

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

SEVENTH MEETING
Moscow, U.S.S.R.
December 6 - 12, 1986

WCED/86/42

BUDGETARY AND FINANCIAL MATTERS

ACTION REQUIRED: For Discussion

November 27, 1986

W0208C/WHL

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BUDGETARY AND FINANCIAL MATTERS

BALANCE SHEET AS AT 30 NOVEMBER 1986 AND COMPARISON OF
EXPENDITURE INCURRED AS AGAINST BUDGET

1. To assist the Commission in its ongoing review of the financial performance of the Commission, the following documents are attached:
 - A Balance Sheet as at 30 November, 1986 (ANNEX 1);
 - A summary schedule of expenditures and income for the first eleven months of 1986 and cumulatively for the period from inception of the Commission to the end of November, 1986 as compared to the Revised Budget adopted by the Commission at its meeting in Sao Paulo (ANNEX 2).
2. You will note from ANNEX 2 that in spite of the exchange losses we continue to incur, expenditure during the first eleven months of this year has been significantly under that budgeted for the same period. Cumulative expenditure from inception until the end of November 1986 has also been under Budget. More importantly, our income for the first eleven months of this year and cumulatively from inception were both significantly in excess of that foreseen in the Sao Paulo Budget and for this reason, we have been able to avoid the deficit foreseen in the Sao Paulo Budget.

CASHFLOW PROJECTION FOR THE PERIOD 1 DECEMBER, 1986 TO 31
DECEMBER, 1987

3. To illustrate the timing and extent of the Commission's funding needs during the remainder of its operations, we have prepared and attached as ANNEX 3 a cashflow projection which sets out (i) the details of all expenditures incurred to date, (ii) a detailed month-by-month forecast of the expenditures which will need to be made during the period 1 December, 1986 until 31 December, 1987 if the Commission is to complete its mandate as approved at the Inaugural Meeting, (iii) the income we have received from inception to the end of

November, 1986 and (iv) the income we can be reasonably certain to receive between the 1st of December, 1986 and the end of 1987.

4. In comparing the attached cashflow forecast to the Cashflow Forecast presented to the Commission in Harare in September, you will note that:

- Staff cost have remained virtually the same and continue to reflect the reductions anticipated over the next 13 months;
- Since the Harare meeting, we have received \$612,000 of additional income (\$450,000 from Japan, \$147,000 from Canada and \$15,000 from Cameroun) and additional pledges for 1987 of \$405,000: \$150,000 from the German Foundation for International Development, \$125,000 from NORAD, \$70,000 from Norway and \$60,000 from Portugal, resulting in an increase in our projected income of \$1.17 million;
- Our projected expenditures for the remainder of the Commission's operations have increased by \$611,000, principally due to the inclusion of the cost of the special meeting in January (\$150,000), an increase in the cost associated with the Japanese meeting (\$135,000) and the inclusion in the budget of the cost associated with the public information programme (\$250,000) and a portion of the cost of translating the final report into the official U.N. language (\$60,000);
- As a result, our projected total shortfall through to the end of 1987 has been reduced from \$1.4 million to \$990,000.

FUNDRAISING EFFORTS AND RESULTS

5. Fundraising efforts have continued since the Harare meeting; and as a result of the efforts of the Chairman, Commissioner Okita and others, we have been successful, as mentioned above, in locating an additional \$1.17 million of funds for the Commission's work.
6. Attached as ANNEX 4 is a schedule listing all contributions pledged and received, those pledged but not yet received and those requested but not yet received, all as of the end of November, 1986. From that schedule you will note that we have now received contributions of \$5,729,310 and have pledges for an additional \$1,011,000 for a total of \$6,740,310.

7. Notwithstanding the success of our recent fundraising efforts, we are still short of the funds needed (\$990,000) to cover our anticipated expenditures for 1987. In that regard, decisions are expected shortly on the funding request of \$300,000 made to the Hewlitt Foundation, those of \$250,000 each made to the Carnegie and Alton Jones Foundations and on those made to the OPEC Fund and to Spain (\$50,000). We have also been advised that a grant of \$200,000 for the Commission has been requested in the EEC's budget for 1987 and we are optimistic that approval for that grant will be forthcoming. In addition, we are hopeful of obtaining additional grants for 1987 from the Ford and MacArthur Foundations, as well as from Denmark, the Federal Republic of Germany, Finland, Sweden and Saudi Arabia.
9. Thanks mainly to the Japanese government, we were able to secure sufficient funds to complete our work in 1986. Were we successful in obtaining all of the contributions we consider as reasonably possible in 1987 (a list of which is set out in ANNEX 3) we could obtain sufficient funds to complete our mandate. It is therefore important that our efforts continue to be concentrated on obtaining those possible contributions and a discussion on how this should be done will take place during the meeting in Moscow.

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

BALANCE SHEET AS AT 30 NOVEMBER 1986

	US\$
<u>ASSETS</u>	
CASH AND BANK (WCED)	658,329
ACCOUNTS RECEIVABLE	8,654
<u>SAVINGS ACCOUNT WCED STAFF</u>	
- current account US\$ 57,493	
- Time deposit US\$ 191,489	<u>248,982</u>
<u>TOTAL ASSETS</u>	<u>915,965</u> =====
<u>LIABILITIES</u>	
STAFF PROVIDENT FUND	248,982
ACCOUNTS PAYABLE AND ACCRUALS	16,870
PROVISION FOR RUN-DOWN COST	90,000
<u>SURPLUS</u> (Difference between income received to- date over expenditure incurred)	
DEFICIT AS AT 1.1.1986 US\$ (105,393)	
Surplus 1.1.-30.11.86 * US\$ <u>665,506*</u>	
<u>SURPLUS AS AT 30.11.1986</u>	<u>560,113</u>
<u>TOTAL LIABILITIES</u>	<u>915,965</u> =====

* for details see attached statement of income and expenses.

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

	REAL JAN-NOVEMBER 1986	SAO PAULO BUDGET JAN-NOVEMBER 1986	REAL INCEPTION TO NOVEMBER 86	SAO PAULO BUDGET INCEPTION TO NOVEMBER 86
EXPENDITURE				
- Secretariat Geneva	1,073,561	1,362,400	3,057,443	3,281,307
- Oslo Office	33,944	47,850	107,153	121,535
- Commission Meetings	266,528	483,000	928,455	1,092,586
- Programme Work/Key Issues	176,999	297,950	589,123	808,626
- Special Committees	6,789	18,700	33,637	47,052
- Final Report, Films, Gen. Public Information	50,210	156,600	115,966	241,012
- Exchange Loss	308,562		308,562	
Total Expenditure	1,916,593	2,366,500	5,140,339	5,592,118
INCOME				
- Contributions	2,581,256	1,430,000	5,729,310	4,523,054
- Interest & Exchange Gain	843		69,359	131,515
Total Income	2,582,099	1,430,000	5,798,669	4,654,569
Result (Shortfall)	665,506	(936,500)	658,330	(937,549)

CASHFLOW

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INCEPTION TO
30 NOVEMBER 1986
PAYMENTS MADE

1986

PROJECTION

=====

DECEMBER

EXPENDITURES:

1. SECRETARIAT GENEVA

a) STAFF COSTS	2,316,812	64,350
b) TRAVEL/REPRES. EXPENSES	97,274	2,700
c) OFFICE EXPENSES	643,357	31,500

TOTAL SECRETARIAT GENEVA	3,057,443	98,550
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2. SECRETARIAT OSLO	107,153	7,300
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3. SPECIAL COMMITTEES	33,637	0
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4. COMMISSION MEETINGS

- ORG. MTG GENEVA MAY 84	90,479	
- INAUG. MTG GVA OCT 84	70,519	
- JAKARTA MARCH 1985	149,879	
- OSLO JUNE 1985	168,952	
- SAO PAULO OCTOBER 85	180,644	2,600
- CANADA MAY 1986	153,135	
- HARARE SEPT 86	108,315	51,000
- MOSCOW DEC 86	6,532	160,000
- NEXT MEETINGS	0	0

TOTAL COMM. MEETINGS	928,455	213,600
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5. KEY ISSUES

- KI-1 PERSPECTIVES	15,869	
- KI-2 ENERGY	101,523	14,500
- KI-3 INDUSTRY	92,211	1,500
- KI-4 FOOD SECURITY	136,536	5,250
- KI-5 HUMAN SETTLEMENTS	38,519	3,550
- KI-6 ECONOMIC RELATIONS	31,557	
- KI-7 DECISION SUPPORT	28,212	12,000
- KI-8 INTL COOPERATION	126,746	9,750
- KI-9 SECURITY	9,200	
- KI-10 MARINE POLLUTION	8,750	

TOTAL KEY ISSUES	589,123	46,550
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6. MANDATE GEN PUB INFORM	76,060	1,000
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7. FINAL REPORT OFFICIAL	9,906	21,900
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8. FILMS (KEEFE, GRUBIN)	30,000	
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TOTAL BEFORE EXCH. LOSS	4,831,777	388,900
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9. EXCHANGE LOSS	308,562	59,576
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TOTAL EXPENDITURE	5,140,339	448,476
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INCOME

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1. CONTRIBUTIONS	5,729,310	190,000
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2. INTEREST & EXCH. GAINS	69,359	
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3. SURPLUS (DEFICIT)		658,330
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CARRIED FORWARD

TOTAL INCOME	5,798,669	848,330
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SURPLUS/ (DEFICIT)	658,330	399,854
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INCEPTION TO DATE

DECEMBER

1984, 1985 AND 1986
PLEDGED AND PAID

BRAZIL	50,000
CAMEROUN	16,121
CANADA	668,422
CHILE	5,000
DENMARK	250,000
FED. REPUBLIC OF GERMANY	70,255
FINLAND	100,000
HUNGARY	16,000
INDONESIA	50,000
JAPAN	1,950,000
NETHERLANDS	300,000
NORWAY	631,565
SULT. OF OMAN	15,000
SAUDI ARABIA	100,000
SWEDEN	750,000
SWITZERLAND	178,724
S I D A SWEDEN	105,783
MACARTHUR FOUNDATION	250,000
FORD FOUNDATION	207,440
ZIMBABWE	15,000
	5,729,310

PLEDGES 86:

NORWAY	70,000
PORTUGAL	20,000
USSR	100,000
	190,000

PLEDGES 87

JAPAN	250,000
SWITZERLAND	122,000
NETHERLANDS	100,000
HUNGARY	34,000
DSE	150,000
PORTUGAL	40,000
NORAD	125,000
	821,000

POSSIBLE 87:

MACARTHUR	250,000
FORD	250,000
EEC	200,000
GERMANY	90,000
SAUDI ARABIA	100,000
FINLAND	50,000
HEWLITT	300,000
OPEC	250,000
NORDICS	150,000
ALTON JONES	50,000
SPAIN	50,000
CARNEGIE	250,000
	1,990,000

27 NOVEMBER 1986

PLEDGES: USSR 100
PORTUGAL 20
NORWAY 70

ALL FIGURES IN US-DOLLARS

TOTAL
REMAINDER
1986

1987

=====

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

64,350
2,700
31,50066,150
5,300
21,00052,650
3,800
41,00080,300
3,800
7,00041,150
3,800
18,50038,150
3,800
17,50038,150
3,800
13,500

98,550

92,450

97,450

91,100

63,450

59,450

55,450

7,300

4,400

4,400

4,400

4,400

4,400

4,400

0

0

0

0

0

0

0

2,600

51,000
160,000

150,000

385,000

20,000

20,000

20,000

213,600

150,000

385,000

20,000

0

20,000

20,000

14,500
1,500
5,250
3,550

3,300

1,650

12,000
9,750

3,000

1,500

46,550

6,300

3,150

0

0

0

0

1,000

16,000

16,000

16,000

124,000

13,000

13,000

21,900

36,900

36,900

36,900

81,400

4,800

0

388,900
59,576306,050
46,884542,900
83,168168,400
25,797273,250
41,860101,650
15,57292,850
14,224

448,476

352,934

626,068

194,197

315,110

117,222

107,074

190,000
0
658,330497,000
399,854250,000
543,920

167,852

34,000
-26,345

-307,455

-424,677

848,330

896,854

793,920

167,852

7,655

-307,455

-424,677

399,854

543,920

167,852

-26,345

-307,455

-424,677

-531,751

TOTAL 86

JANUARY 87 FEBRUARY

MARCH

APRIL

MAY

JUNE

PLEDGES 87: SWITZ. 122 JAPAN 250
NEITH. 100
DSE 150
NORAD 125
TOTAL 497HUNGARY 34
=====FOR

								1987 TOTAL =====	T
MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER		
38,150	38,150	32,300	32,300	43,450	27,750	27,750	46,900	527,000	
3,800	3,800	5,100	3,600	3,600	3,600	3,600		43,800	
17,500	13,500	3,500	20,500	3,500	13,000	1,000	21,500	181,500	
59,450	55,450	40,900	56,400	50,550	44,350	32,350	68,400	752,300	
4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	52,800	
0	0	0	0	0	0	0	0	0	
									0
									0
									0
									0
									0
									0
20,000	20,000	20,000	20,000	20,000				655,000	
20,000	20,000	20,000	20,000	20,000	0	0	0	655,000	
									4,950
									0
									0
									0
									0
									0
									4,500
									0
									0
0	0	0	0	0	0	0	0	9,450	
13,000	13,000	13,000	13,000	13,000	13,000			250,000	
4,800								196,900	
									0
1,650	92,850	78,300	93,800	87,950	61,750	36,750	72,800	1,916,450	
15,572	14,224	11,995	14,369	13,473	9,460	5,630	11,152	293,584	
7,222	107,074	90,295	108,169	101,423	71,210	42,380	83,952	2,210,034	
		40,000						821,000	
7,455	-424,677	-531,751	-582,046	-690,215	-791,638	-862,848	-905,228	0	
7,455	-424,677	-491,751	-582,046	-690,215	-791,638	-862,848	-905,228	821,000	
4,677	-531,751	-582,046	-690,215	-791,638	-862,848	-905,228	-989,180	-1,389,034	
Y	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL 87	TO
7 34		PORTUGAL 40							

NOVEMBER	DECEMBER	1987 TOTAL =====	TOTAL INCEPTION TO END 1987 =====
27,750	46,900	527,000	2,908,162
3,600		43,800	143,774
1,000	21,500	181,500	856,257
32,350	68,400	752,300	3,908,293
4,400	4,400	52,800	167,253
0	0	0	33,637
			0
		0	90,479
		0	70,519
		0	149,879
		0	168,952
		0	183,244
		0	153,135
		0	159,315
		0	166,532
		655,000	655,000
0	0	655,000	1,797,055
			15,869
		4,950	120,973
		0	93,711
		0	141,786
		0	42,069
		0	31,557
		0	40,212
		4,500	140,996
		0	9,200
		0	8,750
0	0	0	9,450
			645,123
		250,000	327,060
		196,900	228,706
		0	30,000
36,750	72,800	1,916,450	7,137,127
5,630	11,152	293,584	661,722
42,380	83,952	2,210,034	7,798,849
		821,000	6,740,310
-862,848	-905,228	0	69,359
-862,848	-905,228	821,000	6,809,669
-905,228	-989,180	-1,389,034	-989,180
NOVEMBER	DECEMBER	TOTAL 87	TOTAL INCEPT. TO 87

SECRETARIAT GENEVA

STAFF COSTS
TRAVEL/REFRES. EXPENSES
OFFICE EXPENSES

TOTAL SECRETARIAT

TOTAL OSLO

SPECIAL COMMITTEES

COMMISSION MEETINGS

ORG MTG GENEVA MAY 84
INAUGURATION GVA OCT 84
JAKARTA MARCH 85
OSLO JUNE 85
SAO PAULO OCTOBER 85
CANADA MAY 1986
HARARE SEPT 86
MOSCOW DEC 86
NEXT MEETINGS

TOTAL COMM. MEETINGS

KEY ISSUES

- KI-1 PERSPECTIVES
- KI-2 ENERGY
- KI-3 INDUSTRY
- KI-4 FOOD SECURITY
- KI-5 HUMAN SETTLEMENTS
- KI-6 ECONOMIC RELATION
- KI-7 DECISION SUPPORT
- KI-8 INTL COOPERATION
- KI-9 SECURITY
- KI-10/MAR POLLUT.

TOTAL KEY ISSUES

MANDATE/GEN FUB INFORM

FINAL REPORT OFFICIAL

FILMS (KEEFE, GRUBIN)

TOTAL BEFORE EXCH. LOSS
9. EXCHANGE LOSS

TOTAL EXPENDITURE

CONTRIBUTIONS
INTEREST EXCH. GAINS
SURPLUS (DEFICIT)
CARRIED FORWARD
TOTAL INCOME

SURPLUS/(DEFICIT)

Schedule of Financial Resources and Fundraising
as at
30 November 1986

Pledged and Received		Pledged but Not Received		Requested but not Pledged or Received	
Country	Amount US\$	Country	Amount US\$	Country	Amount US\$
Brazil	50,000(a)	USSR	100,000	138 UN member countries	9,930,000
Cameroun	16,121	Portugal	60,000		
Canada	668,422	Switzerland	122,000		
Denmark	250,000	Netherlands	100,000	US Foundations and others	2,000,000
Fed. R. Germany	70,255	Japan	250,000		
Finland	100,000	Hungary	34,000		
Hungary	16,000	DSE	150,000	EEC	200,000
Indonesia	50,000(a)	NORAD	125,000		
Japan	1,950,000	Norway	70,000		
Netherlands	300,000(b)				
Norway	631,565(c)				
Saudi Arabia	100,000				
Sweden	750,000				
Switzerland	178,724(d)				
Chile	5,000				
Oman	15,000				
SIDA Sweden	105,783				
MACARTHUR F.	250,000				
Ford F.	207,440				
Kuwait	(e)				
Zimbabwe	15,000(f)				
Total	5,729,310		1,011,000		12,130,000

- (a) Have hosted a Commission Meeting and covered the related local costs estimated at approx. US\$50,000
- (b) Does not include a contribution of SFr 28,280 to cover the cost of an experts meeting on Environmental Law held in The Hague.
- (c) Includes US\$150,000 to cover part of the cost of Oslo Meeting
- (d) Does not include SFr 600,000 of contributions in kind provided by the city of Geneva, i.e., the redecoration of Palais Wilson and the furniture for our offices nor the value of rent-free premises for three years.
- (e) Have hosted a Panel meeting on Energy held in Kuwait.
- (f) Has hosted a Commission Meeting and covered the related local costs estimated at approx. US\$15,000