



EXECUTIVE BOARD

Seventy-first Session

PROVISIONAL SUMMARY RECORD OF THE SEVENTH MEETING

WHO Headquarters, Geneva
Saturday, 15 January 1983, at 9h00

CHAIRMAN: Dr Maureen M. LAW



CONTENTS

	<u>Page</u>
Proposed programme budget for the financial period 1984-1985 (continued)	2
Reports of the Regional Directors on regional committee matters requiring the particular attention of the Board (continued)	2
General policy review (continued)	2

Note

This summary record is provisional only. The summaries of statements have not yet been approved by the speakers, and the text should not be quoted.

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The final text will appear subsequently in Executive Board, Seventy-first session: Summary records (document EB71/1983/REC/2).

SEVENTH MEETING

Saturday, 15 January 1983, at 9h00

Chairman: Dr Maureen M. LAW

1. PROPOSED PROGRAMME BUDGET FOR THE FINANCIAL PERIOD 1984-1985: Item 7 of the Agenda (Resolutions WHA33.27, para. 4(1), WHA33.24, para. 3, EB68.R2 and EB71.R3; Document PB/84-85) (continued)

REPORTS OF THE REGIONAL DIRECTORS ON REGIONAL COMMITTEE MATTERS REQUIRING THE PARTICULAR ATTENTION OF THE BOARD: Item 8 of the Agenda (Documents EB71/9, EB71/10, EB71/11, EB71/12 and EB71/14) (continued)

GENERAL POLICY REVIEW: Item 7.1 of the Agenda (continued)

The CHAIRMAN invited Mr Furth to provide the Board with budgetary, financial and programmatic information relating to the proposed programme budget document (PB/84-85), to draw attention to the most important tables in that document, and to give a number of essential explanations; that would be helpful to the Board, and especially to new members. As Mr Furth's presentation would be long and the matter was complex, the Board would be given an opportunity to make observations and ask questions after each main heading had been dealt with.

Mr FURTH (Assistant Director-General) said that, in order to assist the Board in its understanding of a very complex document of nearly 500 pages containing a wealth of budgetary and financial information that was difficult to analyse, he proposed to show a number of slides so as to illustrate certain salient budgetary and financial aspects of the programme budget proposals.

The first slide showed the relationship between the approved budget for 1982-1983 and the proposed programme budget for 1984-85; it would be seen that the figure for the effective working budget level had risen from US\$ 468.9 million to US\$ 520.1 million, corresponding to an increase of US\$ 51.2 million or 10.92%. How had the 1984-1985 budgetary level been calculated? The procedure used was, first, to cost the programme proposals for 1984-1985 at 1982-1983 prices, i.e., without allowing for any cost increases or exchange rate adjustments. That gave a real decrease of US\$ 1.5 million, which was deducted from the 1982-1983 figure of US\$ 468.9 million. It was then necessary to add on a figure of US\$ 81.7 million to allow for the inflationary cost increases that had already occurred and those that were expected. It was also necessary to take account of exchange rate movements, but the value of the dollar against local currencies had increased, so that there was a reduction of US\$ 29 million in costs due to currency rate adjustments. If those figures were combined, the increase of US\$ 51.2 million was obtained.

The second slide showed the evolution of the level of the WHO effective working budget over the ten-year period 1974-1975 to 1984-1985. Over that decade, cost increases had constituted the major component, real increases being relatively small. For 1984-1985, there was for the first time a real decrease.

The third slide was, in effect, a summary of the previous one. It showed a budgetary level for 1974-1975 of US\$ 228 million, as opposed to one of US\$ 520 million for 1984-1985, or an increase of US\$ 292 million. Over the ten-year period, however, the real increase amounted to only 10%, or 1% per year. Cost increases amounted to 118% of the 1974-1975 base; they represented not only inflation but also the effect of currency fluctuations. Over virtually the entire decade of the 1970s, in fact, there had been cost increases as a result of currency fluctuations because the US dollar had declined continuously against local currencies and particularly against the Swiss franc.

The fourth slide showed the evolution, from 1976-1977 to 1984-1985, of the level of the WHO effective working budget in terms of regional, global and interregional allocations; of these, the last two corresponded essentially to programmes managed at headquarters. Of the much smaller budget for 1976-1977, global and interregional allocations had accounted for 44%, while the corresponding figure for 1984-1985 was only 34%; regional allocations, in contrast, had increased from 56% to 66%. Over the decade, in fact, by far the greater proportion of all increases had been in regional allocations.

The fifth slide showed the total increases by organizational level in the proposed programme budget for 1984-1985 as a percentage of the allocations in 1982-1983. The total increase was 10.9%, while the global and interregional level showed the smallest increase, namely 3.3%. At the regional office level the increase was 18.2%, at the country level 16.7%, and at the intercountry level 11.7%. He stressed that those were total increases, i.e., real increases or decreases together with cost increases, which had varied significantly according to organizational level.

The sixth slide showed a pie chart giving the 1984-1985 increase analysed in terms of organizational level. It would be seen that, of the total increase of US\$ 51.2 million, nearly half (48.4%) was accounted for by country programmes, while the smallest slice, namely 11.3%, was for global and interregional programmes, the remainder being accounted for by regional offices and intercountry programmes. Thus, of the total increase, 88.7% was accounted for by regional allocations - country programmes, intercountry programmes and regional offices.

The seventh slide showed the real increases or decreases at constant dollars, i.e., excluding cost increases and currency fluctuations, by organizational level. There was a decrease in the total budget, in real terms, of 0.3%, but that was not spread evenly over the different levels. Thus country activities had increased in real terms by 1.7% and regional offices by 2.7%. There had been a fairly large decrease in real terms in allocations to intercountry activities; that was perhaps not surprising in view of the fact that, in some regions, such activities had been subjected to criticism. There had also been a small decrease in real terms in allocations for global and interregional activities.

The eighth slide showed cost increases by organizational level in absolute dollar amounts, the largest being for country activities and the smallest for global and interregional activities.

The ninth slide showed the same cost increases, but as a percentage of the corresponding allocations for 1982-1983. While country activities had showed the largest increase in absolute terms, in percentage terms they had increased by only 15%. Allocations for intercountry activities had decreased in real terms by more than 5%, but showed a percentage cost increase of 17%. Regional offices showed a cost increase of 15.5%, while the cost increase for global and interregional activities was very small because inflation in Switzerland had been much less than in the rest of the world and the value of the dollar had risen against the Swiss franc.

The tenth slide showed the proposed use of the effective working budget for 1984-1985 by appropriation section, in percentages. The largest part of the budget, amounting to nearly one-third, was accounted for by health system infrastructure; that was not surprising, as it had been considered the main pillar of the programme budget. Health science and technology was nearly as large, while direction, coordination and management was the smallest. Programme support accounted for 22.85%, but did not consist entirely of administrative overheads. For that reason, a distinction had been made between health information support, i.e., primarily translation and the publications programme, which could not be considered as administrative support, and administrative support as such, i.e., support services, which accounted for only 16.66% of the regular budget; if such services were related to total expenditure, i.e., including extrabudgetary resources, the figure was only about 11%.

The eleventh slide was intended to clarify the statement made in paragraph 47 of the Introduction to document PB/84-85 and showed the proposed method of handling possible savings resulting from upward fluctuations of major regional office currencies. If the Regional Office for Africa was taken as an example, its major currency was the CFA franc, and if a budgetary rate of exchange of 250 CFA francs to the dollar was used (which was in fact the case), an increase in the dollar value by, say, 10% to 275 CFA francs would yield certain savings. Those could be retained by the Regional Office, as had always been done in the past, to be used for regional programme purposes, e.g., to meet unexpected inflationary cost increases and any additional costs resulting from changes in the exchange rates of other local currencies. In such a large region as Africa there were many such currencies and it was extremely difficult to follow their fluctuations and therefore to make exact cost estimates. If the dollar value in terms of CFA francs were to increase by 20%, the Regional Office would still retain the savings resulting from the first 10% of that increase, but any savings beyond that level would be transferred to casual income for appropriation by the Health Assembly, probably to help finance the next programme budget. This was not an easy system to establish and all the details had not yet been worked out. Headquarters would probably have to assist the regions in establishing the procedure, but the time required to do so before 1984 was available and he was confident that it could be done.

The twelfth slide showed how the budgetary increase was being financed. The total increase was 10.92% but increased contributions from Member States amounted to only 5.37%, or less than half. That was because there had been a tremendous increase in casual income, together with a small increase in the expected UNDP programme support reimbursements.

Finally, the thirteenth slide gave a little more detail on how the increase of 10.92% was to be financed. UNDP programme support reimbursements for 1984-1985 were estimated at US\$ 5 million, as compared with US\$ 4.6 million for 1982-1983, i.e., an increase of 8.70%. With regard to casual income, the Director-General had proposed an appropriation of US\$ 50 million for 1984-1985, i.e., virtually all the casual income that had been earned over the last two years. Thanks to a budgetary surplus in 1982-1983 and to very high interest rates, it had been possible to more than double the amount of casual income that could be made available to finance the next programme budget. As could be seen from the slide, the corresponding figure for 1982-1983 had been US\$ 24.4 million, so that the increase amounted to 104.92%. The remainder of the budgetary increase would have to be financed by increasing the contributions from Member States, but the average increase in such contributions would only be 5.73%, as compared with the total increase of 10.92%.

Most of the information illustrated by the slides was contained in Chapter II of the Introduction, (paragraphs 38-48, pages XXIX to XXXV). A correction should be made in the last sentence of paragraph 42: where it was stated that "Whereas global and interregional levels, including the Health Assembly and Executive Board, accounted for 52% of the regular budget in 1976", the figure "52%" should be replaced by the figure "44%". Concerning the table on page XXXII, which indicated the development of the proposed effective working budget level for 1984-1985 in relation to the effective working budget level for 1982-1983, the top line showed the effective working budget level for 1982-1983: US\$ 468 900 000, and the first two vertical columns the real increases and decreases, cost increases and decreases in absolute amounts for the three main components of the budget - the regional allocation for all regions, the provision for the Health Assembly and the Board, and the provision for global and interregional activities, which included all headquarters activities. The addition of those increases and decreases to the effective working budget level for 1982-1983 resulted, as the second column indicated, in the effective working budget level for 1984-1985 of US\$ 520 100 000. The last four vertical columns of the table showed the percentage increases or decreases for the three main components of the budget as compared with the 1982-1983 budget. For example, the column entitled "Rates of Exchange" showed that as a result of the higher budgetary rates of exchange adopted for 1984-1985 there had been cost decreases in the regions amounting to 2.3% of the total budget for 1982-1983, cost decreases for the Health Assembly and the Board totalling 0.21% and cost decreases for global and interregional activities representing 3.68%, giving a total of 6.19% for all cost decreases as a result of the higher budgetary rates of exchange. Similar information was given in the other columns with regard to cost increases resulting from increases in statutory costs and inflation, real decreases, and total increases and decreases. The last horizontal line at the bottom of the table showed how the total cost

increases and decreases and the real decreases added up to the total budgetary increase of 10.92%. Thus, 17.42% increases for statutory costs and inflation less 6.19% for exchange rate adjustments and 0.31% for the real decrease represented the total budgetary increase of 10.92%.

It would be noted in the table, and throughout the document, that statutory cost increases and cost increases resulting from inflation had been combined. Statutory cost increases were the inevitable cost increases that resulted from the granting of annual or biennial salary increments in accordance with the approved salary scales, changes in dependency status of staff members or in staff entitlements, promotion of staff from one grade to another, etc. Cost increases due to inflation were those increases that resulted or were expected to result from increases in prices of well-defined items of expenditure, such as post adjustments, to take account of expected movements in the cost of living at different duty stations, expected changes in the pensionable remuneration for Professional staff, expected increases in General Service salary scales, and expected increases in the operating costs of established offices in the regions and at headquarters. Of the total 17.42% increase for statutory costs and inflation, about 2.5% represented statutory cost increases and slightly less than 15% inflation.

Mr BOYER (adviser to Dr Koop), commenting on the statement in paragraph 47 of the Director-General's Introduction to the proposed programme budget and Mr Furth's explanatory remarks accompanying the eleventh slide, concerning retention by regional offices of the first 10% of any upward fluctuation in major regional office currencies, said that the broad concept was unappealing. According to figures before the Board, the effective working budget was US\$ 520 million, 66% (or US\$ 343 million) of which would be handled by the regional offices, so that in effect those offices would be able to increase the programme activity in their regions by 10% of the latter figure (in other words, by a possible global total of US\$ 34 million). Regional Directors would apparently be able to spend such savings without requiring approval from the Health Assembly, the Board or the Secretariat. There would in effect be contingency provision for an extra US\$ 34 million maximum in addition to the regular budget that would be outside the control of the Board and the Health Assembly - an unacceptable situation. The governing bodies should control the distribution of such savings, all of which - and not just the amount above 10% - should be held in the casual income account.

Dr BORGONO said that the average percentage increase in members' contributions did not imply an increase for all individual Members; some contributions would be less than for the previous biennium, whereas others would be greater. For example, the Chilean contribution would increase, whereas that of Argentina would decrease.

He wondered how realistic the adoption of the exchange rate of 2.16 Swiss francs to one US dollar was.

Paragraph 46 of the Introduction to the proposed programme budget referred to US\$ 20 million of casual income to offset exchange rate fluctuations, whereas in the thirteenth slide Mr Furth listed a total figure of US\$ 50 million of casual income to offset the budgetary increase. He asked for information on the projected allocation of the difference of US\$ 30 million.

Dr JOGEZAI asked for details of cost increases by region.

Mr JENNANE (alternate to Professor Rahhali) asked how it was intended to offset the effects of fluctuations in regional office exchange rates in the event of their being unfavourable. He asked for tabular information on the development of regional budgets showing whether they were all developing in the same direction and at similar rates, and giving the reasons behind development trends. He would have wished to have had more information on how the estimated average increase of Members' contributions of 5.37% had been arrived at.

Dr CABRAL welcomed the improved presentation of the programme budget, the budgetary tables as well as the oral explanation, supported as it had been by visual aids, and the distribution achieved within the programme budget, as illustrated by the balance achieved between technical and administrative activities and a real increase in country-level activities in spite of a

real decrease in the regular budget. He was pleased to see an increase in regional allocations on the whole, and in the African Region in particular, although almost all the latter was lost in cost increases.

He noted evidence of attempts to introduce measures to protect the budget in order to maintain an expanding programme in a difficult international situation, the first being the use of what he considered to be a very optimistic US dollar/Swiss franc exchange rate. He asked how the estimated rate had been arrived at and urged consideration on the extent to which it was realistic to rely on a favourable rate.

Specific proposals were being put forward for the use of casual income, one of the means whereby such income would accrue being earnings on the exchange rate. He had some doubts about the estimate of US\$ 20 million in paragraph 46 of the Introduction. Furthermore, should the rates of exchange not conform with the prognosis, the need to introduce a supplementary budget or to cut programme activities might arise. It was essential, therefore, to be clear as to whether it was really possible to rely on the influence of the US dollar/Swiss franc exchange rate, as adverse fluctuations could have a detrimental effect on the programme of the Organization.

Emphasis had been placed, for some years past, on the desirability of strengthening regional action. Furthermore, it should be borne in mind that the Regional Directors were required to report on how funds had been used within their regions. There did not accordingly appear to be any real reason to oppose the granting of authority to the Regional Directors and the regional committees to use savings of up to 10% arising out of fluctuations in the exchange rate, particularly since the Organization's budget as a whole contained provision for all types of situations in that regard.

Dr ADANDE MENEST noted that the proposed programme budget applied the principles outlined by the Director-General in the Introduction. Indeed, the manner in which funds were directed in a certain proportion to country activities was in keeping with the wishes specifically expressed by the Health Assembly, and that trend would undoubtedly be intensified in future years. Countries were also making considerable efforts in the sphere of interregional activities. He welcomed headquarters activities designed to assist countries in the evaluation of specific programmes and evolving planning mechanisms.

Referring to the table on scales of assessments starting on page 28, he regretted the fact that percentage figures had not been included in respect of the contributions relating to 1980-1981 and 1982-1983, since they would have facilitated the study of the increases and decreases in contributions.

Mr AL-SAKKAF, noting that a proportion of 66% of the budget was allocated to regional activities, wondered how it was possible to take a decision in respect of one particular region, whose committee had not met for the past two years.

Dr GALAHOV (adviser to Professor Isakov) believed that important points had been raised by Mr Boyer and Mr Jennane.

He pointed out, in connexion with paragraph 40 of the Introduction and the relevant table on page 12 - Real increase (decrease) by organizational level (Step I), that it was impossible to carry out a thorough financial scrutiny in the Board of all six regional budgets. Many speakers had, in the discussion on the Director-General's introductory statement on the proposed programme budget, referred to the need for a more rational use of resources in countries and the fact that there had not been entire satisfaction with the rate of improvement achieved in regard to technical cooperation. Those aspects should be taken fully into account and showed the need for greater caution. He agreed with the proposed use of funds within regions, but stressed that the change in emphasis should take place gradually and within the framework of the recommendations embodied in the guiding resolution WHA29.48, which emphasized the curtailing of less productive expenditure in the interests of efficiency, independent of the level of activities. It would be desirable for the budget document to include a breakdown clearly reflecting how additional resources were to be used.

Commenting on the table on page 13 relating to manpower resources (excluding country and intercountry activities), he asked whether the net increase of 66 posts under column (c)

was consonant with the recommendation contained in resolution WHA29.48 aimed at a reduction of posts, when the table on page 45 showed an increase of 44 posts in the regions, although there had been a real decrease in funds.

The precise and clear analysis provided by Mr Furth had been most helpful, and he asked that copies of the tables of which slides had been shown, and that were not included in the programme budget document, should be circulated.

Mrs THOMAS associated herself with the sentiments voiced by Dr Cabral. It would be desirable to have some reassurance as to the extent to which the utilization of the high exchange rate for the US dollar to the Swiss franc might not only jeopardize the programme for 1984-1985 but might also lead to cuts in activities or substantial increases for Member States in respect of 1986-1987.

Dr XU Shouren believed that an extremely cautious attitude had been adopted when establishing the present programme budget, endeavouring to reflect the true needs of countries. He supported the proposed programme budget in principle, but would comment at a later stage on specific allocations. The activities were rightly aimed at implementing the Global Strategy for Health for All by the Year 2000, and there had consequently been a radical change, both horizontally and vertically, in the Organization's priorities in the proposed programme budget, which moreover showed increased support for activities in certain regions. He welcomed the fact that the proposed programme budget for 1984-1985 showed only a slight real increase over the budget for the previous biennium.

While WHO would be able to call on casual income when available, it appeared to him essential, in view of the financial situation worldwide, that every effort should be made to introduce economies throughout the Organization so as to ensure that the limited resources available were put to the most effective use.

Dr NAKAMURA thanked Mr Furth for his excellent explanation. With reference to paragraph 41 of the Introduction, he believed that a continuation of the trend towards cost increases was unavoidable in the years ahead. Some countries were endeavouring to offset the effects of inflation by taking certain budgetary measures, notably cutting down on expenditures of low priority. A country he knew well had prepared a very austere budget for the next fiscal year in which cost increases due to inflation were absorbed by this means. That country also planned to decrease administrative expenses, in the hope that more efficient management of administrative activities would lead to a reduction of costs.

He hoped that WHO would make further efforts to effect savings by reviewing the priorities of its various programmes and by utilizing its limited resources in the most efficient way. Although he appreciated the difficult task faced by the Secretariat in preparing the programme budget in the current difficult financial situation, he hoped it would do its utmost to check the growth of expenditure for the 1984-1985 biennium.

Dr REID also thanked Mr Furth for his clear presentation. He was well satisfied with the proposals put forward and considered that the balance between global, regional and other activities had been correctly struck.

Although he sympathized with the points made by Mr Boyer and Dr Cabral, he believed that paragraph 47 of the Introduction struck a good balance by providing that any savings resulting from favourable currency fluctuations affecting the regions should be surrendered and fed back into casual income if they exceeded 10%. That arrangement took account of the need for overall discipline in the programme budget, while at the same time leaving a reasonable degree of flexibility to the Regional Directors and Committees. It might be helpful to have a report in due course on how the proposals in paragraph 47 had worked out in practice, and he would be glad to know when it might be possible for such a report to be submitted to the Board.

The CHAIRMAN, replying to Mr Al-Sakkaf, said that Dr Gezairy would deal with the question of the allocation for the Regional Committee for the Eastern Mediterranean when he made his report to the Board.

Mr FURTH (Assistant Director-General) said it had been his intention to give a brief review of all the tables in the budget document, since many of them were interrelated. In reply to Dr Borgoño and Dr Adandé Menest the scale of assessments for 1984-1985 given on

pages 28-32 of the budget document was now no longer valid and had been replaced, in view of the new scale of assessments adopted by the United Nations General Assembly, by a new scale to be found in document EB71/38. Under that new scale, the countries that Dr Borgoño and Dr Adandé Menest knew best both had reductions of their percentage assessment.

A number of questions had been raised concerning the breakdown of cost increases by region; such a breakdown was to be found in the Analytical Framework (pages 12-24 of the budget document). Step 3 indicated the real increase (or decrease) by region and global and interregional activities; step 6 indicated total cost increases, by region and global and interregional activities, while step 7 broke down those cost increases as between (a) statutory costs and inflation and (b) currency adjustments. Finally, step 15 indicated total budgetary increases by region and global and interregional activities, both in absolute amounts and in percentages.

In reply to the question from Mr Jennane on Member States' contributions, the decision to finance 5.37% of the total budgetary increase by means of Members' assessed contributions had not been taken a priori. The total increase in the proposed programme budget was US\$ 51.2 million; as he had explained, some of that amount would be met by the appropriation of casual income and increased UNDP programme support cost reimbursements, but US\$ 25.2 million remained which would have to be met by increases in Members' assessed contributions. According to the scale of assessments, some countries would be paying a larger percentage increase than others, but the overall increase in assessed contributions was 5.73%.

Several questions had been asked regarding the "unrealistic" rate of exchange of 2.16 Swiss francs to the dollar that had been used in the preparation of the 1984-1985 budget. Since it was virtually impossible to predict under prevailing market conditions what the exchange rate would be in two or three years' time, the organizations of the United Nations system had agreed to take as the budgetary rate of exchange, i.e., the rate used in preparing their budgets, the latest accounting rate of exchange prevailing at the time the budget was finalized. In October 1982, when the WHO budget proposals for 1984-1985 were being completed, the accounting rate of exchange had happened to be 2.16 Swiss francs to the dollar, and it was for that reason that it had been adopted as the budgetary rate of exchange for 1984-1985.

For the last two biennia, there had in fact been a certain protection against major fluctuations in exchange rates by means of the so-called casual income facility, and in paragraph 46 of the Introduction the Director-General was proposing that he again be granted that facility. It would mean that up to US\$ 20 million of available casual income could be used to meet the increased costs that would arise in 1984-1985 if the exchange value of the dollar fell to 1.82 Swiss francs per US dollar. If the rate should fall below that figure a serious problem would arise, and the Director-General would probably have to seek approval of supplementary budget estimates. It was very difficult to judge at this stage whether the budgetary rate of 2.16 Swiss francs for 1984-1985 was too high or too low, since one was looking so many years ahead.

In reply to the questions raised by Dr Cabral and Mrs Thomas, the casual income figure of US\$ 20 million that could be used in 1984-1985 in the event of deterioration in the exchange rate was actually not currently available, because virtually the entire amount of casual income earned in 1981-1982 would be used to help finance the budget and the Real Estate Fund. The US\$ 20 million to cover that contingency would in fact have been earned in the course of 1983 and 1984, and if it had to be used for that purpose there would of course be much less or no casual income available to help finance the 1986-1987 budget. Even if there were to be no budgetary increase at all in 1986-1987, the assessed contributions of Member States for that period would increase if, as seemed likely, there was less than US\$ 50 million of casual income available at the end of 1984 which could be appropriated to help finance the proposed programme budget for 1986-1987. The only way such an increase in assessed contributions for 1986-1987 could be avoided would be by keeping part of the casual income now available in reserve to help finance the following biennial programme budget, namely, that for 1986-1987. However, it was his impression that most Member States would not wish to make provision for so far ahead.

Dr Galahov had referred to the need for redistribution of resources between the centre and the periphery in accordance with resolution WHA29.48, and had been concerned that the

tables showed a decrease in real terms in intercountry activities. However, it was the countries themselves, rather than the Director-General or the Secretariat, which had decided their priorities, and had wanted intercountry activities to be reduced so that more funds could be made available for country activities.

He pointed out that the tables in the Analytical Framework in the early pages of the budget document were only intended to show broad general trends. A detailed study of the programmes and tables in the rest of the budget volume would show that there had been considerable shifts of resources, both between and within programmes, from activities of lesser priority to those of higher priority. The directive that greater emphasis be laid on primary health care had to a very large extent been complied with.

He would prefer that Dr Galahov's question regarding the increase in posts be answered at a later stage, when the relevant tables were being considered.

In reply to the question raised by Dr Reid, the Financial Report for the period 1984-1985 would be presented to the Health Assembly in May 1986. Only by that date would it be possible to report how the proposals in paragraph 47 of the Introduction had worked out in practice, but the methodology could be explained to the Board by January 1984.

Mr Boyer had suggested that since the regions handled 66% of WHO's budget, which amounted to US\$ 343 million, the policy of retaining any savings resulting from the first 10% of upward fluctuations of the major regional office currencies would mean that Regional Directors could increase programme activity by US\$ 34 million in 1984-1985, without the approval of WHO's governing bodies or even of the Director-General. The figure suggested was not correct. The policy concerned applied only to regional offices, not to country or intercountry activities. That meant that the currencies involved were those of the countries in which the regional offices were located. The budget provisions on which possible savings resulting from upward fluctuations of major regional currencies could result were those applying to five regional offices (not including the Regional Office for the Americas, since the local currency there was the US dollar), in the amount of approximately US\$ 50 million, to which should be added the provision for regional advisers in the same regional offices in the amount of approximately US\$ 32 million; from that total of US\$ 82 million, one had to deduct the US dollar components which were not affected by fluctuations in exchange rates, i.e., approximately US\$ 32 million. The total amount on which currency exchange adjustments were applicable was therefore approximately US\$ 50 million. Ten per cent of that figure was only US\$ 5 million, spread over five regions, which was a relatively small amount which could thus be retained by regional offices. It was very difficult to estimate cost increases in individual regions when so many different currencies were involved, some appreciating, some depreciating, and so a certain degree of flexibility was needed. Of course, if an exchange rate should rise higher than 10% over the budgetary rate it would not be right for the region concerned to have a windfall profit, and measures would be taken to see to it that the excess savings were returned to Member States through the mechanism of casual income. In the past, when the exchange rate had gone up, the regions had been able to use all the resulting savings to take care of unexpected inflationary increases. When, on the other hand, it had gone down, as had happened frequently over the past 10 years, the regions had never received any supplementary budget estimates. They had either absorbed the additional costs, or the Director-General had in some instances helped them by transferring savings made at headquarters to the regions, or by transferring savings from one region to another. He pointed out that under Financial Regulation 4.1 the Director-General was authorized to incur expenditures up to the amount voted. He did not need to spend the total appropriation, and, if exchange rate movements were such that it was not necessary for him to do so, he had authority to return the savings to Member States. In fact, the Director-General had made such a return in almost every year in which he had held office.

Dr BORGONO said that the amounts of casual income proposed for appropriation had been increasing considerably. He appreciated that US\$ 20 million were to be used as a cushion, but that left US\$ 30 million. What he wanted to know was whether those funds were going to have to be used in any case because there was no possibility of not doing so, since they were earmarked to make good a shortfall that was already foreseen.

Dr BRAGA, commenting on the interesting interplay in the United Nations in the establishment of the scale of assessments, said that he was sure that the organizations of the United Nations system themselves sometimes had difficulties relating to the assessment of Member States. He was glad to see that the WHO scale had recently been revised. A rapid glance at the new scale had revealed that the brunt of the increase in assessed contributions for the financial period 1984-1985 over those for 1982-1983 fell on some 10 countries, including five in the European Region, one in the Western Pacific, one in the Eastern Mediterranean Region and three in the Region of the Americas; these last included the major contributor to the budget of the Organization with a 2.5% increase in its assessed contribution according to the new scale. But for at least two or three others the increase would be substantial even though the overall increase in contributions might be only 5.7%. For one of the Latin American countries shown on page 32 of the programme budget, the increase had been 21%; true, in the new scale that had been reduced to 15%. In another case, also in Latin America, the increase, originally 32%, had been brought down to about 21% and in a third the increase had been cut by half. Even so, these increases remained substantial and would create serious problems for the countries concerned. The recent period during which there had been plenty of money to borrow and during which national development had been financed by borrowing, creating large national debts, was now over and now, for what might or might not be a passing phase, some countries would be experiencing problems in relation to strong currencies. They still wished to pay their share to WHO on the principle of international solidarity that required each to contribute according to its means, the proceeds being applied according to need, but they would find it difficult to do so; and if WHO programmes and projects in such countries did not increase at the same rate but rather tended to decrease the gap between the "haves" and the "have-nots" would continue to increase.

The CHAIRMAN pointed out that the scale of assessments would be considered in greater detail at a later stage in the discussions.

Dr ACUÑA (Regional Director for the Americas) reiterated that the Regional Office in Washington did not have the problems faced by headquarters regarding currency fluctuations between the US dollar and the Swiss franc. However, there were considerable difficulties with currency fluctuations in the countries of the Region and economists were predicting that they would probably worsen. In addition, there was a steady increase in inflation and therefore in costs for services, equipment and supplies. There was of course a conservative estimate for that reflected in the figures presented by the Director-General in the programme budget document.

Mr BOYER (adviser to Dr Koop) expressed his appreciation of Mr Furth's explanation in relation to the 10% of exchange rate gains being allowed to remain in the regional offices, especially since it admitted that the practice of which he (Mr Boyer) was complaining, far from being new as he had supposed, had in fact been going on for some time. Though Financial Regulation 4.1, which Mr Furth had quoted, did authorize the Director-General to spend up to the amounts voted, it did not authorize him to go beyond them even if additional funds became available through exchange rate gains. He accepted Mr Furth's figure of US\$ 5 million for the amount involved, but even this would be enough to give 1.1% programme growth in relation to the 1982-1983 programme budget and more than offset the 0.31% overall programme decrease proposed, thus eliminating a concept which, he felt, many members of the Board had welcomed.

On the point raised by Dr Cabral regarding casual income, he explained that to use, in May 1983, the US\$ 50 million available at the end of December 1982 would not empty the account. The sum appropriated by the Health Assembly in May 1983 could not be touched until January 1984 at the earliest and, in the meantime it would have produced more casual income. By May 1983 when the Assembly was to take its decision there would already be more funds in the Account. Indeed it could be argued that the amount in the account at that date, rather than the end of 1982, should be used to offset assessments even further. Any funds remaining in the Casual Income Account unused at that date would remain untouched for the rest of 1983 and the whole of 1984 and 1985. While countries might prefer to deal with current financial problems and leave future problems for future consideration, the assembly should, in his opinion, take into account that there would be such additional funds, lying unused for three years, when they could be appropriated for health programmes and to reduce assessments on Member States.

Dr KO KO (Regional Director for South-East Asia) said that the amount involved for currency fluctuations in his Region would be less than US\$ 0.5 million. Currency fluctuations were estimated at about 11% only, and it was unlikely that changes in the budgetary rate of exchange would be much in excess of this. Any gains from currency fluctuations were likely to be wiped out by concurrent losses resulting from increases in the local cost of living, requiring changes in post-adjustment, generating increased general costs, etc.. The regions would be fortunate if they could achieve what was planned with the proposed budget allocations.

His own region had acquired a new Member in 1982, Bhutan, which had increased costs by up to US\$ 640 000. The Director-General had given assistance in the form of a grant of US\$ 250 000, but the rest had had to be found by the Member States of the Region.

He welcomed members' expressions of confidence in the Regional Directors and the regional organizations. In his own region the Regional Committee was taking a keen interest in planning and monitoring and the Sub-Committee on Programme Budget had met for three days before the Regional Committee to consider the criteria of allocation, the programme budget, monitoring, programme evaluation, etc.. In future the situation would be reviewed twice yearly to monitor the developments at both regional and country levels. Full details of such activities planned by the Regional Committee were given in its report, which was available to members. Such activities relied largely on national capabilities. Most countries in his region now had a government-WHO coordinating committee, and in Thailand and Indonesia WHO and the governments concerned, under the leadership of the Director-General himself, were exploring and experimenting with innovative methods for the planning and implementation of WHO collaborative activities. It was as yet too early to report on this at this stage, but he hoped that the Director-General would be able to report after a further year or two. In his opinion, it was essential to support countries to help them manage themselves rather than to apply strictures at the global level and make things more difficult for them.

Dr CABRAL referring to Mr Boyer's remarks, said that he had not intended to express concern regarding the full utilization of the US\$ 50 million casual income. His doubt was whether it would be possible to earn the US\$ 20 million needed to give the Director-General sufficient to cover for unforeseen difficulties.

Mr FURTH (Assistant Director-General) in answer to Dr Borgño, said that the US\$ 50 million casual income referred to had already been earned over the period 1981-1982 and was available as of 31 December 1982. The Director-General had proposed that the entire sum be appropriated to help finance the budget for 1984-1985 in order to reduce the assessed contributions of Member States. It was for that reason that the average increase in assessed contributions for Member States in 1984-1985 totalled less than the overall increase in the budget for that period. The sum of US\$ 20 million of casual income that the Director-General proposed to use, if necessary, to meet increased costs that might arise in 1984-1985 as a result of currency fluctuations did not yet exist; it had not yet been earned. It was hoped that it would be earned during the course of 1983-1985, thus becoming available. He was confident that at least US\$ 20 million would be earned during that period.

In answer to Mr Boyer, he pointed out that whatever remained of casual income earned in 1983 and 1984 on 31 December 1984, i.e., after meeting currency fluctuation costs in those years, would have to be used to help finance the proposed programme budget for the period 1986-1987. Were Mr Boyer's suggestion to be accepted, i.e., if the casual income earned between 1 January 1983 and the Thirty-sixth World Health Assembly in 1983 were used in addition to the US\$ 50 million of casual income available on 31 December 1982, assessed contributions for 1984-1985 would indeed be reduced further, but the increase in assessed contributions for the following financial period, 1986-1987, would then be much higher, since that much casual income, plus interest earned on it, would not be available at the end of 1984 for appropriation to the 1986-1987 budget.

The savings made in the regions if currency fluctuations were within 10% over the budgetary exchange rate would be within, and not over and above, the approved appropriations, so that the Director-General would have full authority to spend them under Financial Regulation 4.1. WHO was exceptional in having the casual income facility, whereby everything saved was returned to Member States if the average accounting rate of exchange between the dollar and the Swiss franc exceeded the budgetary exchange rate. While such a

mechanism was applicable at the global and interregional level, to apply it in the regions would be both exceedingly difficult and basically unfair. The potential savings of US\$ 5 million did not necessarily represent programme growth, as Mr Boyer had indicated, since they might well be used to offset higher inflation rates than those foreseen or to finance some of the costs arising from fluctuations of other currencies within the region.

He agreed with Dr Reid that the whole issue should be closely monitored, and an accurate means of doing so would be worked out.

Dr KAPRIO (Regional Director for Europe) said that in Europe the Regional Committee had adopted a policy of overprogramming in respect of both potential voluntary contributions and potential savings. A means of allowing for any gains or losses was accordingly already built into existing programmes, and the matter was kept under close scrutiny by the Regional Committee.

Mr FURTH (Assistant Director-General), resuming his introduction to the budget, said that the table on page 1 entitled "Integrated international health programme: Estimated obligations and sources of financing" was one of the most important ones. It showed, for example, that the total income or expenditure for health under all sources of funds - regular budget and extrabudgetary - for WHO, PAHO and IARC for 1984-1985 was estimated to be US\$ 979 770 000 (last column, third line), in fact nearly one thousand million dollars. It also gave a breakdown of the estimated income by the main sources of funds. The extrabudgetary funds in 1984-1985 (last column, second line) were estimated to amount to US\$ 459 670 000, i.e., 47% of the total income or expenditure of US\$ 979 770 000.

Members might have noted that the 1984-1985 figure for income from extrabudgetary sources - US\$ 459 670 000 - was smaller than the comparable figure for 1982-1983 of US\$ 487 238 100. There were corresponding reductions in some of the individual sources of funds listed in the table, such as income from UNDP and UNFPA, and the Board would find a similar trend in the tables following each individual programme. The estimates presented throughout the volume under the heading of "Other Sources" were at present only tentative forecasts since they related only to activities for which financing was either assured or expected at the time of preparation of the proposed programme budget, i.e., 1982. The apparent decline from one biennium to another in the total extrabudgetary funds was attributable to differences between the timing and procedures of other agencies' programming and budgetary cycles and those of the WHO regular budget, so that the estimates under that head did not fully reflect the extrabudgetary funds which were likely to become available to WHO two to three years later, i.e., by 1984-1985. For example, the estimated figure under "Other Sources" for 1982-1983, given in the budget volume for 1982-1983 issued in 1980 as US\$ 429 million, had now increased to over US\$ 487 million. It was quite possible, in spite of the current financial difficulties of UNDP and UNFPA, that a similar increase in the estimates for "Other Sources" for 1984-1985 would have occurred by the end of 1984, when the next proposed programme budget volume was due to be issued.

Examination of the individual programme tables would certainly reveal an apparent decline in extrabudgetary resources due to the difficulties faced by the major multilateral funding agencies, but it was hoped to offset that decline by increased contributions to the Voluntary Fund for Health Promotion and to other funds.

Dr BORGONO asked whether some means could be found of providing very general advanced information, when a particular programme was coming to an end, on the possibilities of further extrabudgetary funds becoming available.

Dr ACUNA (Regional Director for the Americas) emphasized that the figures shown in the second part of the table, especially those relating to the Pan American Health Organization, were only preliminary estimates. They would be presented to the Executive Committee by the Director in June 1983 and approved by the Regional Committee only in September 1983. They should not therefore be construed as firm figures. In reply to Dr BORGONO, the regional governing bodies were always notified of the allocation of extrabudgetary funds as soon as confirmation was received from a donor country or agency.

Dr CABRAL suggested that the Board should examine the integrated table on page 1 in conjunction with the tables on page 38 et seq. in order to determine what effect the decrease in extrabudgetary funds was likely to have on individual health programmes, some of which might well be regarded as crucial for primary health care and strategies for health for all. UNFPA funds, for example, were mainly concentrated on maternal and child health, and UNDP funds on sanitation and water supply programmes; any cutback on those programmes could cause serious problems in relation to primary health care.

He also found it extremely difficult, in relation to UNDP funds in general, to reconcile the substantial decrease in extrabudgetary income from UNDP, as shown in the table on page 1 of the programme budget, with the statement made in Mr Furth's slide presentation that UNDP programme support would increase by about US\$ 400 000. He would have expected the two figures to move in parallel.

Mr MAKUTO asked for details of the item shown in the table on page 1 as "Trust funds".

Mrs THOMAS asked whether the amounts listed in the same table as "Income from United Nations sources" were allocations to WHO by the organizations in question or represented programme activities financed by those organizations in Member countries.

Mr FURTH (Assistant Director-General) said that the information on extrabudgetary resources requested by Dr Borgoño could best be given by programme managers in relation to each individual programme. That applied also to Dr Cabral's question on the effect of reductions in extrabudgetary funds on individual programmes. Dr Cabral had also drawn attention to the discrepancy between the estimated decrease in income from UNDP sources and a projected increase under UNDP programme support, a discrepancy which was very difficult to reconcile. The figure shown in the table for UNDP income in 1982-1983 was still an estimate, and probably an overestimate, since UNDP was in serious financial difficulty. The UNDP Pledging Conference for 1983, held in New York in November 1982, had yielded US\$ 10 million less than the amount pledged for 1982, and the UNDP Administrator had warned United Nations agencies that the funds available for the whole cycle 1982-1986 would probably amount to only 55% of the indicative planning figures. There was likely therefore to be a reduction even in the estimates for 1982-1983. The estimate of US\$ 37 208 200 for UNDP in 1984-1985 was an aggregate of the figures regarded by programme managers as being assured or reasonably expected for specific projects of which WHO was the executive agency. The reason why the figure for UNDP programme support shown in the slide presentation had in fact increased from US\$ 4.6 to US\$ 5.0 million between the two bienniums was that those responsible for preparing the budget were aware that programme managers had in the past always underestimated the volume of UNDP-financed activities for which WHO would be responsible as executive agency; they had therefore included a higher figure. It would not matter greatly if that figure turned out to be too high since there was a balance left over from the previous biennium and thus US\$ 5 million would in any case become available to help finance the regular budget.

The trust funds, on which Dr Makuto had sought clarification, were mainly used to finance the Special Programme for Research and Training in Tropical Diseases and the Onchocerciasis Control Programme in the Volta River Basin Area, and to a lesser extent consisted of funds established with WHO by governments, e.g., for the purchase of supplies and equipment to meet their own needs. In answer to Mrs Thomas, the UNDP and UNFPA funds in question were for projects which had been approved or were expected to be approved by the governing bodies of those organizations for projects to be executed by WHO.

The DIRECTOR-GENERAL thought it was an appropriate moment to consider the kind of organization Member States were endeavouring to build out of WHO, namely one that was a pace-setter with regard to policies for the promotion of health throughout the world. No one would deny that Member States had succeeded in reaching collective agreement on primary health care. Indeed, the Alma-Ata Conference and subsequent Health Assembly resolutions had been crucial in bringing about the World Bank's decision to embark on discreet lending in the health sector. The recent past had been a preparatory period; now projects with which WHO was closely connected were in the pipeline and World Bank investment in health should increase considerably, in his view exponentially, in the

future, provided that Member States continued to abide by the policies adopted in WHO and to develop managerial credibility with the Bank in the application of such policies. Here, WHO had an important supportive role to play if resources were to be increased.

Similarly, the outlook from UNICEF was very promising. As a sister organization of WHO and its co-sponsor in the Alma-Ata Conference, its identity of views with WHO and its high world reputation left no doubt that it would considerably increase its investment in the health sector, particularly in components of primary health care.

With regard to other multisectoral agencies, the only reason for the rather miserable contribution UNDP was at present making to the health sector, in contrast to its performance 20 to 25 years previously, was Member States' own decision to apply UNDP resources to areas other than health. The UNDP administration was enthusiastic about WHO's policies but had to abide by the priorities set by its Member States. Thus it was up to ministries of health to persuade their governments that health was important to social and economic development.

Regarding the bilateral agencies, the progressive ones, despite considerable economic difficulties, had not reduced their development assistance and indeed were increasing targets for the transfer of resources, an increasing proportion of which was being devoted to health. Governments were tending to rationalize their bilateral support and to channel it to areas to which Member States gave priority, provided that those priorities were in line with WHO's collective policies. The essential drugs programme had had difficulty in finding support not because investors were unwilling, but because they did not find the necessary managerial absorption capacity existing at country level, and so could not defend massive funding of such projects to their governments. Here again Member States should call on WHO for support in strengthening their managerial capabilities so that potential resources for health promotion could be mobilized.

There was thus room for guarded optimism on bilateral cooperation. In addition, he reminded the Board that, although it was no easy task to try to prophesy, there were few economists at present unwilling to commit themselves to the opinion that the world would come out of its economic doldrums in the next three to four years provided it remained at peace. Peace of course was essential if health for all was to have any significance. Since it was likely that by the time of the 1986-1987 programme budget the global picture would have changed, it was vital for the health sector to make its preparations now to be ready for better times when they came. The outlook for extra-budgetary resources was therefore not such a gloomy one. He considered that the Organization had achieved a surprising degree of success in convincing bilateral and multilateral donors that it was worthwhile to move into health promotion as a component of social and economic development. It was now the duty of Member States to make use of their Organization to create managerial credibility at home in order to benefit from this positive climate.

Mr FURTH (Assistant Director-General) said that the Board should now consider the section entitled "Development, presentation and financing of the proposed programme budget" on pages 2-8 of the document. He urged all Board members to read that section since he was sure that it would answer many of the questions that would come to mind as the review of the proposed programme budget proceeded. As the title indicated, the section was divided into three parts. The first part dealt with the development of the proposed programme budget (paragraphs 1-12) and summarized the basic principles and procedures according to which the programme budget had been developed. The first few paragraphs (paragraphs 1-6) pointed out that WHO's programme budget was based on "programming by objectives and budgeting by programmes"; that it had been developed in accordance with the Seventh General Programme of Work, as further elaborated through medium-term programming; and that the Organization's proposed programme budget was the product of an integrated planning process in which the Member States individually and collectively at the country and regional level and the Secretariat and country, regional and global level, contributed to a unified programme of work. The next few paragraphs (7-12) indicated when and how the Director-General determined the tentative global and regional allocations; when and how the Regional Directors established the provisional country planning figures; how programme budgeting at country level operated; how the Headquarters Programme Committee reviewed programme budget proposals at the global level; and how the regional and global programme budget proposals were consolidated at headquarters and were finally issued on 1 December 1982.

The second part (paragraphs 13-27) dealt with the presentation of the proposed programme budget and gave a number of explanations about the format and content of that volume. It explained in some detail the meaning of such esoteric terms as "Transfer to Tax Equalization Fund" and "Undistributed Reserve" (paragraphs 17 and 18). It also explained the structure of the individual programme statements and of their supporting tables (paragraphs 23-25). As he would explain them later by reference to a specific programme he did not propose to dwell on them at the present time.

The third part (paragraphs 28-38) dealt with the financing of the proposed programme budget and informed Board members in detail of many of the points he had tried to illustrate with the slides he had shown earlier that morning.

Dr BORGONO said that in the light of the previous day's discussion and of experience in his Region, it would be useful if information could be provided at some suitable time concerning any changes in the criteria used for the distribution of the budget at different levels, so that the Board or the Regional Committee might suggest guidelines with regard to the global, interregional, country and other levels. Secondly, as he understood it, beginning with the 1984/1985 programme budget, a new budget classification would be in force. The Regions were now adapting that classification, but whether to simplify it or make it more complex he was not sure. It would be useful to have some details on that matter, too.

Dr GALAHOV (adviser to Professor Isakov) noting Mr Furth's reply to his earlier question on the distribution of funds according to the level of activity of the Organization, drew particular attention to those provisions of resolution WHA29.48 which referred to the reduction of all insufficiently productive expenditure and to the effective use of the resources available in countries.

Paragraph 3 of the text under review made the very important point that the Health Assembly and the Board should ensure that the conditions attaching to extrabudgetary funds were consistent with the objectives and policies of the Organization, in other words, that additional activities financed from outside the regular budget must be in line with the General Programme of Work and with the objectives defined in the Constitution. He would add that the Secretariat itself also had a significant role to play in that connexion.

Referring to paragraphs 24 and 25, and deploring the recent trend to replace well-tried terms with new ones, he objected to the discontinuation of the use of the term "headquarters" for programme budgeting purposes. Indeed, and apart from the fact that he quite failed to see why the term should no longer be used, one result of the ensuing change in the tabular presentation was that the allocation for global and interregional activities appeared to have increased five-fold since the previous biennium, while the expansion and enhancement of headquarters activities was completely ignored.

Dr ADANDE MENEST said he understood that the replacement of the expression "headquarters" by "global" had been made in the interests of a harmonization of terminology.

Mr FURTH (Assistant Director-General) said that the Secretariat had felt that the change of term would clarify matters rather than confuse them. The distinction that had been made in the past between headquarters activities and global and interregional activities was an artificial one and one that had not infrequently led to abuse in that additions to headquarters staff to service global programmes had often been allocated to global and interregional activities rather than, as should have happened, to headquarters expenditure. The new terminology was therefore intended to rectify matters by referring to the actual function of headquarters, which was to undertake global and interregional activities. Headquarters expenditure proper, such as staff salaries, consultants, duty travel, temporary staff, etc., would now be found in the section on global and interregional activities in each programme table under the item "Planning and management".

In reply to Dr BORGONO's question, he could add little to what had been said in paragraph 22 on the classification of programmes, the concept of which had been fully discussed over the past two years by the Board, the Health Assembly and various committees. The classification was the same as that being applied in the Seventh General Programme of Work.

Guidelines for dividing allocations between the regions had been discussed in the Board in the past. The Director-General was certainly willing to accept the Board's guidance on the matter, but the Board had been hesitant to give specific instructions, and he had as a result been obliged to use his own judgement in the matter in the light of the various factors involved.

The DIRECTOR-GENERAL said that the programme classification enshrined in the Seventh General Programme of Work marked a very important departure from the past. It was giving rise to much heated debate in Member States, particularly the industrialized countries, in order to arrive at the proper balance between infrastructure, health promotion and what the health delivery system could carry in the way of science and technology. The argument about the cost explosion and relevant technology should be seen within the framework of the new classification. The classification would also be a very significant pace-setter and he believed that in a few years very real benefits would be reaped from its use.

It was true that the question of regional allocations was one that he had to decide on his own. It was, obviously, a subjective decision - there could be no pretence that it was objective. Such decisions could always be called into question. His own decisions had been based mainly on a consideration of which countries had been most disadvantaged by their historical circumstances and would have the greatest difficulties in moving out of the colonial phase and generating their own staff and infrastructures. That clashed with Dr Borgoño's comment that the decision should be guided by where opportunities were greatest. It was true that if countries with great possibilities were not helped to avail themselves of opportunities they in turn would be left behind. The whole issue was a very complex one. On the basis of his decisions during his term of office, it could be considered that Africa was getting a much larger share of resources than in the past. Many regional committees sent him resolutions asking for larger allocations. It would have been easy for him to pass on the requests for the consequent increases in the budget to the Health Assembly but he had instead tried to cope with the pressures involved by using his own judgement. Unfortunately, the time was not yet ripe for deciding on regional allocations or optimum allocation of resources through a mathematical formula. Much pragmatism was still required. However, it was a subject that should be discussed in all frankness.

The meeting rose at 12h55.

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