

# WORLD TRADE ORGANIZATION

**RESTRICTED**

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## **Joint WTO/GATT Committee on Budget, Finance and Administration**

### **ANNUAL OVERVIEW OF ACTIVITIES**

1. In accordance with the procedures for an annual overview of WTO activities and for reporting under the WTO adopted by the General Council on 15 November 1995, a report on the activities of the Joint WTO/GATT Committee on Budget, Finance and Administration in 1995 is hereby submitted.

2. It will be recalled that the Committee met on a number of occasions and has presented reports to the General Council on a regular basis.<sup>1</sup> This report will then cover the major areas the Committee has dealt with in the course of the year to date.

#### **I. On-going responsibilities**

3. The Committee monitored the financial and budgetary situation of the Organization, the receipt of contributions including the implementation of the related schemes and measures pertaining to receipt of contributions, and examined the Final Position of the 1994 Budget and the Director-General's Financial Report on the 1994 Accounts and Report of the External Auditor. It also dealt with the question of budget revision for the International Trade Centre UNCTAD/WTO (ITC) and heard progress reports on the implementation of the mandate given to the Secretariat to discuss the revised budgetary arrangements for the ITC with the United Nations in New York. The Committee also made recommendations with regard to assessments on four new contracting parties and advances to the Working Capital Fund. Finally, the Committee examined in detail the Director-General's budget proposals for 1996 and formulated a recommendation thereon.

#### **II. Transition from the ICITO/GATT to the WTO**

4. A considerable amount of time was spent on various issues connected, either directly or indirectly, with the establishment of the WTO. They included the following:

5. **New basis for the assessment of contributions:** The Committee continued the work of a working group established in 1994 under the Sub-Committee on Budget, Finance and Administration of the Preparatory Committee for the WTO and recommended to the General Council that the basis for the assessment of contributions, reflecting the wider scope of the new Organization, should relate to trade in goods, services and intellectual property. Implementation of the new basis for the assessment of contributions took effect with the calculations for the scale of contributions to the 1996 budget. A full

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<sup>1</sup>Reports: WT/BFA/1, L/7625 covering the meeting of 17 February 1995; WT/BFA/3, L/7628 covering the meetings on 16, 22 and 27 March 1995; WT/BFA/4, L/7629 covering the meetings of 25 April and 3 May 1995; WT/BFA/6, L/7633 covering the meetings of 29 May and 29 June 1995; WT/BFA/7, L/7634 covering the meeting of 27 July 1995; and WT/BFA/13, L/7649 covering the meetings of 28 September, 6, 9 and 13 October and 2 November 1995. In addition, the Committee sent specific recommendations to the General Council in documents WT/BFA/2, L/7626 and WT/BFA/5, L/7631 and Add.1.

review of the functioning of the new system shall be undertaken by the Committee three years after its introduction.

6. Financial Rules and Regulations: The Committee examined the draft Financial Rules and Regulations for the WTO which, in accordance with Article VII, 2 of the *Marrakesh Agreement Establishing the WTO* were to be based on the regulations and practices of GATT 1947. On the basis of discussions, some modifications were incorporated before making a recommendation which was approved by the General Council.

7. Conditions of service of WTO staff: Various elements concerning the conditions of service of WTO staff were examined, but the primary emphasis was centred on a proposal to create a WTO Pension Plan which was included, along with a proposal to adjust the salaries of Professional staff, in the 1996 budget proposals. As the question of pensions needed to be resolved before consideration of salaries could be given, the lack of consensus with regard to the former precluded any change in the latter.

8. Draft Staff Regulations were also put before the Committee and discussed. As there are still outstanding issues to be decided with regard to salaries and pensions, further discussions will take place in 1996. Therefore, ICITO will continue to provide the Secretariat of the WTO until these issues have been resolved.