

WORLD TRADE ORGANIZATION

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REPORT OF THE JOINT WTO/GATT COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

INTRODUCTION

1. The WTO Committee on Budget, Finance and Administration and the GATT 1947 Committee on Budget, Finance and Administration, hereafter referred to jointly as the Committee, met on 27 July 1995.
2. The Committee was chaired by Mr. J.-M. Metzger of France. The terms of reference and composition of the Committee are set out in documents L/5964/Rev.9 of 20 March 1995 and WT/L/44 of 23 February 1994.
3. The Agenda for the meeting contained in document WTO/AIR/133- GATT/AIR/3693 was adopted.

A. ADMINISTRATIVE UP-DATES AND PROGRESS REPORTS

CASH SITUATION AND STATEMENT OF OUTSTANDING CONTRIBUTIONS

AS AT 30 JUNE 1995

CRP(95)29 & WT/BFA/CONT/6

INSTALMENT PAYMENTS FOR COUNTRIES IN ARREARS (CONTRIBUTIONS FROM 1987 AND EARLIER YEARS) -

PROGRESS REPORT AS AT 30 JUNE 1995

CRP(95)30

CONTRIBUTION OF OBSERVER COUNTRIES TOWARDS THE COST OF DOCUMENTATION SERVICES PROVIDED BY THE SECRETARIAT -

PROGRESS REPORT AS AT 30 JUNE 1995

CRP(95)31

4. The Secretariat prepared up-dates and progress reports as at 30 June 1995 on the cash situation (CRP(95)29), the statement of outstanding contributions (WT/BFA/CONT/6), on the payment of arrears by the thirty-two contracting parties assessed at the minimum and the six contracting parties assessed above the minimum in 1988 (CRP(95)30), and on the contributions of observer countries toward the cost of services provided by the Secretariat (CRP(95)31). A member of the Secretariat introduced and explained each of the documents.

5. The Committee took note of the reports.

**B. FINANCIAL IMPLICATIONS OF DECISIONS TAKEN BY
GATT/WTO BODIES: COMMUNICATION RECEIVED FROM THE CHAIRMAN,
COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES
CRP(95)33**

6. The Chairman recalled that at the previous meeting, the Committee had recommended a procedure concerning the financial implications of decisions taken by GATT/WTO bodies. The recommendation (WT/BFA/5, L/7631) was approved by the General Council at its meeting on 11 July 1995.

7. In this context, the Chairman said that he had received a letter dated 26 June 1995 from the Chairman of the Committee on Subsidies and Countervailing Measures concerning the establishment of a Permanent Group of Experts (PGE). The establishment of the PGE was the subject of Article 24 of the Agreement on Subsidies and Countervailing Measures which formed part of Annex 1A of the Marrakesh Agreement Establishing the World Trade Organization. The letter indicated that it was likely that the PGE would meet at least twice a year in Geneva for approximately one week. In addition, there was the possibility of additional meetings if the PGE were asked to assist a panel.

8. In its discussion of this point, it was suggested that the recommendation make explicit reference to the fact that members of the PGE would serve under the same conditions as apply to panellists.

9. Without prejudice to its examination of the 1996 budget proposals, the Committee recommends that funding for the Permanent Group of Experts as foreseen under the Agreement on Subsidies and Countervailing Measures be included in the 1996 budget of the WTO which will be examined by the Committee in the course of this autumn. Members of the Group will serve under the same conditions as panellists¹.

**C. PROGRESS REPORT ON PENSION STUDY
CRP(95)34**

10. A member of the Secretariat presented document CRP(95)34 concerning the meeting in New York of the Standing Committee of the United Nations Joint Staff Pension Fund from 10 to 14 July 1995. The Standing Committee is a tripartite subsidiary organ of the Pension Board which deals with important business when the Board, which meets every other year, is not in session.

11. An item on the agenda was the "Possible withdrawal of ICITO/GATT from the United Nations Joint Staff Pension Fund," and in both written and oral presentations, the strictly exploratory nature of the request was stressed. The Committee of Actuaries drew attention to the precedent-setting potential of the question and said that it would be necessary to adopt a method valid for any future case of possible withdrawal which might be presented. They also expressed the view that the 1995 valuation should form the basis for any estimate which might be calculated in response to the ICITO request.

12. The Secretary of the UNJSPF pointed out that Article 16 of the Regulations required the United Nations General Assembly to take a decision on termination before the Board could determine the amount to be returned to an organization and the modalities for termination. He also expressed

¹The honoraria for panellists is currently fixed at Sw F 600 per day.

the view that Article 13, which figured in the terms of reference for the pension study (WT/BFA/4, L/7629, Annex A), was not an appropriate vehicle in the case of termination of membership of an entire organization as that article covered only individual transfers.

13. The Standing Committee agreed: (i) that the secretariat of the Fund should proceed to calculate an indicative range of amounts to be returned; (ii) that the method of calculation should be based on the assumptions retained for the 1995 actuarial valuation and the methodology proposed by the ICITO consulting actuary; (iii) that the calculation would be undertaken on the understanding that the results would not be binding; (iv) that the results should be available by 15 September 1995; (v) that the Fund would bear the costs of the work to be undertaken within the current budget limits for actuarial services and otherwise apportioned in consultation with ICITO; and (vi) that, should there be a formal decision to apply for membership termination, a special session of the Board would be convened.

14. In the ensuing discussion, it was noted that the final amount to be returned from the Pension Fund could only be known after a formal decision for withdrawal had been taken. For that reason, a minimum and maximum estimate would be made available before such a decision might be taken. It was further noted that the Board was very conscious of the necessity to provide reliable figures.

15. The Committee took note of the report and decided to return to the question in the autumn.

D. EXTERNAL AUDIT OF THE ACCOUNTS OF THE WTO CRP(95)32

16. The Chairman recalled that the Committee, at its previous meeting, had formulated a recommendation that a call for competitive tenders for the external audit of the accounts of the World Trade Organization be made (WT/BFA/5/Add.1, L/7631/Add.1), and the General Council had approved the recommendation at its meeting of 11 July 1995. He indicated that the nomination would be effective as from the audit of the accounts for 1996.

17. In response to a request from a member of the Committee for time to consult with his capital, it was agreed that the matter would be reexamined at the next meeting of the Committee in September. The Chairman suggested that delegations which were interested in having their national auditing authorities submit a bid would so indicate to the Secretariat by the September meeting.

18. The Chairman then outlined a tentative schedule of meetings and workplan which would permit the Committee to complete the tasks before it by the end of the year. He said that the Secretariat would provide the information to members of the Committee.

POINT FOR DECISION: Paragraph 9