

ASSEMBLY - 1st session
Agenda item 11

PREPARATION OF BUDGETS FOR 1978 AND 1979

Note by the Secretary-General of IMCO

1. The Assembly is required to prepare budgets for the years 1978 and 1979. In respect of the budget for 1978 there is, in accordance with Article 35, no possibility of the Fund being called upon to make payments in respect of either compensation or indemnity claims. Any budget will therefore be limited to the operational aspects of the Fund.
2. In this connexion, the Secretary-General considers that there are two possibilities open to the Assembly. If the Assembly is able, at its first session, to agree on a Secretariat structure and on the rates of remuneration for the members of the Secretariat, then it may also be in a position to agree on the budget for 1978. Alternatively, the Assembly may feel that it would wish to examine the staff structure on the basis of proposals submitted by the Director either to the Assembly or, if the Executive Committee is to be established soon, to that Committee at a date to be determined.
3. If the latter course of action were taken, the Assembly might wish to consider how to finance the operations of the Fund in the period before the adoption of the budget. This can be arranged in one of two ways.
 - (a) The Assembly may wish to authorize the Director of the Fund, when appointed, to incur such expenses as may be necessary, subject to a fixed ceiling, on the understanding that the detailed accounts will be made available to the Assembly, or the Executive Committee, as appropriate, at a specified time. The amounts so expended will be included in the final budget to be adopted by the appropriate organ of the Fund. The Assembly may consider that a sum of no more than \$100,000 would be adequate for this purpose. This sum could accordingly be fixed as the maximum amount which may be expended by the Director.

- (b) Alternatively, the Assembly may request IMCO to provide the necessary funds and services to enable the Director to discharge his functions until the adoption of a budget for 1978, on the understanding that such expenditure will be reimbursed to IMCO on the same basis as other sums and services already disbursed by IMCO on behalf of the Fund.

4. The Secretary-General will circulate to members any proposals which he may receive from Governments as to which of the alternatives indicated above should be adopted, as well as any other proposals as to other possible approaches to be taken.

5. As far as the budget for 1979 is concerned the Assembly may wish to postpone a decision on this matter until its next session.

6. The Assembly is invited to take decisions on these matters.
