ANNEX 15

TO MINUTES OF THE SAO PAULO MEETING

BUDGETARY AND FINANCIAL MATTERS
(WCED/85/28)

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WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

FOURTH MEETING
Sao Paulo, Brazil
25 October to 4 November 1985

WCED/85/28

BUDGETARY AND FINANCIAL MATTERS

Action Required: Discussion and Decision

October 18, 1985

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

FOURTH MEETING
Sao Paulo, Brazil
25 October to 4 November, 1985

WCED/85/28

BUDGETARY AND FINANCIAL MATTERS

SUMMARY OF EXPENSES INCURRED SINCE INCEPTION AND NEW BUDGET FORECAST FOR THE PERIOD 1 OCTOBER 1985 TO 1 DECEMBER 1987

1. The original budget approved by the Commission at its Inaugural Meeting in October 1984 has been revised to reflect current staffing and projected programme cost for future years based on the experience gained in the past months.

2. Attached as ANNEX 1 you will find, for your review and approval, a revised Budget Projection showing details of cash expenditures incurred to date (including the full paid-out cost of the WANG word processing equipment) and a detailed month-by-month forecast of expenditures and income for the period 1 October 1985 to 30 November 1987. As regards the expenditure set out in ANNEX 1 you should note that:

   - staff costs are based on present staffing of the Secretariat (11 professionals and 9 support staff) for the year 1986 and a 50% staff reduction beginning in January 1987. Note that staff costs are high in October because we intend to pay out the staff provident fund into a blocked account. The costs of Special Advisors (which were set out as a separate item in the original budget) are now included in the work programme areas for which they are responsible. Office expenses are based on experience to date;

   - future Commission Meetings (other than the meeting scheduled for Tokyo) are budgeted at an average cost of $160,000 and on the assumption that the host government will cover the cost of local conference facilities. The budget cost for the Sao Paulo Meeting includes travel cost only plus the cost to be borne by the Commission for Public Information;

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- the cost of programme work is based on commitments made and anticipated (fees for commissioned studies) and on projected costs for Panel and Expert Meetings. Direct programme costs are planned to cease as of mid 1986.

SUMMARY OF REVENUE RECEIVED SINCE INCEPTION AND FORECAST FOR PERIOD THROUGH THE END OF 1987

3. As regards the income figures contained in Annex 1, you will find set out along the bottom of that annex the amounts pledged and paid by countries in 1984 and 1985, the amounts pledged by, but not received from, countries in 1985, 1986, and 1987 and the amounts of contributions which are considered likely to be obtained from countries in 1985, 1986, and 1987. From this information you will note that:

   - we have received from inception to the end of September 1985 US$2,243 054 and are sure to receive before the end of the year an additional US$850,000;

   - we have pledges for 1986 amounting to US$1,430 000 and for 1987 amounting to US$1,110 000, which together with interest and realized exchange gains of US$131,515, makes a total of US$5,764 569.

4. When projected expenditures are compared with the projected revenue it is evident that there are two major problems:

   - there is a shortfall in the total projected revenues as compared to the total projected expenditures of US$1,257 899; and

   - we will have a deficit in our cashflow situation in the latter half of 1986.

5. It is also evident that committed pledges for 1987 will cover virtually all of our 1987 projected expenditures. It is, therefore, necessary that a fundraising effort be made to obtain firm pledges of financial support from those countries which are listed as "possible" contributors to cover the US$1,257 899 shortfall, and that efforts be made to convince those governments which have committed support for 1987 to move those contributions forward to 1986. In this regard a request has already been made to Canada to do so.

FINANCIAL RESOURCES FUNDRAISING RESULTS

6. In further implementation of the Finance Committee's agreed strategy the following fundraising approaches have been made since Oslo:

- on his return from the OAU Summit in Ethiopia, the Vice-Chairman delivered funding requests to the Ivory Coast and Senegal; and immediately prior to the meeting in Sao Paulo he will deliver funding requests to the "We Are the World" Foundation and the Arab Bank for Economic Development to cover a major portion of the Commission's work on Food Security, Forestry and Agriculture;
- during the month of October joint funding requests from the Chairman and Vice-Chairman were, or will be, submitted to 20 member governments of the United Nations.(See list attached as ANNEX 2).

7. Attached as ANNEX 3 you will find a schedule setting out the results of the Commission's fundraising efforts to date. As that annex illustrates:

   - US$2,243,054 has now been pledged and received by the Commission from ten countries, i.e., Canada, Denmark, Finland, Indonesia, Japan, the Netherlands, Norway, Saudi Arabia, Sweden and Switzerland;

   - US$3,390,000 has been pledged by ten countries, but not as yet received by the Commission, i.e., Canada, Cameroon, Denmark, Italy, Japan, Kuwait, Netherlands, Qatar, Switzerland and the United States; and

   - additional contributions have been requested from 135 countries, but not yet pledged or received.

8. Dr. Khalid, Chairman of the Finance Committee, will make a formal verbal report to the Commission on the activities of the Finance Committee to date as well as on the fundraising efforts it will be conducting in future to ensure that the $ 1,257,899 Million deficit can be covered.

ACCOUNTS AS AT 30 SEPTEMBER 1985 AND BUDGET COMPARISON

9. To assist the Commission in its ongoing review of the financial situation of the Commission, the following documents are attached:

   - ANNEX 4 - A summary schedule for the first nine months of the year 1985 and cumulatively for the period from inception of the Commission to the end of September 1985 setting out a comparison of actual expenditure and income as against the expenditure and income set out in the original budget adopted by the Commission at the Inaugural Meeting. You will note from this schedule that the expenditure incurred since inception amounts to US$ 2,369,672 against income received in the same period of US$ 2,374,569 leaving us with a small surplus of funds of US$ 4,897;

   - ANNEX 5 - A Balance Sheet as at 30 September 1985.

October 18, 1985

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EXPENDITURES:	INCEPTION TO 30 SEPTEMBER 1985	1985 OCTOBER	NOVEMBER	DECEMBER	INCEPTION TO END 85	1986 JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
1. SECRETARIAT GENEVA													
a) STAFF COSTS	979431	248500	92400	89800	1410131	105100	96100	93100	105100	96100	93100	93100	96100
b) TRAVEL/REPRES.EXPENSES	72179	2700	3700	3700	82279	5900	4400	4400	4400	4400	4400	5900	4400
c) OFFICE EXPENSES	352447	27050	20000	27000	426497	21000	41000	7000	27000	21000	27000	7000	41000
TOTAL SECRETARIAT	1404057	278250	116100	120500	1918907	132000	141500	104500	136500	121500	124500	106000	141500
2.SECRETARIAT OLSO													
a) Salary Secretary	26910	2250	2250	2250	33660	2350	2350	2350	2350	2350	2350	2350	2350
b) Travel Chairman&Adv.	10004	400	400	400	11204	800	800	800	800	800	800	800	800
c) Fees Special Advisor	20482	700	700	700	22582	700	700	700	700	700	700	700	700
d) Office Expenses	4739	500	500	500	6239	500	500	500	500	500	500	500	500
TOTAL OSLO	62135	3850	3850	3850	73685	4350	4350	4350	4350	4350	4350	4350	4350
3.SPECIAL COMMITTEES	24352		2000	2000	28352	1700	1700	1700	1700	1700	1700	1700	1700
4.COMMISSION MEETINGS													
- Honorarium Comm.		12000				13000				13000			
- Hotel Comm.						35000				35000			
- Travel Comm.			76500				60000				60000		
- Invited Guests			2500				9000				9000		
- Secretariat & services			31500				24000				24000		
- Public Information		9000				20000				20000			
TOTAL COMM. MEETINGS	478086	21000	110500		609586	68000	93000			68000	93000		
5. KEY ISSUES													
- K1-1 PERSPECTIVES	15695				15695								
- K1-2 ENERGY	46791	1700	10000	26000	84491	12000	31000	1500	1500	1500	1500	750	750
- K1-3 INDUSTRY	36201	9500	3000	20700	69401	13450	950	11850	950	950	950	450	450
- K1-4 FOOD SECURITY	89164	8350	9850	11300	118664	12600	32350	1750	32350	2600			
- KI-5 HUMAN SETTLEMENTS	6528	18000			24528	4000	4000	13500	4000	4000	2000		
- K1-6 ECONOMIC RELATION	13442	3000	1250		17692	7000			7000				
- K1-7 DECISION SUPPORT	4778	3000		17500	25278	850	3000	19850		850		850	
- K1-8 INTL COOPERATION	54827			37000	91827	10100	2600	21600	2600	2600	2600	1300	1300
- K1-9 SECURITY		900	900	900	2700	1000	1000	1000	1000	1000	1000	1000	1000
- K1-10 MARINE POLLUTION	4375	1000	3375		8750								
TOTAL KEY ISSUES	271801	45450	28375	113400	459026	61000	74900	71050	49400	13500	8050	4350	3500
6. MANDATE.GEN PUB INFORM	37228	8200	1000	1000	47428	1000	1000	1000	1000	1000	1000	1000	1000
7. FINAL REPORT OFFICIAL	1984				1984						12600	12600	12600
8. FINAL REPORT POPULAR			2500	2500	5000	5000	5000	5000	5000	5000	5000	5000	5000
9.FILMS (KEEFE,GRUBIN)	25000		5000		30000								
TOTAL EXPENDITURES:	2304643	356750	269325	243250	3173968	273050	321450	187600	197950	215050	250200	135000	169650
INCOME													
1. CONTRIBUTIONS	2243054	750000	100000		3093054	220000	340000	820000			50000		
2. INTEREST & EXCH.GAINS	131515				131515								
3. SURPLUS (DEFICIT) CARRIED FORWARD		69926	463176	293851		50601	-2449	16101	648501	450551	235501	35301	-99699
TOTAL INCOME	2374569	819926	563176	293851	3224569	270601	337551	836101	648501	450551	285501	35301	-99699
SURPLUS/ (DEFICIT)	69926	463176	293851	50601	50601	-2449	16101	648501	450551	235501	35301	-99699	-269349
	INCEPTION TO DATE	OCTOBER	NOVEMBER	DECEMBER	TO END 85	JANUARY 86	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST

1984 and 1985
PLEDGED AND PAID

CANADA	292127
DENMARK	100000
FINLAND	50000
INDONESIA	50000
JAPAN	750000
NETHERLANDS	100000
NORWAY	211565
SAUDI ARABIA	100000
SWEDEN	500000
SWITZERLAND	89362

1985
PLEDGED

JAPAN 750 NETH 100

1985
POSSIBLE

FINLAND 50

PLEDGES 86: ITALY 220 CANAD.150 CAMER. 20
NETH. 100 DENM 50
SWITZ 90 USA 750
TOTAL 340 TOTAL 820

KUWAIT 25
QATAR 25
TOTAL 50

POSSIBLE IN 1986

FRG
AUSTRALIA
AUSTRIA
NORWAY
FINLAND

TOT POSS 86

SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL 1986	1987 JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
105100	94550	91550	127550	1196550	55450	49450	49450	55450	39450	39450	39450	39450	35450	29450	48600
4400	4400	4400	4000	55400	5300	3800	3800	3800	3800	3800	5100	3600	3600	3600	3600
7000	22000	21000	22000	264000	21000	41000	7000	18500	17500	13500	3500	20500	3500	13000	11500
116500	120950	116950	153550	1515950	81750	94250	60250	77750	60750	56750	48050	63550	42550	46050	63700
2350	2350	2350	2350	28200	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
800	800	800	800	9600	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
700	700	700	700	8400	1450	1450	1450	1450	1450	1450	1450	1450	1450	1450	1450
500	500	500	500	6000	500	500	500	500	500	500	500	500	500	500	500
4350	4350	4350	4350	52200	5850	5850	5850	5850	5850	5850	5850	5850	5850	5850	5850
1700	1700	1700	1700	20400	400	400	400	400	400	400	400	400	400	400	400
13000			13000					13000							
35000			35000					35000							
	60000		60000					82000	20000	20000	20000	20000	20000	20000	
	9000		9000					15000							
	24000		24000					45000							
20000			20000					20000							
68000	93000		161000	644000				210000	20000	20000	20000	20000	20000	20000	
750	750	750	750	53500											
450	450	450	450	31800	450	450	450								
				81650											
				31500											
				14000											
850		850		27100											
1300	1300	1300	1300	49900											
1000	1000	1000	1000	12000											
				0											
4350	3500	4350	3500	301450	450	450	450	0	0	0	0	0	0	0	0
1000	1000	1000	1000	12000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
12600	12600	12600	12600	88200	12600	12600	12600								
10000	10000	10000	10000	80000	5000	5000	5000								
			-25000	-25000											
218500	247100	150950	322700	2689200	107050	119550	85550	295000	88000	84000	75300	90800	69800	73300	70950
				1430000	1110000										
-269349	-487849	-734949	-885899	50601	-1208599	-205649	-325199	-410749	-705749	-793749	-877749	-953049	-1043849	-1113649	-1186949
-269349	-487849	-734949	-885899	1480601	-98599	-205649	-325199	-410749	-705749	-793749	-877749	-953049	-1043849	-1113649	-1166949
-487849	-734949	-885899	-1208599	-1208599	-205649	-325199	-410749	-705749	-793749	-877749	-953049	-1043849	-1113649	-1186949	-1257899
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL 86	JANUARY 87	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER

PLEDGES 87:

USA	750
CANAD	150
ITALY	110
NETH	100
TOTAL	1,110

POSSIBLE IN 1987:

FRG	300000
AUSTRIA	75000
AUSTRALIA	75000
FINLAND	50000
JAPAN	250000

300000
75000
75000

DECEMBER	1987 TOTAL	TOTAL INCEPTION TO END 1987	ORIGINAL BUDGET 1984/1987	SAVING AS COMPARED TO TO ORIGINAL BUDGET 84/87	
					SECRETARIAT GENEVA
	481100	3087781	3679200	-591419	STAFF COSTS
	43800	181479	425800	-244321	TRAVEL/REPRES.EXPENSES
	170500	860997	465000	395997	OFFICE EXPENSES
0	695400	4130257	4570000	-439743	TOTAL SECRETARIAT
					SECRETARIAT OLSO
	26400	88260	74335	13925	Salary Secretary
	16500	37304	87050	-49746	Travel Chairman&Adv.
	15850	46932	59568	-12636	Fees Special Advisor
	5500	17739	36047	-18308	Office Expenses
0	64350	190235	257000	-66765	TOTAL OSLO
	4400	53152	0	53152	SPECIAL COMMITTEES
					COMMISSION MEETINGS
					- Honorarium Comm.
					- Hotel Comm.
					- Travel Comm.
					- Invited Guests
					- Secretariat & services
					- Public Information
	330000	1583586	1017000	566586	TOTAL COMM. MEETINGS
					KEY ISSUES
		15695	14000	1695	- KI-1 PERSPECTIVES
		137991	279400	-141409	- KI-2 ENERGY
	1350	102551	169400	-66849	- KI-3 INDUSTRY
	0	200314	695400	-495086	- KI-4 FOOD SECURITY
	0	56028	200000	-143972	- KI-5 HUMAN SETTLEMENTS
	0	31692	253000	-221308	- KI-6 ECONOMIC RELATION
	0	52378	114400	-62022	- KI-7 DECISION SUPPORT
	0	141727	229400	-87673	- KI-8 INTL COOPERATION
	0	14700		14700	- KI-9 SECURITY
	0	8750		8750	- KI-10/MAR POLLUT.
0	0 1350	761826	1955000	-1193174	TOTAL KEY ISSUES
	11000	70428		70428	MANDATE/GEN PUB INFORM
	37800	127984	100000	27984	FINAL REPORT OFFICIAL
	15000	100000	100000	0	FINAL REPORT POPULAR
		5000		5000	FILMS (KEEFE, GRUBIN)
0	1159300	7022468	7999000	-976532	TOTAL EXPENDITURES
	1110000	5633054	TOTAL CONTRIBUT.		
		131515	TOTAL INTEREST		
-1257899	-1208599		SURPLUS C/F		
-1257899	-98599	5764569	TOTAL INCOME		
-1257899	-1257899	-1257899	DEFICIT		
DECEMBER	TOTAL 87	TOTAL INCEPT.TO 87			

ANNEX No. 2
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List of countries to which funding requests were - since the Oslo Meeting or shortly will be - submitted and amounts requested

ARGENTINA	$ 100,000
ALBANIA	$ 30- 50,000
ALGERIA	$ 30- 45,000
CHINA	$ 100,000
BRUNEI	$ 100,000
COLOMBIA	$ 150,000
EGYPT	$ 30- 45,000
FRANCE	$ 500,000
HUNGARY	$ 50,000
MEXICO	$ 250,000
MOROCCO	$ 15- 30,000
NIGERIA	$ 150,000
SENEGAL	$ 15- 30,000
TANZANIA	$ 15- 30,000
UNITED KINGDOM	$ 500,000
USSR	$ 500,000
VENEZUELA	$ 100,000
YUGOSLAVIA	$ 50,000
YEMEN	$ 50,000
ZAMBIA	$ 15- 30,000
	$ 2,860,000

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Schedule of Financial Resources and Fundraising
as at
30 September 1985

Pledged and Received		Pledged but Not Received		Requested but not pledged or received	
Country	Amount	Country	Amount	Country	Amount
Canada	US$ 292,127	Canada	US$ 300,000	China	US$ 100,000
Denmark	US$ 100,000	Cameroon	US$ 20,000	Colombia	US$ 150,000
Finland	US$ 50,000	Denmark	US$ 50,000	Finland	US$ 150,000
Indonesia	US$ 50,000**	Ethiopia	*	F.R.G.	US$ 600,000
Japan	US$ 750,000	Gabon	*	France	US$ 500,000
Netherlands	US$ 100,000	Italy	US$ 330,000	UK	US$ 500,000
Norway	US$ 211,565***	Japan	US$ 750,000	USSR	US$ 500,000
Saudi Arabia	US$ 100,000	Kenya	*	Hungary	US$ 50,000
Sweden	US$ 500,000	Kuwait	US$ 25,000	Ivory Coast	US$ 45,000
Switzerland	US$ 89,362****	Netherlands	US$ 300,000	Mexico	US$ 250,000
		Qatar	US$ 25,000	Nigeria	US$ 150,000
		Switzerland	US$ 90,000****	Yugoslavia	US$ 50,000
		USA	US$ 1,500,000	other 123 UN member countries in this category	US$5,620,000
		Zimbawbe	******		
Total	US$ 2,243,054	Total	US$ 3,390,000	Total	US$8,665,000

* Have offered to host an Advisory Panel Meeting and cover the related local costs excluding international travel.

** Have hosted a Commission Meeting and covered the related local costs estimated at approximately US$ 50,000.

*** Includes US$150,000 to cover part of the cost of Oslo Meeting .

**** Does not include SFr 600,000 of contributions in kind provided by the city of Geneva, i.e., the redecoration of the Palais Wilson and the furniture for our offices nor the value of rent-free premises for three years.

***** Have offered to host a Commission Meeting and cover the related local costs excluding international travel.

ANNEX N
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WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT
SUMMARY OF INCOME AND EXPENDITURE
(in US$)

	REAL JAN-SEPT 1985 1985	ORIGINAL BUDGET JAN-SEP 85	REAL inception to SEPT 85	ORIGINAL BUDGET inception to SEPT 85
EXPENDITURE				
- Secretariat	1,083,691	1,274,616	1,466,691	1,719,616
- Oslo Office	37,014	59,250	59,530	96,250
- Commission Meetings	317,088	258,000	478,086	359,000
- Programme Work/Key Issues	301,801	678,000	301,801	678,000
- Special Committees	15,456		18,146	
- Mandate/ General Public Information	43,373		45,418	
Total Expenditure	1,798,423	2,269,866	2,369,672	2,852,866
INCOME				
- Contributions	956,489	750,000	2,243,054	2,070,000
- Interest	11,173		41,561	35,000
- Exchange gain	76,551		89,954	
Total Income	1,044,213	750,000	2,374,569	2,105,000
Result (Shortfall)	(754,210)	(1,519,866)	4,897	(747,866)

ANNEX No. 4

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ANNEX No. 5
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WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

BALANCE SHEET AS AT 30 SEPTEMBER 1985 (All figures in US$)

ASSETS		US DOLLARS
CASH AND BANK		69,926
ACCOUNTS RECEIVABLE		29,781
FIXED ASSETS:		
WANG EQUIPMENT NET VALUE		81,770
TOTAL ASSETS		181,477

LIABILITIES AND SURPLUS		
STAFF PROVIDENT FUND		146,580
ACCOUNTS PAYABLE		30,000
SURPLUS:		
Surplus at 1.1.85	US$ 759,107	
Less loss Jan - Sep 1985	US$ (754,210)	
SURPLUS AS AT 30.9.1985		4,897
TOTAL		181,477

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