



EXECUTIVE BOARD

Sixty-first Session

Provisional agenda item 12

*WHO - Budget, 1978-79 -*

PROPOSED PROGRAMME BUDGET FOR 1978 AND 1979 (FINANCIAL YEAR 1979)

ADDITIONAL REQUIREMENTS

Report by the Director-General

1. INTRODUCTION

1.1 Under provisional agenda item 11, the Director-General is submitting a supplementary budget for 1978 to help meet the increased budgetary requirements resulting from the continuing and significant rise in the value of the Swiss franc in relation to the US dollar. The developments in this respect, particularly in the latter part of 1977, have the same consequential impact on the revised programme budget proposals for 1979 as they have on the approved programme budget for 1978.

1.2 The closing paragraph of the Introduction to the proposed programme budget for 1978 and 1979 (Official Records No. 236, page XXVIII) states inter alia that if there should be a continued rise in the value of the Swiss franc in relation to the US dollar, with resulting negative repercussions on the 1978 and 1979 budgets as proposed, it may become necessary to submit additional requirements or supplementary budgets to the Executive Board or the World Health Assembly in 1977, 1978 or 1979. The second half of 1977 has seen a renewed and rather drastic decline in the value of the US dollar in relation to the Swiss franc, in which currency approximately 33% of the Organization's expenditures are incurred. Whereas the rate of exchange used in the programme budgets for 1977, 1978 and 1979 as contained in Official Records No. 236 was 2.65 Swiss francs per US dollar, the accounting rate of exchange for December 1977 (based upon prevailing market rates at the end of the preceding month) had dropped to 2.17 Swiss francs per US dollar. The continuing decline in the value of the US dollar in relation to the Swiss franc, which has been particularly significant during the second half of 1977, has therefore made it necessary to propose an adjustment of the budgetary rate of exchange between these two currencies in order to protect the Organization's programme against the adverse effects of continuing currency fluctuation.

2. ADJUSTMENT OF THE BUDGETARY RATE OF EXCHANGE FOR 1979

2.1 As reported to the Board,<sup>1</sup> it is now expected that, as a result of the findings of the International Civil Service Commission with respect to the salary scales of the general service category of staff in Geneva, there will be a budgetary saving of \$ 2 075 000 in 1979 (i.e., the provision included in the programme budget for 1978 for one previously expected increase in the general service salaries in Geneva in 1978 in addition to the further projected increase in these salary scales that was included in the proposed programme budget for 1979). Consequently, in revising the proposed programme budget for 1979 as reflected in Annex 1 to document EB61/6, the Director-General has applied the anticipated saving of \$ 2 075 000 in 1979 to reduce the budgetary rate of exchange between the US dollar and the Swiss franc for that year from 2.65 Swiss francs per US dollar to the level of 2.51 Swiss francs per US dollar. Even though at the time of preparation of that document (November 1977) the

<sup>1</sup> Document EB61/6.

accounting rate of exchange was 2.23 Swiss francs per US dollar, it was thought that if this rate should improve to some extent or at least not drop further in the coming months, and if the Executive Board and the World Health Assembly should approve the measures proposed under provisional agenda item 10<sup>1</sup> to reduce the adverse effects of currency fluctuations on the programme budget, it might prove possible to absorb the resulting budgetary losses in 1979 and thus avoid the need for additional requirements for that year.

2.2 However, in what appears to be a persistent trend, the value of the US dollar in relation to the Swiss franc has continued to decline sharply as evidenced by a December 1977 accounting rate of exchange of 2.17 Swiss francs per US dollar, and a mid-December market rate of 2.07 Swiss francs per US dollar. It is therefore considered necessary to propose a further adjustment of the budgetary rate of exchange, in order to enable the Organization to implement the revised programme budget proposals for 1979. Consequently, unless there were to be a substantial increase in the value of the US dollar in relation to the Swiss franc during the early part of 1978, and notwithstanding certain other measures designed to help reduce the adverse effects of currency fluctuations on the programme budget (as proposed under provisional agenda item 10), the Director-General now considers that he has no choice but to submit additional requirements for 1979 in order to enable the Organization to implement the revised programme budget proposals for that year. On the basis of the foregoing, it is therefore proposed that the 1979 budgetary rate of exchange should be adjusted to the level of 2.17 Swiss francs per US dollar which, as mentioned above, is the UN/WHO accounting rate of exchange for December 1977. If, in addition, the Board and the Health Assembly should approve the proposed measures to reduce the effects of currency fluctuations on the programme budget,<sup>1</sup> it would be possible to cope with further budgetary losses resulting from an average accounting rate of exchange in 1979 as low as 2.08 Swiss francs per US dollar and, taking into account the Organization's capacity to absorb budgetary losses to a limited extent, perhaps even somewhat lower. On the other hand, if the average accounting rate of exchange during 1979 should be higher than the above-mentioned rate of 2.17 Swiss francs per US dollar, the resulting budgetary surplus would be returned to Member States in the form of casual income, as outlined in the document on the measures proposed to reduce the adverse effects of currency fluctuations on the programme budget.<sup>1</sup>

2.3 In considering these additional requirements for 1979, the Board may also wish to recall that the impact of currency instability upon WHO's budget from 1971-1977 has amounted to some \$ 52 million, a considerable part of which has been absorbed through various economy measures during that period. As the Board and the Health Assembly were informed in 1977, the Director-General proposes to find ways and means in 1979 (as in 1978) of absorbing the approximate \$ 1 million required each year to implement in WHO the recommendations made by the International Civil Service Commission in 1976 relating to the salaries and allowances of the professional and higher category of staff. Finally, it should be noted that the reductions at headquarters in posts and activities, with the consequent shift of resources to technical cooperation with governments, has further diminished the Organization's capacity to continue to absorb major budgetary losses resulting from currency fluctuation.

2.4 The exchange rate situation described above, and the additional requirements proposed for 1979, reflect the serious financial circumstances facing the Organization during the closing months of 1977, which saw a significant and continuing decline in the value of the US dollar in relation to the Swiss franc. In view of the uncertainties associated with currency exchange rates in general and the US dollar/Swiss franc ratio in particular, the Director-General proposes to report the latest developments in this respect to the Committee of the Executive Board to Consider Certain Financial Matters Prior to the Health Assembly. Thus, if during the first four months of 1978 there should be a continuation or a reversal of the above-mentioned trend in the value of the US dollar in relation to the Swiss franc, there would be an opportunity to revise the amount of the additional requirements proposed for 1979.

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<sup>1</sup> Document EB61/5.

### 3. ADDITIONAL REQUIREMENTS FOR 1979

3.1 After taking account of the minimum cost increases necessary in relation to main items of expenditure, and also of the savings mentioned in paragraph 2.1 above, the additional budgetary requirements for 1979 resulting from an adjustment of the budgetary rate of exchange to 2.17 Swiss francs per US dollar total \$ 6 600 000. As the Director-General has recommended that all casual income estimated as being available at the end of 1977, including the amount previously proposed to be used to help finance the revised 1979 programme budget, should be utilized to finance the proposed supplementary budget for 1978 and to provide the proposed facility for reducing the adverse effects of currency fluctuations on the programme budget, he has no alternative but to suggest that the total cost of the additional requirements for 1979 be added to Members' assessed contributions to the budget for that year.

3.2 The implementation of the revised programme budget for 1979 as now proposed by the Director-General will therefore require an effective working budget level of \$ 182 120 000. Appendix 1 to this document is a summary showing, by appropriation section, (i) the revised estimated 1979 obligations as given in document EB61/6, (ii) the additional budgetary requirements for 1979 outlined above, and (iii) the resultant revised estimated obligations for 1979, which now supersede those previously proposed by the Director-General.

3.3 The proposed revised effective working budget level for 1979 of \$ 182 120 000 represents an increase of \$ 10 520 000 or 6.13% over the 1978 budget, inclusive of the supplementary budget proposed by the Director-General for that year. On the basis of the foregoing, Appendix 2 to this document is a table reflecting the total regular budget, assessments, and effective working budget for 1979, which replaces the corresponding figures in document EB61/6, Annex 1, page 87. Similarly, Appendix 3 contains a revised scale of assessment for 1979, replacing the scale appearing on pages 88-90 of Annex 1 to document EB61/6. Appendix 4 is a revised draft Appropriation Resolution for 1979 and replaces that appearing on page 91 of the same document.

APPENDIX 1

ESTIMATED OBLIGATIONS FOR 1979 AS GIVEN IN DOCUMENT EB61/6  
AND AS REVISED BY ADDITIONAL REQUIREMENTS

Appropriation section	Purpose of appropriation	Estimated obligations as in document EB61/6	Additional requirements	Revised estimated obligations
		US \$	US \$	US \$
1	Policy organs . . . . .	3 148 900	467 400	3 616 300
2	General management, coordination and development . . . . .	14 521 900	547 100	15 069 000
3	Development of comprehensive health services . . . . .	25 523 700	240 400	25 764 100
4	Health manpower development . . . . .	23 540 000	119 800	23 659 800
5	Disease prevention and control . . . . .	41 043 600	902 400	41 946 000
6	Promotion of environmental health . . . . .	9 461 500	228 300	9 689 800
7	Health information and literature . . . . .	17 040 500	1 170 200	18 210 700
8	General service and support programmes . . . . .	22 073 000	2 924 400	24 997 400
9	Support to regional programmes . . . . .	19 166 900	-	19 166 900
	Total	175 520 000	6 600 000	182 120 000

TOTAL REGULAR BUDGET, ASSESSMENTS, AND EFFECTIVE WORKING BUDGET

	1977 US \$	1978 US \$	1979 US \$
1. Total budget .....	166 719 020	193 815 110	207 638 400 <sup>(a)</sup>
2. <u>Deductions</u> (as per item 8 below) ..	4 600 000	12 200 000	2 600 000
3. Assessments on Members .....	162 119 020	181 615 110	205 038 400 <sup>(a)</sup>
4. <u>Less:</u>			
Credits from Tax Equalization Fund .....	13 027 240	13 860 880	18 071 800
5. Contributions from Members <sup>(b)</sup> .....	149 091 780	167 754 230	186 966 600 <sup>(a)</sup>
6. <u>Less:</u>			
(i) Estimated tax reimbursements payable from the Tax Equalization Fund .....	2 581 300	4 585 020	3 164 000
(ii) Amount of Undistributed Reserve <sup>(c)</sup> .....	3 926 480	3 769 210	4 282 600 <sup>(a)</sup>
7. Contributions for effective working budget .....	142 584 000	159 400 000	179 520 000
8. <u>Add:</u>			
(i) Reimbursement of programme support costs by the United Nations Development Programme in the estimated amount of .....	2 600 000	2 600 000	2 600 000
(ii) Casual income .....	2 000 000	3 000 000	
(iii) Supplementary estimates for 1978 .....		6 600 000	
9. Total effective working budget ....	147 184 000	171 600 000	182 120 000

(a) These amounts are subject to such adjustments as may be decided by the Thirty-first World Health Assembly.

(b) See Scales of Assessment (Appendix 3, below).

(c) The Undistributed Reserve equals the amount of the net assessments on inactive Members (the Byelorussian SSR and the Ukrainian SSR), and on South Africa and Southern Rhodesia.

SCALES OF ASSESSMENT FOR 1977, 1978 AND 1979

MEMBERS AND ASSOCIATE MEMBERS	1977	1978	PERCENTAGE	1979	NET CONTRIBUTIONS	
	CONTRIBUTIONS	CONTRIBUTIONS		GROSS ASSESSMENTS		CREDIT FROM TAX EQUALIZATION FUND
	US \$	US \$		US \$		US \$
AFGHANISTAN	29 300	32 630	.01	20 500	18 380	
ALBANIA	29 300	32 630	.01	20 500	18 380	
ALGERIA	117 210	163 180	.10	205 040	183 800	
ANGOLA	29 300	32 630	.02	41 010	36 760	
ARGENTINA	1 186 740	1 321 680	.83	1 701 820	1 525 560	
AUSTRALIA	2 065 800	2 414 910	1.51	3 096 080	2 775 420	
AUSTRIA	791 160	995 340	.63	1 291 750	1 157 960	
BAHAMAS	29 300	32 630	.01	20 500	18 380	
BAHRAIN	29 300	32 630	.01	20 500	18 380	
BANGLADESH	117 210	65 270	.04	82 020	73 520	
BARBADOS	29 300	32 630	.01	20 500	18 380	
BELGIUM	1 494 410	1 680 650	1.06	2 173 410	1 948 310	
BENIN	29 300	32 630	.01	20 500	18 380	
BOLIVIA	29 300	32 630	.01	20 500	18 380	
BOTSWANA	29 300	32 630	.01	20 500	18 380	
BRAZIL	1 113 480	1 664 330	1.02	2 091 400	1 874 790	
BULGARIA	205 120	212 120	.14	287 060	257 330	
BURMA	43 960	32 630	.01	20 500	18 380	
BURUNDI	29 300	32 630	.01	20 500	18 380	
BYELORUSSIAN SOVIET SOCIALIST REPUBLIC	673 940	652 680	.40	820 160	735 210	
CANADA	3 916 370	4 682 960	2.99	6 130 650	5 495 700	
CAPE VERDE	29 300	32 630	.01	20 500	18 380	
CENTRAL AFRICAN EMPIRE	29 300	32 630	.01	20 500	18 380	
CHAD	29 300	32 630	.01	20 500	18 380	
CHILE	205 120	146 860	.09	184 540	165 420	
CHINA	7 911 570	8 762 190	5.41	11 092 580	9 943 720	
COLOMBIA	234 410	179 490	.11	225 550	202 190	
COMOROS	29 300	32 630	.01	20 500	18 380	
CONGO	67 430	56 520	.01	20 500	38 380	
COSTA RICA	29 300	32 630	.02	41 010	36 760	
CUBA	161 170	212 120	.11	225 550	202 190	
CYPRUS	29 300	32 630	.01	20 500	18 380	
CZECHOSLOVAKIA	1 274 640	1 386 940	.83	1 701 820	1 525 560	
DEMOCRATIC KAMPUCHEA	29 300	32 630	.01	20 500	18 380	
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	102 560	81 590	.05	102 520	91 900	
DEMOCRATIC YEMEN	33 780	37 410	.01	20 500	22 380	
DENMARK	893 720	995 340	.63	1 291 750	1 157 960	
DOMINICAN REPUBLIC	29 300	32 630	.02	41 010	36 760	
ECUADOR	29 300	32 630	.02	41 010	36 760	
EGYPT	175 820	130 540	.08	164 030	147 040	
EL SALVADOR	29 300	32 630	.01	20 500	18 380	
ETHIOPIA	29 300	32 630	.01	20 500	18 380	
FIJI	29 300	32 630	.01	20 500	18 380	
FINLAND	615 340	669 000	.43	881 670	790 350	
FRANCE	8 561 100	9 180 860	5.73	11 748 700	10 671 890	
GABON	29 300	32 630	.01	20 500	18 380	
GAMBIA	29 300	32 630	.01	20 500	18 380	

GERMAN DEMOCRATIC REPUBLIC	1	743 480	2	137 520	1.31	2 686 010	278 190	2 407 820
GERMANY, FEDERAL REPUBLIC OF	10	123 880	12	270 330	7.58	15 541 910	1 609 680	13 932 230
GHANA		58 600		32 630	.02	41 010	4 250	36 760
GREECE		454 180		620 050	.34	697 130	72 200	624 930
GRENADA		29 300		32 630	.01	20 500	2 120	18 380
GUATEMALA		43 960		32 630	.02	41 010	4 250	36 760
GUINEA		29 300		32 630	.01	20 500	2 120	18 380
GUINEA-BISSAU		29 300		32 630	.01	20 500	2 120	18 380
GUYANA		29 300		32 630	.01	20 500	2 120	18 380
HAITI		29 300		32 630	.01	20 500	2 120	18 380
HONDURAS		29 300		32 630	.01	20 500	2 120	18 380
HUNGARY		483 490		554 770	.32	656 130	67 960	588 170
ICELAND		29 300		32 630	.02	41 010	4 250	36 760
INDIA	1	758 130	1	142 190	.67	1 373 760	142 280	1 231 480
INDONESIA		278 370		228 440	.14	287 060	29 730	257 330
IRAN		293 020		701 630	.39	799 650	82 820	716 830
IRAQ		73 250		163 180	.08	164 030	16 990	147 040
IRELAND		205 120		228 440	.15	307 560	31 860	275 700
ISRAEL		293 020		375 300	.23	471 590	48 850	422 740
ITALY	5	142 520	5	237 740	3.33	6 827 780	707 150	6 120 630
IVORY COAST		29 300		32 630	.02	41 010	4 250	36 760
JAMAICA		29 300		32 630	.02	41 010	4 250	36 760
JAPAN	10	270 400	13	853 070	8.50	17 428 270	1 805 050	15 623 220
JORDAN		29 300		32 630	.01	20 500	2 120	18 380
KENYA		29 300		32 630	.01	20 500	2 120	18 380
KUWAIT		131 860		261 080	.15	307 560	31 860	275 700
LAO PEOPLE'S DEMOCRATIC REPUBLIC		29 300		32 630	.01	20 500	2 120	18 380
LEBANON		43 960		48 960	.03	61 520	6 370	55 150
LESOTHO		29 300		32 630	.01	20 500	2 120	18 380
LIBERIA		29 300		32 630	.01	20 500	2 120	18 380
LIBYAN ARAB JAMAHIRIYA		161 170		277 390	.16	328 070	33 980	294 090
LUXEMBOURG		58 600		65 270	.04	82 020	8 500	73 520
MACAGASCAR		29 300		32 630	.01	20 500	2 120	18 380
MALAWI		29 300		32 630	.01	20 500	2 120	18 380
MALAYSIA		102 560		146 860	.09	184 540	19 120	165 420
MALDIVES		29 300		32 630	.01	20 500	2 120	18 380
MALI		29 300		32 630	.01	20 500	2 120	18 380
MALTA		29 300		32 630	.01	20 500	2 120	18 380
MAURITANIA		29 300		32 630	.01	20 500	2 120	18 380
MAURITIUS		29 300		32 630	.01	20 500	2 120	18 380
MEXICO	1	230 690	1	240 090	.78	1 599 300	165 640	1 433 660
MONACO		29 300		32 630	.01	20 500	2 120	18 380
MONGOLIA		29 300		32 630	.01	20 500	2 120	18 380
MOROCCO		87 910		81 590	.05	102 520	10 620	91 900
MOZAMBIQUE		29 300		32 630	.02	41 010	4 250	36 760
NAMIBIA(a)		14 660		16 320	.01	20 500	2 120	18 380
NEPAL		29 300		32 630	.01	20 500	2 120	18 380
NETHERLANDS	1	758 130	2	170 150	1.40	2 870 540	297 300	2 573 240
NEW ZEALAND		410 230		456 880	.25	512 600	53 090	459 510
NICARAGUA		29 300		32 630	.01	20 500	2 120	18 380
NIGER		29 300		32 630	.01	20 500	2 120	18 380
NIGERIA		146 510		212 120	.13	266 550	27 610	238 940
NORWAY		615 340		685 320	.44	902 170	93 440	808 730
OMAN		29 300		32 630	.01	20 500	2 120	18 380
PAKISTAN		205 120		97 900	.07	143 530	14 870	128 660
PANAMA		29 300		32 630	.02	41 010	4 250	36 760
PAPUA NEW GUINEA		29 300		32 630	.01	20 500	2 120	18 380
PARAGUAY		29 300		32 630	.01	20 500	2 120	18 380
PERU		102 560		97 900	.06	123 030	12 740	110 290
PHILIPPINES		263 720		163 180	.10	205 040	21 240	183 800
POLAND	1	846 030	2	284 380	1.37	2 809 030	290 930	2 518 100
PORTUGAL		219 760		326 340	.19	389 580	40 350	349 230
QATAR		29 300		32 630	.02	41 010	4 250	36 760
REPUBLIC OF KOREA		161 170		212 120	.13	266 550	27 610	238 940
ROMANIA		442 200		423 570	.23	471 590	48 850	422 740
RWANDA		29 300		32 630	.01	20 500	2 120	18 380
SAMOA		29 300		32 630	.01	20 500	2 120	18 380

SCALES OF ASSESSMENT FOR 1977, 1978 AND 1979

MEMBERS AND ASSOCIATE MEMBERS	1977	1978	PERCENTAGE	1979	NET CONTRIBUTIONS	
	CONTRIBUTIONS	CONTRIBUTIONS		GROSS ASSESSMENTS		CREDIT FROM TAX EQUALIZATION FUND
	US \$	US \$		US \$		US \$
SAO TOME AND PRINCIPE	29 300	32 630	.01	20 500	18 380	
SAUDI ARABIA	87 910	391 610	.23	471 590	422 740	
SENEGAL	29 300	32 630	.01	20 500	18 380	
SIERRA LEONE	29 300	32 630	.01	20 500	18 380	
SINGAPORE	58 600	130 540	.08	164 030	147 040	
SOMALIA	29 300	32 630	.01	20 500	18 380	
SOUTH AFRICA	732 550	652 680	.41	840 660	753 590	
SOUTHERN RHODESIA <sup>(a)</sup>	14 660	16 320	.01	20 500	18 380	
SPAIN	1 435 800	2 480 170	1.51	3 096 080	2 775 420	
SRI LANKA	43 960	32 630	.02	41 010	36 760	
SUDAN	29 300	32 630	.01	20 500	18 380	
SURINAM	29 300	32 630	.01	20 500	18 380	
SWAZILAND	29 300	32 630	.01	20 500	18 380	
SWEDEN	1 479 760	1 892 770	1.22	2 501 470	2 242 390	
SWITZERLAND	1 142 780	1 533 800	.94	1 927 360	1 727 740	
SYRIAN ARAB REPUBLIC	29 300	32 630	.02	41 010	36 760	
THAILAND	161 170	163 180	.10	205 040	183 800	
TOGO	29 300	32 630	.01	20 500	18 380	
TONGA	29 300	32 630	.01	20 500	18 380	
TRINIDAD AND TOBAGO	29 300	32 630	.03	61 520	55 150	
TUNISIA	29 300	32 630	.02	41 010	36 760	
TURKEY	424 880	488 510	.29	594 610	533 020	
UGANDA	29 470	32 770	.01	20 500	18 380	
UKRAINIAN SOVIET SOCIALIST REPUBLIC	2 505 330	2 447 530	1.51	3 096 080	2 775 420	
UNION OF SOVIET SOCIALIST REPUBLICS	19 002 420	18 487 090	11.42	23 415 390	20 990 260	
UNITED ARAB EMIRATES	29 300	130 540	.07	143 530	128 660	
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND	7 779 700	7 244 710	4.45	9 124 210	8 179 210	
UNITED REPUBLIC OF CAMEROON	29 300	32 630	.01	20 500	18 380	
UNITED REPUBLIC OF TANZANIA	29 300	33 300	.01	20 500	18 380	
UNITED STATES OF AMERICA	39 637 540	45 191 920	25.00	51 259 600	48 950 650	
UPPER VOLTA	29 300	32 630	.01	20 500	18 380	
URUGUAY	87 910	65 270	.04	82 020	73 520	
VENEZUELA	468 840	652 680	.38	779 150	698 450	
VIET NAM	58 600 <sup>(b)</sup>	48 960	.03	61 520	55 150	
YEMEN	29 300	32 630	.01	20 500	18 380	
YUGOSLAVIA	498 140	620 050	.38	779 150	698 450	
ZAIRE	29 300	32 630	.02	41 010	36 760	
ZAMBIA	29 300	32 630	.02	41 010	36 760	
<b>TOTALS</b>	<b>149 091 780</b>	<b>167 754 230</b>	<b>100.00</b>	<b>205 038 400</b>	<b>186 966 600</b>	

(a) Associate Member.

(b) Excluding an adjustment of \$ 14 640 in the amount payable by Viet Nam, financed from casual income in accordance with resolution WHA30.13.



## PROPOSED APPROPRIATION RESOLUTION FOR 1979

## The Thirty-first World Health Assembly

RESOLVES to appropriate for the financial year 1979 an amount of US\$ 207 638 400 as follows:

## A.

Appropriation section	Purpose of appropriation	Amount US \$
1.	Policy organs .....	3 616 300
2.	General management, coordination and development ....	15 069 000
3.	Development of comprehensive health services .....	25 764 100
4.	Health manpower development .....	23 659 800
5.	Disease prevention and control .....	41 946 000
6.	Promotion of environmental health .....	9 689 800
7.	Health information and literature .....	18 210 700
8.	General service and support programmes .....	24 997 400
9.	Support to regional programmes .....	19 166 900
	Effective working budget	182 120 000
10.	Transfer to Tax Equalization Fund .....	21 235 800
11.	Undistributed Reserve .....	4 282 600
	Total	207 638 400

B. Amounts not exceeding the appropriations voted under paragraph A shall be available for the payment of obligations incurred during the period 1 January to 31 December 1979 in accordance with the provisions of the Financial Regulations. Notwithstanding the provisions of the present paragraph, the Director-General shall limit the obligations to be incurred during the financial year 1979 to sections 1-10.

C. Notwithstanding the provisions of Financial Regulation 4.5, the Director-General is authorized to make transfers between those appropriation sections that constitute the effective working budget up to an amount not exceeding 10% of the amount appropriated for the section from which the transfer is made, this percentage being established in respect of Section 2 exclusive of the provision made for the Director-General's and Regional Directors' Development Programmes (US\$ 3 242 000). The Director-General is also authorized to apply amounts not exceeding the provision for the Director-General's and Regional Directors' Development Programmes to those sections of the effective working budget under which the programme expenditure will be incurred. Any other transfers required shall be made in accordance with the provisions of Financial Regulation 4.5. All transfers between sections shall be reported to the Executive Board at its next session.

Appendix 4

D. The appropriations voted under paragraph A shall be financed by assessments on Members after deduction of the following:

- Reimbursement of programme support costs by the United Nations Development Programme in the estimated amount of US\$ 2 600 000

thus resulting in assessments against Members of US\$ 205 038 400. In establishing the amounts of contributions to be paid by individual Members, their assessments shall be reduced further by the amount standing to their credit in the Tax Equalization Fund, except that the credits of those Members that require staff members of WHO to pay taxes on their WHO emoluments shall be reduced by the estimated amounts of such tax reimbursements to be made by the Organization.

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