Millions of dollars)	Non-convertible currency (NCC)	Total
Estimated level of Fund as at 1 January 1983	11.52	10.88	22.40
Estimated contributions in 1983	26.00	4.00	30.00
Other income ^{a/}	1.48	(0.68)	0.80
Total	39.00	14.20	53.20

^{a/} After providing an additional \$0.7 million to the financial reserve in accordance with Governing Council decision 10/27, para. 24.

B. The use of resources in 1983

5. On the basis of the foregoing estimate of resources, the Executive Director is at present planning the following Fund programme for 1983:

	<u>CC</u> (Millions of dollars)	<u>NCC</u>	<u>Total</u>
Programme and programme support costs	11.00	-	11.00
Fund programme activities and reserve activities	28.75	10.18	38.93
Less underspending under the preceding line	(5.75)	(2.03)	(7.78)
Total expenditure	34.00	8.15	42.15
Balance to be carried forward to 1984	5.00	6.05	11.05

A table showing the flow and use of resources in 1983 in greater detail is given in the annex hereto.

6. In this connection, it must be emphasized that at the time of preparation of this report, the proposed use of resources set out above can only be regarded as tentative. The Executive Director's belief that a higher level of contribution than he has used as a planning base will be forthcoming in 1983 may prove right, but the possibility that some countries may pay their contributions later in 1983 than they did in 1982 must also be taken into account. Moreover, as 1984-1985 will be a new medium-term plan period, the Executive Director's estimates of resources must be based not on contributions pledged or paid in previous years, but on contributions formally pledged or paid for the period of that medium-term plan or part thereof. This means that he must be sure of having pledged resources to cover approved commitments for 1984, and if firm pledges of contributions for 1984 have not been received by the second half of 1983, he will feel forced to slow down the 1983 programme to ensure that resources will be available for a minimum programme in 1984. This is a problem that recurs every two years, and to alleviate matters, at least partially, the Executive Director is suggesting that the Governing Council should regard the period of the system-wide medium-term environment programme (1984-1989) as a single medium-term plan period for the purpose of estimating the resources of the Fund (see paragraph 26 below). Then again, the restructuring of NCC projects in 1983 may mean that new NCC commitments are incurred at a slower rate than at present provided for. If the 1983 programme has to be slowed down, the balance of the Fund carried forward to 1984 would be higher than indicated in paragraph 5. The Executive Director will monitor the situation closely over the next few months and report further to the Governing Council at its eleventh session if changes in the present plan for the use of resources seem appropriate.

C. Programme and programme support costs 1983

7. In deciding at what level to plan programme and programme support costs in 1983, the Executive Director had to take into account the fact that when in 1982 he held expenditure charged to this budget within a ceiling of \$10 million, more than 20 per cent of posts provided for in the approved budget were held vacant. Such a level of vacancies inevitably affects the capacity of the organization to deliver the programme requested and approved by the Governing Council. Yet inflation continues, and although some of its impact has been offset by the rise of the exchange value of the US dollar against other currencies, particularly the Kenya shilling, continuing exchange benefits cannot be counted upon. If the number of posts "frozen" and held vacant is kept at a level above 20 per cent of Fund established posts, the capacity of UNEP to deliver a broad-based, scientific, well-managed environment programme would be seriously undermined. The Executive Director believes it would be a major mistake to follow such a course in 1983. It seems inevitable therefore that the programme and programme support costs budget will rise in 1983, although present estimates indicate that it should not rise to more than about \$11 million. This would mean that, although the Executive Director would continue to aim to arrange that the programme and programme support costs do not exceed 33 per cent of estimated contributions in 1983, he cannot be certain of success unless contributions increase, as he hopes, above the 1982 level.

D. Fund programme and programme reserve activities in 1983

8. At its ninth session, the Governing Council approved an appropriation of \$95 million for Fund programme activities and Fund programme reserve activities in 1982-1983. On the basis of the resources made available to him, the Executive Director has allocated \$65 million of this total (including \$1 million for the Fund programme reserve), of which it is estimated that \$23.38 million will be used in 1982, leaving a balance of \$41.62 million of the allocation available for 1983. However, on the present assumption of contributions, this would mean that the balance of the Fund at the end of 1983 would amount to no more than \$2.85 million, and, in the light of the uncertainties facing him, the Executive Director feels he should plan to carry over to 1984 a minimum balance of \$5 million in convertible funds. This means that he will be unable to commit more than \$28.75 million in convertible currency and \$10.18 million in non-convertible currency, making a total of \$38.93 million, in the year unless the level of contributions rises considerably above the \$30 million level assumed in this report. Implementation of the proposed reduced programme will still depend on there being no deterioration in the timing of the payment of contributions compared with 1982.

9. Within the ceiling of \$38.93 million for Fund programme activities (including reserve activities), project commitments of \$21.83 million have already been incurred for 1983. In addition, commitments in respect of activities planned for 1982 but, for one reason or another, not implemented in that year, have to be rephased to 1983. On the basis of past experience, the total of these commitments is estimated at \$5.90 million. The planned

programme of Fund activities for 1983 (as at 31 December 1982) can thus be summarized as follows:

1983 project commitments and funds available for new projects
(as at 31 December 1982)

	<u>CC</u>	<u>NCC</u>	<u>Total</u>
	(Millions of dollars)		
1983 commitments approved <u>a/</u>	17.28	4.55	21.83
1982 commitments to be rephased to 1983 <u>b/</u>	4.60	1.30	5.90
Available for additional funding of existing activities or for new projects <u>a/</u>	6.87	4.33	11.20
	<u>28.75</u>	<u>10.18</u>	<u>38.93</u>

a/ Including Fund programme reserve

b/ In practice, part of the commitments to be rephased from 1982 will be carried to 1984, but, for planning purposes, an allocation for the full amount must be reserved against 1983 in the first instance.

10. The factors outlined in paragraph 6 which may affect the Executive Director's tentative plans for the use of resources would, of course, also affect the ability of the organization to implement the above planned programme in full.

II. ACCOMPLISHMENT OF 1982-1983 PROGRAMME

11. The level of programme accomplishment compared with the programme approved for the 1982-1983 biennium as a whole, taking into account expenditures incurred in 1982 and projected for 1983, is foreseen as follows:

	<u>Programme approved</u>	<u>Estimated programme accomplishment</u>	<u>Accomplishment</u>
	(millions of dollars)		(percentage)
Programme and programme support costs	25.50	20.60	80.8
Fund programme activities and reserve activities: 1982	43.00	23.38	54.4
1983	52.00	31.15	59.9
Total	<u>120.50</u>	<u>75.13</u>	<u>62.3</u>

If this level of expenditure is realized, it will mean that only 62 per cent of the overall approved programme and only 57 per cent of the approved biennium programme of Fund activities will be accomplished.

III. THE BIENNIUM 1984-1985

A. The outlook for resources in 1984-1985

12. By decision 10/27, paragraph 23, the Executive Director was requested "to prepare, for consideration by the Governing Council at its eleventh session, a Fund programme for 1984-1985 based on total contributions in those two years of \$85 million". Accordingly, taking into account the projected balance of the Fund to be carried forward from 1983 to 1984, the Executive Director is planning a programme for the next medium-term period based on resources as follows:

	<u>CC</u>	<u>NCC</u>	<u>Total</u>
	(Millions of dollars)		
Estimated balance of Fund as at 1 January 1984	5.00	6.05	11.05
Contributions 1984-1985	75.00	10.00	85.00
Other income	3.00	(1.00)	2.00
Total	<u>83.00</u>	<u>15.05</u>	<u>98.05</u>

13. The difficulty at present facing the Executive Director is that he has received virtually no pledges of contributions for the 1984-1985 biennium; as at 31 December 1982, pledges of contributions for both 1984 and 1985 together totalled \$526,000. Thus no firm basis for planning a programme exists and the Executive Director must continue to work on the guideline of \$85 million given to him by the Governing Council. Accordingly, he appeals to Governments in the strongest terms to pledge contributions to the Environment Fund for 1984-1985 as quickly as possible and if, for constitutional reasons, it is not possible to make a firm pledge immediately, to provide him with at least an indicative, non-binding, figure of contributions upon which forward planning for 1984-1985 can be based. As already explained in paragraph 6 above, receipt of firm pledges to contribute in 1984 is as important for the 1983 programme as for that of 1984.

B. The use of resources 1984-1985

14. If the pattern of resources suggested in paragraph 12 materializes, the Fund programme for the biennium might be as follows:

	<u>CC</u>	<u>NCC</u>	<u>Total</u>
	(Millions of dollars)		
Programme and programme support costs	26.02	-	26.02 ^{a/}
Fund programme activities	56.00	14.00	70.00
Fund programme reserve activities	2.00	-	2.00
Less underspending under the preceding two lines	(5.80)	(1.40)	(7.20)
	<u>78.22</u>	<u>12.60</u>	<u>90.82</u>
Balance of Fund to be carried forward to 1986	4.78	2.45	7.23
Total			

^{a/} The programme and programme support costs budget for 1984-1985 was still under preparation at the time this document was prepared and this figure must accordingly be regarded as tentative.

Details of the estimated flow and use of Fund resources in 1984-1985 are to be found in the annex. It will be noted that whereas under this plan, the convertible currency balance at the end of 1985 would be approximately the same as at the beginning of the biennium, the non-convertible balance would be drawn down further over the period.

15. If the 1983 programme can only be regarded as tentative, clearly, in the absence of virtually any pledges of contributions, that for 1984-1985 must be regarded as even more so. The Executive Director has nevertheless prepared the programme for 1984-1985 within the mandate given to him by the Governing Council.

C. Programme and programme support costs 1984-1985

16. The Governing Council is to consider the programme and programme support costs budget under another agenda item (agenda item 10), although it must be borne in mind that it is a budget financed from the Fund and as a first charge on it. It will be noted that in the event of contributions amounting to \$85 million being provided to the Fund in 1984-1985, as suggested in decision 10/27, paragraph 23, the proportion of contributions required for the programme and programme support costs budget would be lower in 1984-1985 than in 1982-1983, on the important assumption underlying the proposed budget that 20 per cent of professional posts continue to be held vacant. However, in the event of this level of contribution not being achieved, the proportion of contributions required for programme and programme support costs must inevitably rise. The Executive Director firmly believes that keeping the proportion of professional posts held vacant at a level of more than 20 per cent is seriously undermining the intellectual viability of UNEP as a

co-ordinating, catalytic and stimulating organization. In his opinion it would not be feasible either to use some of the vacancies to increase the percentage of occupied posts at the expense of Fund programme activities. Such action would entail a reduction of UNEP's programme delivery rate and would lead to a feeling of frustration among the staff, as they would then have little room to implement Governing Council decisions or to respond to Government requests. Unless contributions increase in step with the present level of inflation and show reasonable real growth, UNEP's performance will undoubtedly be seriously affected.

D. Fund programme activities 1984-1985

17. The Executive Director has prepared a programme budget for Fund programme activities in 1984-1985 (UNEP/GC.11/7) costed at \$70 million, in accordance with the programme proposed in paragraph 14. The structure of the programme budget follows the general design of the system-wide medium-term environment programme, but it also aims to reduce the number of small budget lines. There are thus 10 main budget lines instead of the 11 in the 1982-1983 approved medium-term plan. If the Governing Council approves the programme budget for 1984-1985 as presented, it will be invited to approve the apportionment of the proposed \$70 million budget among the 10 new budget lines as follows:

Proposed apportionment for Fund programme activities 1984-1985

	<u>Thousands of dollars</u>	<u>Percentage of total</u>
Health and human settlements	7 150	10.2
Environment and development	8 050	11.5
Earthwatch	8 500	12.1
Terrestrial ecosystems	10 800	15.4
Oceans	7 400	10.6
Water	3 000	4.3
Desertification	6 700	9.6
Arms race and the environment	400	0.6
Environmental awareness	12 000	17.1
Regional and technical co-operation	6 000	8.6
	<u>70 000</u>	<u>100.0</u>

18. It should be noted that this proposal is for a two year programme. Provided the necessary resources for it are contributed to the Fund, the Executive Director intends to implement it in two equal parts, allocating \$35 million in the first year, 1984, comprising half the proposed biennium apportionment for each budget line separately.

19. However, in the preparation of the programme of Fund activities, as a matter of prudence, the Executive Director has had to anticipate the possibility that contributions to the Fund may not be paid at a level or within a time frame sufficient to finance the full programme, particularly in the first year. Accordingly, he has designated two categories of priorities within each budget line. Should there be a shortfall or a delay in the payment of contributions, as a general rule approval will be given to commitments for first priority activities before those for second priority activities. First priority activities account for some two thirds of the proposed apportionment in each separate budget line, implying that the Executive Director's allocations for Fund programme activities could be assigned pro rata to each budget line separately, which is what the Executive Director aims to do. However, it is impossible for him to anticipate precisely the level and timing of contributions in 1984, and a selection might have to be made between a number of levels of programme between \$50 million and \$70 million. In these circumstances, the Executive Director will require flexibility to implement the programme while still assigning priority to those activities accorded first priority by the Council. He is therefore seeking a renewal of the authority given to him by the Governing Council to adjust the apportionment by up to 20 per cent in each budget line, within the overall appropriation for the biennium.

E. Use of non-convertible currencies in the Fund programme

20. As will be seen from the table in paragraph 14 above, the projected programme of Fund activities in 1984-1985 will involve a further draw down of non-convertible currency balances. The Executive Director believes that it is possible to do this within the programme budget he has prepared, although he proposes that this part of the programme should be redirected as he suggested to the Governing Council at its tenth session "placing a greater emphasis on assessment and management activities, especially outside the contributing countries" ^{2/}. However, he proposes to continue to make use of these currencies for support activities, particularly training, where advantage can continue to be taken of training facilities available in countries that contribute in their national currencies. At the same time, he is proposing a follow-up stage in which experts from the training institutions of the countries concerned will be sent to developing countries to supervise the application of their techniques and to establish national programmes there. Equipment from the training institutions will also be sent to the developing countries as and when required. It is then hoped, as a third stage, to develop inter-country programmes in these same areas within the developing world.

F. Use of counterpart funds in the Fund programme

21. In his report on additional resources for dealing with serious environmental problems in developing countries (UNEP/GC.10/11/Add.1) submitted

to the Governing Council at its tenth session, the Executive Director suggested, among other things, that if counterpart funds were offered for projects which he had been unable to approve through lack of resources, he should be prepared to accept the funds offered under rule 204.1 of the Financial Rules of the Environment Fund and to approve the project concerned "even though there may only be a small, even notional, contribution from the Environment Fund". After having considered the report, the Governing Council adopted decision 10/26, under paragraph 2 of which the Executive Director was requested to facilitate the provision of expert assistance to and among developing countries for specific purposes and to solicit the necessary resources from multilateral and bilateral donors.

22. In order to implement the Governing Council's decision to the fullest extent, the Executive Director is seeking the Council's approval to an interpretation of rule 204.1 that would permit him to regard the Environment Fund's input into projects supported by counterpart funds as being the cost of staff and other time financed by the programme and programme support costs budget rather than as part of the appropriation for Fund programme activities, the programme for which will have been approved in full for the 1984-1985 biennium when the programme budget document for the biennium is approved.

IV. THE FUND PROGRAMME RESERVE 1984-1985

23. In conformity with the proposed Fund programme outlined in paragraph 14, the Executive Director is seeking an apportionment of \$2 million to the Fund programme reserve in 1984-1985.

V. THE BIENNIUM 1986-1987

24. Although it is impossible to project the level of resources available to the Fund in 1986-1987, it will be necessary to incur some commitments for Fund activities in those years during the 1984-1985 biennium. Accordingly, as in the past, the Executive Director is seeking authorization to enter into forward commitments for 1986-1987, and he suggests that this authorization should be for the same amount as was authorized for 1984-1985, namely \$16 million.

VI. GENERAL PROCEDURES GOVERNING THE OPERATIONS OF THE FUND

25. Discussion of proposals to revise the general procedures governing the operations of the environment Fund submitted to the Governing Council at its eighth session (UNEP/GC.8/7/Add.2) was postponed until the Council's ninth session to allow time for careful study of the amendments being proposed. At the ninth session, the Executive Director reported on action that had been taken since the eighth session (UNEP/GC.9/10/Add.4) and, in view of the fact that the form of the system-wide medium-term environment programme had not yet evolved, proposed that publication of any new amendments to the revised procedures should be deferred and that he should report again to the Governing Council at its tenth session, by which time it was assumed that there would be a clear indication of how far the general procedures would require amendment in order to implement that programme. At the tenth session,

the Governing Council agreed to hold the matter over for another year. Now that the form of the system-wide programme has been finalized, it is clear that there is little or no need to amend the general procedures for implementation purposes. However, if the Governing Council decides to meet only once every two years, changes to the general procedures may be required. The Executive Director proposes, therefore, to revert to the matter once a decision has been taken on that issue.

Notes

1/ Approved by the Governing Council in decision 10 (II) of 22 March 1974.

2/ UNEP/GC 10/10/Add. 1, para 12.

SUGGESTED ACTION BY THE GOVERNING COUNCIL

26. The Governing Council may wish to consider a decision along the following lines:

"The Governing Council,

"Having considered the reports of the Executive Director on the management of the Environment Fund, 1/ the implementation of the Fund programme in 1982, 2/ the Revolving Fund (Information), 3/ the management of trust funds and other funds, 4/ and on project and programme evaluation, 5/ as well as the financial report and audited accounts of the Fund of the United Nations Environment Programme for the biennium 1980-1981 ended 31 December 1981 6/ and the financial report and interim accounts (unaudited) of the Environment Fund for the first year of the biennium 1982-1983 ended 31 December 1982, 7/

"1. Expresses its appreciation to Governments that have contributed to the Environment Fund for the first time in 1982 and 1983 and to those that have increased their contributions for those years;

"2. Reiterates its appeal to all Governments that have not yet pledged a contribution to the Environment Fund for 1983 to do so as soon as possible;

"3. Again appeals to all Governments to pay their contributions as near as possible to the beginning of the year to which they relate;

"4. Reaffirms the desirability of achieving a Fund programme in 1984-1985 based on a figure of \$85 million in 1982 prices, increased to take account of inflation in subsequent years in accordance with the rate used in compilation of the regular budget;

1/ UNEP/GC.11/12.

2/ UNEP/GC.11/2, chap. V.

3/ UNEP/GC.11/12/Add.1.

4/ UNEP/GC.11/13.

5/ UNEP/GC.11/14.

6/ UNEP/GC.11/L.1.

7/ UNEP/GC.11/L.2.

"5. Calls again upon all Governments to make firm pledges of contributions for the years 1984 and 1985 before the end of 1983, and, whenever possible, to increase such contributions to enable a Fund programme based on a figure of \$85 million to be achieved in 1984-1985;

"6. Renews its appeal to Governments that do not contribute to the Environment Fund in fully convertible currency to pay a part of their contribution in convertible currency for 1984 and an increasing proportion thereof in convertible currency in each year thereafter;

"7. Reiterates its request to the Executive Director to make the most effective use of all currencies, taking into account the need for balanced project selection;

"8. Endorses the proposal of the Executive Director that contributions outstanding in respect of the period 1978-1981 for which no confirmation of intention to pay has been received should be deleted from the estimate of resources; 8/

"9. Endorses also the recommendation that the period of the system-wide medium-term environment programme (1984-1989) be regarded as a single medium-term plan period for the purpose of estimating resources of the Fund under the conditions for the estimation of future resources and their apportionment, paragraph 2 (d); 9/

"10. Reiterates its wish that the Executive Director should aim to arrange that the allocations for the programme and programme support costs budget do not exceed 33 per cent of the estimated contributions for any given year;

"11. Requests the Executive Director to ensure that the professional staffing of the United Nations Environment Programme under the programme and programme support costs budget does not fall to a level which, in his judgement, would be harmful to the basic integrity of the environment programme;

"12. Approves an appropriation of \$..... for Fund programme activities and of \$..... for Fund programme reserve activities for the biennium 1984-1985;

"13. Decides to apportion the appropriation for Fund programme and Fund programme reserve activities as follows:

8/ UNEP/GC.11/2, Chap.V, para.13.

9/ Governing Council decision 10 (II).

1984-1985
(In US dollars)

Health and human settlements
Environment and development
Earthwatch
Terrestrial ecosystems
Oceans
Water
Desertification
Arms race and the environment
Environmental awareness
Regional support
Total Fund programme activities
Fund programme reserve
TOTAL

"14. Requests the Executive Director to allocate available resources to the different budget lines so far as possible in proportion to the approved apportionment;

"15. Reconfirms the Executive Director's authority to adjust the apportionment by 20 per cent in each budget line, within the over-all appropriation for Fund programme activities in 1984-1985;

"16. Stresses again the need to maintain the liquidity of the Fund at all times;

"17. Authorizes the Executive Director to enter into forward commitments of up to \$16 million for Fund programme activities in the years 1986-1987;

"18. Authorizes the Executive Director to allocate from the Fund programme reserve to the Revolving Fund (Information) the amount required to bring the uncommitted balance of the latter at 1 January 1984 to the sum of \$200,000;

"19. Approves the extension of trust funds established under the rules of the Environment Fund as follows:

- (i)
- (ii)
- (iii)

"20. Urges Governments to pay their contributions to the trust funds as near as possible to the beginning of the calendar year to which the contribution applies;

/...

"21. Further urges Governments to support Fund programme activities in which they are particularly interested by making counterpart contributions to individual projects under rule 204.1 of the Financial Rules of the Fund;

"22. Endorses the recommendation that the Environment Fund's input in staff time financed from the programme and programme support costs budget should be regarded as sufficient contribution by the Environment Fund for purposes of accepting counterpart funds for projects under the provisions of rule 204.1 of the Financial Rules of the Fund;

"23. Takes note of the financial report and audited accounts of the Fund of the United Nations Environment Programme for the biennium 1980-1981 ended 31 December 1981, and of the financial report and interim accounts (unaudited) for the first year of the biennium 1982-1983 ended 31 December 1982."

ESTIMATED FLOW AND USE OF RESOURCES FOR THE YEARS 1983 AND 1984 - 1985
As at 31 December 1982
(Millions of dollars)

	Revised assumptions for 1983		Present assumptions for 1984-1985	
	CC*	NCG**	Total	Total
Resources				
(a) Balance of Fund on 1 January including unpaid pledges of previous years	11.52	10.88	22.40	11.05
(b) Estimated contributions due for years shown	26.00	4.00	30.00	85.00
(c) Miscellaneous income	1.50	-	1.50	2.00
(d) Conversion from non-convertible currency balances	0.68	(0.68)	-	(1.00)
(e) Change in financial reserve	(0.70)	-	(0.70)	-
	39.00	14.20	53.20	98.05
Claims on Resources				
(a) Programme and programme support	11.00	-	11.00	26.02
(b) Fund programme activities and Fund programme reserve activities (i+ii+iii+iv+v)	28.75	10.18	38.93	72.00
(i) Signed commitments Fund programme activities	17.02	4.55	21.57	10.05
(ii) Rephasing of commitments from previous year	4.60	1.30	5.90	7.68
(iii) Necessary extensions and new projects	6.58	4.33	10.91	52.27
(iv) Signed commitments Fund programme reserve activities	0.26	-	0.26	-
(v) Fund programme reserve required	0.29	-	0.29	2.00
(c) Project commitments cancelled or to be rephased to later years	(5.75)	(2.03)	(7.78)	(1.40)
(d) Total project expenditure (b-c)	23.00	8.15	31.15	64.80
(e) Total claims (a) + (d)	34.00	8.15	42.15	90.82
Balance of Fund on 31 December including unpaid pledges	5.00	6.05	11.05	7.23

* Convertible currencies
** Non-convertible currencies