

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3259
20 October 1969

Limited Distribution

REPORT OF THE COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

1. The Committee on Budget, Finance and Administration, appointed by the Council on 21 May 1969, met at the Villa Le Bocage, Geneva, from 7-10 October 1969.

2. The Committee was chaired by Mr. A. Schnebli of Switzerland and the following fifteen members attended:

Argentina
Australia
Canada
Ceylon
France
Germany, F.R.
India
Israel

Japan
Netherlands
Nigeria
Poland
Sweden
United Kingdom
United States

Hungary and Turkey were represented by observers.

3. In accordance with its terms of reference the Committee considered the Director-General's Financial Report on the 1968 GATT Accounts and the Report of the External Auditor thereon (document L/3220), and the GATT Budget Estimates for the Financial Year 1970 (document L/3222 and Corr.1). In addition to the documents mentioned, the Committee examined the budgetary position of the GATT as at 30 September 1969 on the basis of out-turn figures prepared by the secretariat. The Committee also had before it the Director-General's proposal on insurance against the Organization's liabilities under Appendix D of the Staff Rules (document Spec(69)111) which is attached to this report as Annex D/A. The Committee's report on these items is contained in part A of this document.

4. In addition, the Committee considered the 1970 Budget Estimates of the International Trade Centre UNCTAD/GATT. The report of the Advisory Committee on Administrative and Budgetary Questions (Annex A/B) on these estimates was made available to the Committee. The Committee also examined the budgetary position of the Centre as at 30 September 1969. The Committee's report on these items is contained in part B of this document.

5. The Committee was advised that in accordance with the Resolution approved by the CONTRACTING PARTIES on 14 November 1968, the Director-General will submit the report on the status of the budgetary expenditure for the first nine months of 1969 to the CONTRACTING PARTIES as an information paper.

6. At the beginning of the meeting the Committee heard an introductory statement by the Director-General. He referred to the current financial position and pointed out that the financial year was expected to close with a surplus, provided collections of contributions continued at the present level until the end of the year. He also drew the attention of the Committee to his report on countries which were in arrears of payment of contributions for two years or more. Turning to the 1970 GATT budget, the Director-General emphasized that he considered the proposed estimates to be the minimum requirements for the implementation of the work programme. He realized that an increase of 9.97 per cent over 1969 was not negligible, but pointed out that 7.28 per cent of this figure represented provision for higher costs and that, as a consequence of severe pruning and rollback of proposals presented to him, the secretariat's own contribution to the increase amounted to only about 2 per cent. The Director-General drew attention to the relatively high temporary assistance credits which, in the interests of flexibility and economy, had been increased to provide for the essential needs of the secretariat in preference to adding to the permanent establishment. In this connexion, the Director-General also referred to the increase in the number of words to be translated and typed. He had arbitrarily reduced the requests for translators and typists on the understanding that efforts must be made to reduce the number of words to be processed. He had given instructions to staff of the secretariat, responsible for preparing reports of Committees and Working Groups, to keep these reports as short and concise as possible. He would be grateful to members of the Committee if they could use their influence to make known in the capitals that "an operation of rollback of words had started in the secretariat". In referring to the International Trade Centre budget estimates, he mentioned that the estimates had been severely pruned by the Secretary-General of UNCTAD and himself and that they believed the estimates to be modest. The ACABQ, however, was of the opinion that, taking into account the availability of extra-budgetary resources, the level of the regular budget of the Centre could be reduced by \$80,000 without detriment to the work of the Centre. The Director-General of GATT and the Secretary-General of UNCTAD would be prepared to see whether the work programme for 1970 could be carried out on the basis that overheads from voluntary contributions and UNDP projects would replace the cut of \$80,000 but reserved the possibility to revert to the question should this not be the case.

A. GATT SECRETARIAT

I. REPORT ON THE 1968 ACCOUNTS AND REPORT OF THE
EXTERNAL AUDITOR THEREON

7. The Committee examined the report on the 1968 accounts and Report of the External Auditor thereon. The Committee was informed that some contributions shown as outstanding in the Report had meanwhile been received. As regards the contributions receivable from those contracting parties which are in arrears for two years and more, the Director-General had presented a separate report to the Committee. It was recognized that the number of countries in this category was relatively small but they created a problem of financial management, especially taking into account the small size of the budget. The Committee noted with satisfaction the information received from the Governments of Haiti, Peru and Upper Volta, and, in particular, the assurance of the Government of Upper Volta that an amount of US\$3,810 would be paid before the end of 1969. No recent communication had been received in respect of the arrears of contributions of the Dominican Republic and Rhodesia. A number of suggestions were made concerning the collection of arrears but no conclusions were reached. The Committee however requested the Director-General to continue to pursue his efforts to obtain payment of outstanding contributions and it expressed the hope that steps could be taken to emphasize to contracting parties the necessity of liquidating their arrears as soon as possible.

8. The Committee recommends that the CONTRACTING PARTIES approve the audited accounts for 1968 and convey to the auditor their thanks for the valuable assistance given to the CONTRACTING PARTIES in the audit of the GATT accounts.

II. FINANCING OF THE 1969 BUDGET OF THE GATT

9. The Committee examined the budgetary position as at 30 September 1969 on the basis of out-turn figures prepared by the secretariat. It noted that at the close of the current financial year it was expected that the expenditure allotments would have been used in their entirety. It was however anticipated that some US\$60,000 would be received in excess of the income budget estimates due to the very favourable interest rates obtained at present on short-term deposits.

III. ESTIMATES OF EXPENDITURE FOR 1970

General comments

10. Before proceeding to an item-by-item examination of the estimates, the Committee expressed its appreciation for the improved presentation of the budget document which it found clear, and for the more detailed justifications given. A number of delegates indicated that, whilst they were in favour of restraining expenditure, they recognized that the budget was a modest one and provided no difficulties for acceptance by them. They expressed the view that any reduction in the budget, would seriously impair the work of the secretariat. They felt that a reduction in the budget might impair the performance of the secretariat not only in 1970 but also in subsequent years.

11. On the other hand, some members thought that an over-all increase in expenditure of 9.97 per cent over 1969 was excessive. In a year when certain increases appeared to be unavoidable, every effort should be made to reduce additional expenditure to the essential minimum. While appreciating the Director-General's personal efforts in this direction, these members accordingly requested the secretariat to review expenditure with that consideration in mind.

Meetings

12. Some delegates expressed doubts as to the necessity of providing in the assessed budget for two sessions of the CONTRACTING PARTIES in 1970 and felt that the credit of \$17,000 for the twenty-sixth session should remain unchanged but that the twenty-seventh session, if it should take place in 1970, could be financed from the provision for Unforeseen Expenditure. The representative of the Director-General accepted the deletion of the credit of \$17,000 for the twenty-seventh session on the understanding that, should the CONTRACTING PARTIES decide to hold a second session in 1970, sufficient funds would be available for this purpose. This understanding was acceptable to the Committee.

13. One member of the Committee recalled that at the twenty-fifth session of the CONTRACTING PARTIES a request had been made on behalf of a number of Spanish-speaking delegations for additional assistance to these delegations through further use of Spanish in interpretation. He requested that in addition to the plenary meetings during sessions of the CONTRACTING PARTIES there should also be interpretation into Spanish at least at meetings of the Council. It was pointed out that the cost of meeting this request would be in the vicinity of \$2,000 and would have to be met from the temporary assistance credits.

New posts

14. The Committee reviewed the Director-General's proposals for the creation of four new posts and additional justification was provided by the representatives of the Director-General. It was felt by one delegate that the four new posts proposed for 1970 were not justified in view of the major increase in the temporary assistance allotments.

Regradings

15. Additional information and clarifications regarding the proposed regradings for 1970 were provided by representatives of the Director-General. Whilst it was noted that the budget presentation had been expanded this year to give more information on particular items, it was felt that it might have been possible to accept more quickly certain regrading requests if more information had been provided. One member of the Committee noted that his delegation was anxious to ensure that there was comparability between grading patterns in GATT and in the other international organizations and hoped that the secretariat would consult the CCAQ expert and give the Committee more information on this aspect next year.

Temporary assistance and consultants

16. Reference was made by representatives of the secretariat to Appendix IV of the budget document and oral explanations were given regarding the method of calculating temporary assistance requirements. During the discussion of the provision for this item several delegates pointed out that, due to national budgetary restrictions, their governments were anxious to scale down the major increase involved. It was pointed out by the Director-General's representatives that the temporary assistance item was in a sense the secretariat's safety valve. Posts were only consolidated into the permanent establishment when it was absolutely certain that there was a permanent need for them. Contingencies, which continue to arise in one form or another, had therefore to be met on an ad hoc basis by temporary assistance. This was in fact the most economical approach. Requests for temporary assistance were carefully scrutinized by the senior officers concerned and the credit was only used when there was complete justification to do so.

Travel

17. Some delegates could not accept, in the form in which it had been presented by the secretariat, the proposal that \$3,000 be allocated to cover travel costs of groups of journalists to the secretariat with a view to improving GATT's public relations image. A representative of the Director-General explained that press descriptions of the work of the CONTRACTING PARTIES were not always presented in an objective manner and that many key editors were not well enough informed regarding GATT's activities. The Committee noted that the Director-General considered it necessary to have a budget item providing funds for carrying out public information work. The Committee therefore proposed that the relevant item for \$3,000 under travel be deleted and that a separate item for public information be established in the amount of \$3,000. It was suggested that the Director-General might, at an appropriate time, consider whether it would be helpful to raise in the Council the whole question of public information policy.

Common services

18. The attention of the Committee was drawn to document Spec(69)111 (Annex D/A) and the provision under the item for insurance premium for insurance against the organization's liabilities under Appendix D of the Staff Rules. The Committee was informed that the proposed coverage was equivalent to that of other organizations. The Committee fully supported the Director-General's proposal contained in paragraph 5(b) of the document and recommends to the CONTRACTING PARTIES that it be accepted.

19. As regards GATT participation in the Osaka 1970 World Fair, the Committee was informed that the expenditure proposed could be met from the 1969 Osaka allocation and from the 1970 credit for printing, which provided for the cost of a pamphlet for distribution at the Fair. In these circumstances the further \$5,000 requested in 1970 need not be retained in the budget.

Printing

20. In discussing this item, the Committee had before it a working paper prepared by the secretariat in response to a request made at its 1968 meeting, showing sale and free distribution of publications, as well as printing costs, reproduction method and stocks.

Contribution to the International Trade Centre UNCTAD/GATT

21. Considerable discussion of GATT's provision of additional supporting services to the International Trade Centre without charge to the ITC budget took place in connexion with the examination of the ITC budget estimates for 1970. The Committee was advised that in 1970 these services would amount to approximately \$195,000 compared to \$146,800 estimated for 1968 (Annex B/B). A report of this discussion will be found in paragraph 10 of the Committee's report on the ITC budget estimates.

22. At the conclusion of the review of the budget estimates, certain delegates expressed disappointment with regard to the magnitude of the budget increase for 1970 and, while appreciating that a large part of the increase was due to special factors which it was hoped would not recur again, they emphasized the need for restraint in budgetary matters in the future.

IV. INCOME BUDGET ESTIMATES FOR 1970

23. The Committee recommends to the CONTRACTING PARTIES that the budget for 1970 be financed as follows:

(a) contributions assessed on contracting parties	\$3,478,000
(b) miscellaneous income	\$ 108,405
(c) transfer from Surplus Account	\$ 91,595
	<u>\$3,678,000</u>

V. SCALE OF CONTRIBUTIONS

24. The Committee recommends that the CONTRACTING PARTIES approve the scale of contributions for 1970 as reproduced in Annex C/A to this report.

VI. EXTERNAL AUDIT

25. The Committee noted that the Director-General intended to make the necessary arrangements with the External Auditor for the final audit of the 1969 accounts and for an interim audit of the 1970 accounts and for the submission to the CONTRACTING PARTIES of the auditor's report for 1969 in accordance with the decision taken by the CONTRACTING PARTIES in 1951.

CONCLUSION

26. The Committee submits to the CONTRACTING PARTIES for consideration and approval a draft resolution on the expenditure of the CONTRACTING PARTIES and ways and means to meet such expenditure.

<u>POINTS FOR DECISION:</u>	Paragraph 8
	Paragraph 18
	Paragraph 23
	Paragraph 24
	Paragraph 26

DRAFT RESOLUTION ON THE EXPENDITURE OF THE CONTRACTING PARTIES
IN 1970 AND THE WAYS AND MEANS TO MEET SUCH EXPENDITURE

The CONTRACTING PARTIES

HAVING CONSIDERED

the estimates of expenditure of the CONTRACTING PARTIES for 1970 as set forth in schedules annexed to this Resolution,

RESOLVE that:

1. The Director-General is authorized to repay promptly ICITO for the services rendered during the year 1970, provided that such repayment does not exceed a total of US\$3,678,000.
2. The repayment referred to in paragraph 1 shall be financed as follows:
 - (a) by contributions from contracting parties in the amount of US\$3,478,000;
 - (b) by miscellaneous income estimated at US\$108,405;
 - (c) by transfer from the Surplus Account of US\$91,595.
3. The Director-General shall report to the CONTRACTING PARTIES or to the Council on the status of budgetary expenditure over the first nine months of 1970.
4. The contributions of the contracting parties shall be assessed in accordance with the attached scale of contributions. Contributions from contracting parties are considered as due and payable in full as from 1 January 1970.

ANNEX A/A

REVISED ESTIMATES OF EXPENDITURE OF THE GATT
FOR THE FINANCIAL YEAR 1970

SUMMARY

		<u>Original</u> <u>estimates</u> <u>(L/3222)</u> <u>US\$</u>	<u>Adjustment</u> <u>US\$</u>	<u>Revised</u> <u>estimates</u> <u>US\$</u>
PART I: <u>MEETINGS</u>				
<u>Section</u>				
1	Twenty-sixth session of the CONTRACTING PARTIES	17,000	-	17,000
2	Twenty-seventh session of the CONTRACTING PARTIES	17,000	(17,000)	-
3	Meetings of the Council and other meetings	<u>44,000</u>	<u>-</u>	<u>44,000</u>
	Total Part I:	<u>78,000</u>	<u>(17,000)</u>	<u>61,000</u>
PART II: <u>SECRETARIAT</u>				
<u>Section</u>				
1	Salaries and wages and official travel	1,984,500	(3,000)	1,981,500
2	Common staff costs	528,600	-	528,600
3	Common services	252,100	(5,000)	247,100
4	Printing	65,000	-	65,000
5	Representation and hospitality	15,000	-	15,000
6	Public information	-	3,000	3,000
7	Permanent equipment	<u>25,185</u>	<u>-</u>	<u>25,185</u>
	Total Part II:	<u>2,870,385</u>	<u>(5,000)</u>	<u>2,865,385</u>
PART III: <u>BUILDINGS</u>				
<u>Section</u>				
1	Annuity to FIPOI in respect of Second Annex	<u>30,015</u>	<u>-</u>	<u>30,015</u>

	<u>Original estimates (L/3222) US\$</u>	<u>Adjustment US\$</u>	<u>Revised estimates US\$</u>
PART IV: <u>INTERNATIONAL TRADE CENTRE</u> <u>UNCTAD/GATT</u>			
<u>Section</u>			
1 Contribution to the International Trade Centre UNCTAD/GATT	671,600	-	671,600
PART V: <u>UNFORESEEN EXPENDITURE</u>			
<u>Section</u>			
1 Unforeseen expenditure	50,000	-	50,000
Grand Total	<u>3,700,000</u>	<u>(22,000)</u>	<u>3,678,000</u>

ANNEX B/A

REVISED ESTIMATES OF EXPENDITURE OF THE GATT
FOR THE FINANCIAL YEAR 1970

DETAILED SCHEDULES

Amount in US dollars

PART I: MEETINGS

Section 1 - Twenty-Sixth Session of the CONTRACTING
PARTIES

(i)	Temporary assistance (including overtime)	14,000
(ii)	Travel and subsistence of temporary staff	750
(iii)	Rental of meeting rooms and additional office space	2,000
(iv)	Other services	<u>250</u>

Total Section 1: 17,000

Section 2 - Meetings of the Council and other
Meetings

(i)	Temporary assistance (including overtime)	35,000
(ii)	Travel and subsistence of temporary staff	2,000
(iii)	Rental of meeting rooms and additional office space	6,700
(iv)	Other services	<u>300</u>

Total Section 2: 44,000

Total Part I: 61,000

Amount in US dollars

PART II: SECRETARIAT

Section 1 - Salaries and Wages and Official Travel

(i)	Established posts	1,793,000
(ii)	Temporary assistance (including overtime)	120,000
(iii)	Consultants	25,500
(iv)	Travel:	
	(a) Travel on official business	37,000
	(b) Technical assistance travel	<u>6,000</u>
Total Section 1:		1,981,500

Section 2 - Common Staff Costs

(i)	Installation grants	7,000
(ii)	Travel and removal expenses of staff and their dependants	17,000
(iii)	Separation payments	12,000
(iv)	Contributions to the United Nations Joint Staff Pension Fund	295,000
(v)	Repatriation grants	18,000
(vi)	Travel on home leave	40,000
(vii)	Family allowances, education grants and related travel:	
	(a) Family allowances	76,500
	(b) Education grants and related travel	34,000
(viii)	Joint services	9,500
(ix)	Other common staff costs	<u>19,600</u>

Total Section 2: 528,600

Amount in US dollars

Section 3 - Common Services

(i)	Cables and telephone communications	3,700
(ii)	Freight and cartage	2,000
(iii)	Books and information material	6,500
(iv)	Rental and maintenance of premises and equipment:	
(a)	Rent	4,700
(b)	Electricity	4,000
(c)	Water supply	800
(d)	Heating	3,000
(e)	Telephone (rental and local calls)	4,000
(f)	Insurance premiums	13,500
(g)	Cleaning materials	600
(h)	Maintenance expenditure	14,500
(i)	Casual labour	26,200
(j)	Maintenance of service cars	1,100
(v)	Postal services	25,000
(vi)	Stationery and office supplies	14,000
(vii)	Reproduction and distribution of documents	99,000
(viii)	External audit	2,500
(ix)	Other services and miscellaneous expenditure	<u>22,000</u>

Total Section 3: 247,100

Section 4 - Printing

65,000

	<u>Amount in US dollars</u>
Section 5 - <u>Representation and Hospitality</u>	15,000
Section 6 - <u>Public Information</u>	3,000
Section 7 - <u>Permanent Equipment</u>	<u>25,185</u>
Total Part II:	<u>2,865,385</u>
 PART III: <u>BUILDINGS</u>	
Section 1 - <u>Annuity to FIPOI in Respect of Second Annex</u>	<u>30,015</u>
 PART IV: <u>INTERNATIONAL TRADE CENTRE UNCTAD/GATT</u>	
Section 1 - <u>Contribution to the International Trade Centre UNCTAD/GATT</u>	<u>671,600</u>
 PART V: <u>UNFORESEEN EXPENDITURE</u>	
Section 1 - <u>Unforeseen Expenditure</u>	<u>50,000</u>
 Grand Total	<u><u>3,678,000</u></u>

ANNEX C/A

SCALE OF CONTRIBUTIONS FOR 1970

(Scale including a single minimum of 0.12%)

Country	Contributions (US dollars)
<u>Contracting parties:</u>	
Argentina	23,650
Australia	66,430
Austria	37,910
Barbados	4,170
Belgium	123,820
Brazil	32,000
Burma	4,170
Burundi	4,170
Cameroon	4,170
Canada	204,160
Central African Republic	4,170
Ceylon	6,610
Chad	4,170
Chile	14,960
Congo (Brazzaville)	4,170
Cuba	14,610
Cyprus	4,170
Czechoslovakia	53,910
Dahomey	4,170
Denmark	51,830
Dominican Republic	4,170
Finland	29,220
France	227,460
Gabon	4,170
Gambia	4,170
Germany, Federal Republic of	368,320
Ghana	5,920
Greece	15,650
Guyana	4,170
Haiti	4,170
Iceland	4,170
India	39,300
Indonesia	12,180
Ireland	16,700
Israel	13,220
Italy	167,290
Ivory Coast	5,570
Jamaica	5,220
Japan	202,770
Kenya	5,220

Country	Contributions (US dollars)
<u>Contracting parties (cont'd):</u>	
Korea	12,520
Kuwait	16,350
Luxemburg	10,780
Madagascar	4,170
Malawi	4,170
Malaysia	21,570
Malta	4,170
Mauritania	4,170
Netherlands, Kingdom of the	157,900
New Zealand	18,090
Nicaragua	4,170
Niger	4,170
Nigeria, Federal Republic of	11,830
Norway	39,300
Pakistan	14,960
Peru	14,260
Poland	49,040
Portugal	23,650
Rhodesia	5,220
Rwanda	4,170
Senegal	4,170
Sierra Leone	4,170
South Africa	42,780
Spain	44,870
Sweden	84,870
Switzerland	68,170
Tanzania	4,170
Togo	4,170
Trinidad and Tobago	8,000
Turkey	11,130
Uganda	4,170
United Kingdom of Great Britain and Northern Ireland	338,410
United States of America	571,440
Upper Volta	4,170
Uruguay	4,170
Yugoslavia	26,440
<u>Associated Governments:</u>	
Cambodia	4,170
Tunisia	4,170
United Arab Republic	13,220
	<u>3,478,000</u>

ANNEX D/A

INSURANCE AGAINST THE ORGANIZATION'S LIABILITIES
UNDER APPENDIX D OF THE STAFF RULES

Note by the Director-General

1. According to Appendix D of the Staff Rules, the Organization is committed to indemnify its staff members or their eligible dependants, as appropriate, in the event of service-incurred accidents resulting in death or disability. The Organization's share in these liabilities would represent the capital sum required to fulfil the provisions of Appendix D, i.e. the compensation payable to widows and other eligible dependants in the event of death, or to the staff member himself in the event of permanent total or partial disablement, less such amount as is recoverable from the United Nations Joint Staff Pension Fund towards this compensation. So far these liabilities have neither been funded nor insured and the present understanding is that if and when they arise they should be met from the Working Capital Fund.
2. The Director-General has expressed growing concern over the lack of insurance in the event staff members should be victims of serious service-incurred mishaps. The Organization has admittedly enjoyed an extraordinary measure of good fortune inasmuch as no important accident has occurred since its inception. However, the secretariat has, in later years, grown to a point where it would be both improvident and subject to criticism if it were not to make reasonable provision to insure against liabilities which could run into substantial indemnity payments. As an example it has been calculated that in the case of a married P.2 staff member with four children the Organization's share in these liabilities, assuming that the staff member concerned had a service-incurred accident resulting in permanent total incapacity at the age of 35, that he died at the age of 62, and that his widow survived him by 13 years, would amount to US\$220,000 for the total period concerned. This sum would, of course, be proportionately higher for staff members holding more senior appointments.
3. Other organizations in the United Nations family, aware of the potentially far-reaching financial consequences of these compensation liabilities, have covered themselves by appropriate commercial insurance. This is so with UNESCO in Paris and ILO, WMO and WHO in Geneva.
4. The Director-General has, therefore, made tentative enquiries with a view to insuring the Organization against its liabilities under Appendix D of the Staff Rules. As a working hypothesis has served the insurance coverage presently operative in UNESCO, ILO and WMO.

5. The Director-General consequently submits to the CONTRACTING PARTIES for consideration one of the following two proposals:

(a) To contract an insurance which would cover the capital sum required to fulfil the provisions under the Staff Rules, i.e. the compensation payable to widows and other dependants in the event of death, or to the staff member himself in the event of permanent total or partial disablement attributable to the performance of official duties on behalf of the Organization, less such amount as is recoverable from the United Nations Joint Staff Pension Fund. The rate of premium would be 3.5 per thousand calculated on the total pensionable remuneration of the staff members insured, i.e. regular staff and short-term personnel, both categories being covered by the compensation plan of Appendix D. Commuting to and from the office would be considered as coming within this category of service-incurred accidents. The cost as regards the financial year 1970 is estimated as follows:

GATT secretariat

\$8,000

ITC UNCTAD/GATT

\$3,200

(b) To contract an insurance providing twenty-four-hour coverage at the rate of 5 per thousand of total pensionable remuneration for both categories of staff member under (a) above, the basis of compensation being similar to service-incurred accidents except that all accidents resulting in either death or permanent total or partial disability would be covered. This type of extended insurance presents two important features. In the first instance it covers the staff during the non-working part of the day and during non-working days, which measured in time represents at least twice the coverage provided under (a) above at a proportionately lower rate of premium. It is also a form of insurance which would be particularly indicated in conjunction with field trips and mission assignments for which set working hours are not easily defined, and where the concept of service- versus non-service-incurred accidents could give rise to conflicting interpretations (to some extent this point could also be stretched to accidents within the duty station). The insurance is also attractive from the general viewpoint of social security and follows the trend of employer/employee relations in many countries, notably in Switzerland. The ILO, WMO and UNESCO have contracted such an insurance and the premiums are paid in their entirety by the respective administrations. The cost of this insurance for 1970 is estimated at:

GATT secretariat

\$12,000

ITC UNCTAD/GATT

\$4,500

6. The Director-General has made tentative provision in the 1970 GATT secretariat estimates for payment of a premium based on the second alternative, and proposes that the matter be further considered by the Committee on Budget, Finance and Administration. The Committee could then consider at the same time the position in regard to ITC staff. No tentative provision has so far been made in the 1970 estimates for the ITC UNCTAD/GATT.

B. INTERNATIONAL TRADE CENTRE UNCTAD/GATT

I. FINANCING OF THE 1969 BUDGET OF THE
INTERNATIONAL TRADE CENTRE UNCTAD/GATT

1. The Committee examined the budgetary position as at 30 September 1969 on the basis of out-turn figures prepared by the secretariat. It noted that the expected total expenditure by 31 December 1969 amounted to approximately \$1,025,000, i.e. \$54,000 more than originally authorized. This excess expenditure was partly due to salary scale adjustments for professional and general service staff in 1969 which were not provided for in the budget (approximately \$30,000). In addition, it was due to rental of office space which had been secured at a much higher cost than had been anticipated at the time of the preparation of the 1969 budget (approximately \$18,000) and other general expenses (approximately \$6,000).
2. The Committee was advised that supplementary estimates in respect of the unforeseen expenses had been submitted by the Secretary-General to the General Assembly of the United Nations at its current session.
3. The Committee was also advised that it was expected that income by way of contributions towards overhead costs relating to projects financed from voluntary funds would reach at least \$56,000 by 31 December 1969. This income would be utilized by the secretariat for defraying overhead costs relating to projects financed from these voluntary funds.

II. ESTIMATES OF EXPENDITURE FOR 1970

4. The Committee had before it the Budget Estimates for the financial year 1970 of the International Trade Centre UNCTAD/GATT contained in the Report of the Secretary-General of UNCTAD and the Director-General of GATT (document ITC/AG/8 of 23 April 1969) and the Report of the UN Advisory Committee on Administrative and Budgetary Questions (ACABQ) thereon, which had been submitted to the Committee in the Director-General's note of 15 September 1969 (Annex A/B). It also had before it the work programme for 1970 and 1971 (document ITC/AG/5 and Corr.1), the Report on the second session of the joint UNCTAD/GATT Advisory Group (document ITC/AG/7) and a note on Evaluation (document ITC/AG/6 and Add.1).
5. The Committee took note of the joint Advisory Group report and in particular paragraph 15 which stated "Subject to the observations made in this report, the Group agreed to recommend to the governing bodies of UNCTAD and GATT the work programme for 1970 as outlined in document ITC/AG/5 as representing a realistic programme for 1970 with the understanding that the implementing of that programme would depend on the decisions of the budgetary bodies. Most representatives recognized that the programme for 1970 had been formulated taking into account budgetary considerations and therefore constituted a minimum programme."

6. The Committee noted that the ACABQ in considering the Budget Estimates of the Centre for 1970 (reference paragraph 329 of the Advisory Committee's Report) had borne in mind that the financial resources of the Centre were not limited to its regular budget and that the Centre envisaged that UNDP would finance country and regional projects totalling at least \$1 million and that a further amount of approximately \$1 million would accrue from unilateral voluntary contributions. They had been informed that forthcoming overhead contributions relating to projects financed from voluntary funds would be used to strengthen the base staff needed to provide adequate supervision and assistance for the execution of those projects.

7. The ACABQ came to the following conclusion in the final paragraph of its report:

"334. In the light of the foregoing observations and bearing in mind, in particular, the need to avoid duplication and the availability to the Centre of considerable extra-budgetary resources by way of contributions to the defraying of administrative expenses, the Advisory Committee is of the opinion that the level of the regular budget of the Centre for 1970 can be reduced to \$1,157,000 without detriment to the work of the Centre. If the Committee on Budget, Finance and Administration of GATT reaches the same conclusion, and on the assumption that the contribution of GATT for 1970 will remain at its present level, the United Nations share under chapter X of Section 20 would amount to \$477,400, an increase of \$178,000 over the United Nations contribution to the budget of the Centre in 1969."

8. The Committee was informed that, owing to a number of circumstances beyond the control of the Centre, it now seemed that overheads accruing from UNDP-financed projects would be substantially lower than had been anticipated by the ACABQ at the time it considered the Centre's budget. The Committee noted the explanations of the secretariat to the effect that as regards projects financed from the technical assistance sector of UNDP the technical assistance target to UNCTAD as a participating agency of the UNDP had not yet been determined, and consequently the overheads that may eventually accrue to the Centre in respect of the portion of UNCTAD's technical assistance target relating to the field of export promotion were unknown. It was further noted that this matter was being pursued by the UNCTAD secretariat with the relevant United Nations bodies. In this connexion, the Committee took note of the

statement made by the representative of UNCTAD in the Trade and Development Board.¹ The Committee expressed the hope that an early decision would be taken in this respect. The Committee was advised that in the case of Special Fund projects, the lack of suitable staff in the Centre had delayed finalizing with certain governments the plans for Special Fund projects to be submitted by the countries to UNDP. Consequently it was unlikely that more than two Special Fund projects would be submitted to the Governing Council of the UNDP at its meeting in mid-1970. These projects, therefore, would become operational only in the second half of 1970. The Committee also noted the explanation of the secretariat that the provision of administrative and technical support to an assistance project would in the normal course consume the overheads accruing to the Centre on that project.

¹Document TD/B(IX)Misc.9, paragraph 201: Referring to the various remarks made about technical assistance in general, the representative of the Secretary-General of UNCTAD recalled that export promotion and marketing was only one of several fields of activity in which UNCTAD was engaged as a participating and executing agency of the UNDP. Broadly speaking, these other fields were trade policy, planning and projections; trade expansion and integration; shipping and ports; insurance and reinsurance; and some aspects of tourism. Whereas the export marketing programme conducted by the Centre was at present by far the largest single field in which technical assistance activities were taking place, the UNCTAD secretariat was itself backstopping quite a number of projects in those other areas falling within its competence. No projects of any kind had been approved as yet by the Governing Council of the UNDP under the Special Fund component. It was hoped, however, that the first such projects could be presented in the near future both in the field of export promotion and in other fields. The question of overhead costs for the backstopping of UNDP projects would not raise difficult questions for Special Fund projects, as this overhead was payable automatically in respect of each project. The situation was much more complicated, however, in respect of the technical assistance component. In this case the overhead of 14 per cent of the value of the programme was paid globally by the UNDP to the agency concerned. For the United Nations itself, this overhead was considered as general revenue of the organization and not specifically earmarked for the financing of technical assistance support; the UNCTAD secretariat being an integral part of the United Nations Secretariat, there had thus been under this system no way of relating overheads to specific UNCTAD projects. This situation was aggravated in export promotion and marketing where the substantive support came from the International Trade Centre, which was only partly financed from the United Nations budget. Consideration of this matter was being pursued and it was hoped that some more satisfactory arrangements could be arrived at in the future.

9. In arriving at a conclusion regarding the 1970 budget of the Centre, the Committee took note of the introductory statement by the Director-General in the course of which he had mentioned that the Secretary-General of UNCTAD and he had agreed to recommend to the budgetary organs of UNCTAD and GATT that the reduction of ITC's regular budget by the sum of US\$80,000 may be accepted subject to the understanding that the Executive Heads of both bodies would review the budgetary position in relation to the development of the 1970 programme at an appropriate time during 1970; should there be a shortfall of funds necessary to implement the work programme of the Centre, the Director-General and the Secretary-General would reserve the possibility to revert to the matter and the Secretary-General of UNCTAD would take appropriate action to seek supplementary funds if necessary (see paragraph 6 of Part A of this report). The Committee, having noted that there was no question of requesting supplementary funds through the GATT budget since the GATT share of the Centre's budget would remain fixed, agreed with the recommendation made by the Director-General.

10. The discussion however brought out that increasing administrative costs to GATT were in part attributable to the growing requirements of the Trade Centre for administrative and other services. It was noted that the GATT contribution for these services was estimated in the region of \$195,000 for 1970 (Annex B/B), representing an increase of approximately \$48,000. The question as to whether this was entirely consistent with the agreement reached between UNCTAD and GATT at the time of the creation of the Joint Centre and particularly with the assumption that the GATT contribution to the Trade Centre should remain fixed pending such time as the UNCTAD contribution becomes equivalent to the contribution of the CONTRACTING PARTIES needs to be examined. The Committee suggested that the CONTRACTING PARTIES to GATT should examine the situation and agreed that these issues should be further examined by the Committee next year.

11. The Committee also addressed itself to two matters referred to in the report of the ACABQ, viz.: co-ordination and stock-taking:

(a) Co-ordination

The ACABQ had pointed out the need for co-ordinating the activities of the Centre with those of other organizations in the United Nations system including the United Nations regular programme of technical assistance and the several specialized marketing branches of the FAO. There was also need to ensure that there was no duplication of efforts in this field. The Committee expressed confidence that the Centre would continue to pay adequate attention to this point. The Committee was informed that the Centre's activities were confined to the provision of information on export markets and marketing, assistance in building up export promotion and marketing organizations and services, and help to train the specialized personnel required for these services. In order to achieve better co-ordination and avoid the possibility of duplication in the fields in which the Centre is active, the Centre had made arrangements for regular consultations with other bodies who are involved in the broader questions of export development, notably the FAO and UNIDO. The joint UNCTAD/GATT Advisory Group on the Trade Centre was already aware of the measures taken by the Centre in this regard and would continue to keep the matter under review.

(b) Stock-taking

The ACABQ had also emphasized in paragraph 333 of its report that in view of the rapid growth of the Centre in recent years a periodic stock-taking of the activities of the Centre was necessary. The Committee noted that the joint UNCTAD/GATT Advisory Group on the Trade Centre had recognized this need. In accordance with the recommendations of the Advisory Group, the Centre had taken action to carry out an evaluation of the utility of the Centre's services to the developing countries at the end of 1968. A further evaluation in greater depth was being made at the present time and the results would be available to the Advisory Group at its January 1970 meeting. Furthermore, a special enquiry into the utility of the Centre's publications was being made by an independent consultant financed by the Swedish International Development Authority and his report too would be placed before the Advisory Group. The main function of the Advisory Group itself was to review the usefulness and efficacy of the Centre's work programme and to recommend necessary changes. A substantial reorientation of the services of the Centre had, in fact, taken place during 1968 and 1969. The Committee while noting these measures already taken by the Centre, reiterated the importance of evaluation for the further development and direction of the Centre's work programme and drew the attention of the joint Advisory Group to the need for a major stock-taking at this stage.

12. The Committee recommends that the CONTRACTING PARTIES approve the estimates of expenditure of the International Trade Centre UNCTAD/GATT for the financial year 1970 in the amount of \$1,157,000. An amount of \$671,600 is included under Part IV in the budget estimates of GATT on the assumption that \$477,400 will be borne by the United Nations and \$8,000 will be forthcoming as miscellaneous income.

III. INCOME BUDGET ESTIMATES FOR 1970

13. The Committee recommends to the CONTRACTING PARTIES that the 1970 budget of the International Trade Centre UNCTAD/GATT be financed as follows:

(a) contribution assessed on GATT	\$ 671,600
(b) contribution assessed on UN	\$ 477,400
(c) miscellaneous income	\$ 8,000
	<hr/>
	\$1,157,000
	<hr/>

14. With respect to the question of whether overheads accruing to the Centre from extra-budgetary assistance projects should be credited to the regular budget or treated as a separate account, the Committee could not reach any conclusion and decided to revert to this question at an early date.

POINTS FOR DECISION: Paragraph 12
 Paragraph 13

ANNEX A/B

EXTRACT FROM THE REPORT OF THE ADVISORY COMMITTEE ON
ADMINISTRATIVE AND BUDGETARY QUESTIONS TO THE GENERAL
ASSEMBLY ON THE BUDGET ESTIMATES FOR 1970

International Trade Centre

322. The estimate under chapter X, which makes provision for the United Nations share of the expenses of the International Trade Centre, amounts to \$557,400, an increase of \$258,000 over the 1969 appropriation of \$299,400. The total estimate for the Centre, including GATT's contribution of \$671,600, amounts to \$1,237,000.⁵⁶

323. The International Trade Centre was established, with effect from 1 January 1968, under the terms of resolution 2297 (XXII) of 12 December 1967 in which the General Assembly approved the relevant accord between UNCTAD and GATT. The accord stipulated that the Centre was to be operated and financed jointly by the United Nations and GATT.

324. In its consideration of the estimate under chapter X of Section 20, the Advisory Committee was conscious of the fact that the joint financing of the Centre by the United Nations (through UNCTAD) and by GATT means that neither organization can unilaterally decide on the level of its contribution to the budget of the Centre. The Advisory Committee would recall that in its thirteenth report to the General Assembly at the twenty-third session it had stated that:

"Since the Centre has no governing organ of its own, it is important to ensure that agreed recommendations should be submitted by the Committee on Budget, Finance and Administration and by the Advisory Committee to the Contracting Parties of GATT and to the General Assembly, respectively."⁵⁷

325. The Advisory Committee has now discussed the methodology for the review of the estimates of the Centre with the Director-General of GATT and the Secretary-General of UNCTAD. It has been agreed that the estimates for 1970 would first be reviewed by the Advisory Committee, and that its comments would be transmitted to the Committee on Budget, Finance and Administration of GATT for consideration at its session in the autumn of 1969. Under the circumstances, the Advisory Committee did not have the benefit of the views of the GATT Committee when it reviewed the estimate of the Centre for 1970. But it did have before it the report on the second session of the Joint UNCTAD/GATT Advisory Group on the

⁵⁶The detailed budget estimates of the Centre for 1970 are contained in Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 74, document A/C.5/1230.

⁵⁷Ibid., document A/7339, para. 16.

Centre (ITC/AG/7) and a document on the work programme of the Centre and one on its budgetary requirements for 1969-1971 (ITC/AG/5 and TD/B/329/Rev.1), as well as the opportunity to consult with UNCTAD and GATT officials in Geneva. The Advisory Committee reviewed the total budget estimates of the Centre and not only the share chargeable to the United Nations regular budget.

326. In 1968, the first year of the existence of the joint Centre, its total expenses amounted to \$730,140. Thus, the total estimate for 1970 of \$1,237,000 is 69.4 per cent higher than actual expenses in 1968. Table 24 gives a detailed breakdown of the 1970 estimates, compared with the appropriations for 1969 and actual expenses in 1968, and a breakdown of the contributions by the United Nations and by GATT to the budget of the International Trade Centre in 1968, 1969 and 1970.

Table 24
INTERNATIONAL TRADE CENTRE

	1970 estimates	1969 appro- priations	1968 expenses	Increase or (decrease) between 1969 and 1970
	\$	\$	\$	\$
<u>Direct operational cost of the Centre</u>				
Salaries and wages	560,700	411,300	370,852	149,400
Common staff costs	174,800	128,000	89,911	46,800
Travel on official business	55,000	68,800	45,246	(13,800)
Hospitality	1,000	1,000	786	-
Permanent equipment	12,500	10,000	8,500	2,500
General expenses	96,000	65,400	53,420	30,600
Printing	93,600	89,500	60,948	4,100
TOTAL	993,600	774,000	629,663	219,600
<u>Services provided through UNCTAD and GATT secretariats</u>				
Salaries	198,100	161,100	78,543	37,000
Common staff costs	45,300	35,900	21,934	9,400
TOTAL	243,400	197,000	100,477	46,400
GRAND TOTAL	1,237,000	971,000	730,140	266,000

Table 24 (cont'd)

	1970 estimates	1969 appro- priations	1968 expenses	Increase or (decrease) between 1969 and 1970
<u>Financed by</u>	\$	\$	\$	\$
United Nations contribution	557,400	299,400	90,000	258,000
GATT contribution	671,600	671,600	640,140	-
Miscellaneous income	<u>8,000</u>	<u>-</u> ^a	<u>-</u> ^b	<u>8,000</u>
	1,237,000	971,000	730,140	266,000

^a1969 miscellaneous income is to be shared between the two organizations.

^b1968 miscellaneous income was credited to GATT income budget.

327. The increase of \$266,000 over the 1969 appropriation is divided by the Centre between increases in prices and costs and increases in programme and activities as follows:

	\$	\$	\$
(a) Increases in prices and costs:			
(i) Staff costs:			
Additional cost of continuing on a full-year basis the new posts established in 1969	93,000		
Salary scale adjustments	63,500		
Step increases and regradings	24,500		
Increases in common staff costs	<u>7,400</u>	188,400	
(ii) Rental of premises and related expenses		26,000	
(iii) General expenses, printing, reproduction and distribution		<u>14,400</u>	228,800
(b) Increases in programme and activities:			
(i) Staff costs:			
Three new professional and three new general service posts	48,500		
Temporary assistance	<u>10,000</u>	58,500	
(ii) Permanent equipment		<u>2,500</u>	<u>61,000</u>
			289,800
(c) Decreases:			
Consultants		(10,000)	
Travel		<u>(12,800)</u>	<u>(23,800)</u>
			<u>266,000</u>
		NET INCREASE	<u>266,000</u>

328. Table 25 shows the growth of the regular budget staff of the Centre since 1967.

Table 25

MANNING TABLE OF THE INTERNATIONAL TRADE CENTRE

Grade	1967	1968	1969	1970
<u>A. Staff of the Centre</u>				
D-2	-	1	1	1
D-1	1	1	1	1
P-5	1	-	2	4
P-4	4	7	9	10
P-3	6	5	7	7
P-2/P-1	<u>2</u>	<u>4</u>	<u>7</u>	<u>9</u>
SUB-TOTAL	14	18	27	32
General Service	<u>14</u>	<u>16</u>	<u>33</u>	<u>33</u>
TOTAL	<u>28</u>	<u>34</u>	<u>60</u>	<u>65</u>
<u>B. Supporting staff</u>				
P-4	1	1	1	1
P-3	2	2	5	5
SUB-TOTAL	4	4	6	6
General Service	<u>8</u>	<u>7</u>	<u>13</u>	<u>14</u>
TOTAL	<u>12</u>	<u>11</u>	<u>19</u>	<u>20</u>
GRAND TOTAL	40	45	79	85

329. In its consideration of the budget estimates of the Centre for 1970, the Advisory Committee bore in mind the fact that the financial resources of the Centre are not limited to its regular budget. As regards 1970, the Centre envisages that UNDP will finance country and regional projects totalling at least \$1 million, and that a further amount of approximately \$1 million will accrue from unilateral voluntary contributions. The Advisory Committee was informed that forthcoming overhead contributions relating to projects financed from voluntary funds would be used to strengthen the base staff needed to provide adequate supervision and assistance for the execution of those projects. The Committee understands that the contribution is calculated at a rate of 10 per cent, and that the decrease in respect of consultants and travel in the amount of \$23,300 is owing to the fact that those items are to be charged to voluntary funds.

330. The budget estimate for 1970 does not show either the amount of anticipated income by way of contributions towards overhead costs, or the numbers and grades of staff paid from voluntary funds including overhead costs.⁵⁸ The Advisory Committee notes, however, that the Centre expects that it would have to provide accommodation in 1970 for a total staff of 124, including twenty-eight under voluntary contributions and eleven under free secondments from developed countries. Thus, the total manpower resources available to the Centre are expected to be some 50 per cent higher than those charged to the regular budget.

331. The Advisory Committee was informed that the question of how to treat reimbursements from extra-budgetary resources towards administrative expenses was discussed at the second session of the Joint UNCTAD/GATT Advisory Group. In its report, the Group summarized its discussion as follows:

"The Group noted that the Centre received contributions towards overhead costs for projects financed from extra-budgetary resources. This could become a sizable source of revenue for the Centre. Since the purpose of these overheads was to meet part of the costs of programming and executing projects financed from extra-budgetary sources, some delegations expressed the view that these overheads should be utilized only to support the substantive divisions of the Centre that back-stopped technical assistance projects, and that they should not, therefore, be included in the income budget of the Centre with the resulting effect of spreading these funds over all overhead costs including programme support of a research and technical nature as well as support of an administrative and financial nature. It was recognized that the Advisory Group had no authority to take a position in this field and that this should be brought to the attention of the appropriate budgetary organs."⁵⁹

332. The Advisory Committee is grateful to the Joint Advisory Group for having focused attention on the question of reimbursements from extra-budgetary resources towards administrative expenses. Bearing in mind the fact that the extra-budgetary resources of the Centre in 1970 are expected to be about twice as large as its regular budget and that a further growth of extra-budgetary resources is hoped for in subsequent years, the Advisory Committee believes that the contribution to be made by those funds to the cost of the base staff, services and facilities of the Centre should be regularized. Besides, it is desirable that the Contracting Parties of GATT and the General Assembly should be provided with a consolidated picture of the manpower and other requirements of the International Trade Centre, for the absence of such a picture makes it difficult for the budgetary organs of GATT and the United Nations to arrive at a meaningful assessment of the true level of administrative expenses and the resources expected to be available to meet them. Such a consolidated picture would identify not only the requirements of the Centre in base staff, accommodation, equipment, services and facilities, but also the

⁵⁸See ITC/AG/3, p. 17.

⁵⁹ITC/AG/7, para. 10.

contributions receivable from extra-budgetary funds. In this way, it would provide a basis for calculating the contributions to the budget of the Centre to be made by the United Nations and by GATT. The Advisory Committee trusts that the Committee on Budget, Finance and Administration of GATT will agree to this recommendation and that it will be possible to change over to the new form of presentation in 1971. The precise modalities of calculating the contributions to be paid from multilateral and unilateral voluntary funds would have to be agreed between the Centre and the donor Governments or organizations. The presentation in the United Nations regular budget of UNCTAD's share of the expenses and the revenues of the Centre would have to be adapted, as necessary, to the requirements of the Financial Regulations and Rules of the United Nations.

333. As regards the over-all level of the budget of the Centre for 1970, the Advisory Committee would recall its observation in paragraph 17 of its thirteenth report to the General Assembly at its twenty-third session, which reads as follows:

"In conclusion, given the very rapid growth of the Centre in recent years, the Advisory Committee hopes that the two partner organizations will bear in mind the need for periodic stock-taking and assessing the practical results achieved by the Centre."⁶⁰

Such a stock-taking was not carried out in connexion with the preparation of the work programme for 1970. Indeed, it was explicitly stated in the document submitted to the Advisory Group that "it is expected that the activities ..., by and large, will continue from 1968 through 1971 on the same lines as at present ...".⁶¹ In the Advisory Committee's opinion, a stock-taking cannot be delayed much longer, especially bearing in mind the fact that some of the suggestions for future work made by individual members at the second session of the Advisory Group⁶² called for increased attention, through the Market Information Service, to fields, such as shipping, insurance and export financing, or, through the Training Programme, to the promotion of tourism, in all of which other United Nations organs are already active. Furthermore, the Advisory Committee believes that the Advisory Group should be kept informed of the arrangements made for co-ordinating the activities of the Centre with those of other organizations in the United Nations system, including the United Nations regular programme of technical co-operation (which finances a number of projects in trade promotion and marketing), and the several specialized marketing branches of the FAO. The fact, reported to the Advisory Committee, that the Centre has grown in a somewhat haphazard manner in response to individual requests is a further argument in favour of an early reappraisal of its activities.

⁶⁰ Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 74, document A/7339, para. 17.

⁶¹ TD/B/239/Rev.1, annex, p.2.

⁶² ITC/AG/7, annex.

334. In the light of the foregoing observations and bearing in mind, in particular, the need to avoid duplication and the availability to the Centre of considerable extra-budgetary resources by way of contributions to the defraying of administrative expenses, the Advisory Committee is of the opinion that the level of the regular budget of the Centre for 1970 can be reduced to \$1,157,000 without detriment to the work of the Centre. If the Committee on Budget, Finance and Administration of GATT reaches the same conclusion, and on the assumption that the contribution of GATT for 1970 will remain at its present level, the United Nations share under chapter X of Section 20 would amount to \$477,400, an increase of \$178,000 over the United Nations contribution to the budget of the Centre in 1969.

ANNEX B/B

Additional Supporting Services Provided by GATT
to the International Trade Centre without Charge to the ITC Budget

1. In accordance with document L/3041 - GATT Budget Estimates for the financial year 1969 - the CONTRACTING PARTIES agreed to make a cash contribution to the operation of the International Trade Centre in the amount of \$671,600. It was also agreed that, apart from this, the GATT secretariat would render supporting services representing supervisory services and assistance in addition to the posts specifically created to service the ITC (administration, translation, stenographic and typing, etc.). In 1968 the total value of those services was estimated at \$146,800.
2. In view of the difficulty in assessing the exact proportion of supporting services, the attached table, which indicates the manner in which the cost of these services was estimated, should be regarded as representing indicative amounts only.
3. In 1970 the supporting services, calculated on the same basis as for 1968 and taking into account the increased cost of providing the same services, are estimated at \$194,800.
4. The increase of \$48,000 in 1970 over the 1968 figure is mainly due to:
 - (a) cost and price increases of the same services provided in 1968;
 - (b) the higher percentage applied on the cost of administration (40 per cent for 1970 against 14 per cent for 1968) due to the increased staff of the Centre;
 - (c) the fact that at present the additional translation, stenographic and typing assistance cannot all be covered by the permanent staff of the GATT due to the increased workload on the GATT side, and therefore additional temporary assistance is required to deal with it. This assistance to the ITC was originally set at the level which was provided by GATT in 1967; and
 - (d) some regradings of posts in the GATT secretariat due to increased responsibility arising from the ITC activities.
5. As regards 4 (b) above, it should be noted that additional staff has been added to Part II of the ITC budget (Services provided Through UNCTAD and GATT Secretariats) to take care of this increased workload. However, no post has been added to the GATT establishment for this purpose

6. Part II of the ITC budget (Services Provided Through UNCTAD and GATT Secretariats) includes the following posts:

	Year	Professional Staff	General Service Staff	Total
Administrative and Financial Division				
Personnel Section	1968	-	1	1
	1969	1	2	3
	1970	1	2	3
Internal Services and Travel Section	1968	-	-	-
	1969	-	3	3
	1970	-	4	4
Budget and Control Section	1968	-	1	1
	1969	1	2	3
	1970	1	2	3
Finance and Accounts Section	1968	-	-	-
	1969	-	1	1
	1970	-	1	1
Stenographic and Typing Section	1968	-	5	5
	1969	-	5	5
	1970	-	5	5
Languages Division	1968	4	-	4
	1969	4	-	4
	1970	4	-	4
TOTALS	1968	4	7	11
	1969	6	13	19
	1970	6	14	20

<u>Additional supporting services provided by GATT to ITC without charge to the ITC budget</u> (in US dollars)			<u>1968</u>	<u>1970</u>
			<u>Budget</u> <u>Estimates</u>	<u>Budget</u> <u>Estimates</u>
1. <u>Translation</u>				
1968 - 30% of total Languages Division cost				
<u>Deduction for 4 ITC languages posts</u>			38,000	
1970 - To be provided to the Centre:				
Equivalent of 7½ languages posts				
<u>Deduction for 4 ITC languages posts</u>				55,000
2. <u>Stenographic and Typing Assistance</u>				
1968 - 30% of total Pools cost				
<u>Deduction for 5 ITC posts</u>			36,000	
1970 - To be provided to the Centre:				
Equivalent of 12½ posts				
<u>Deduction for 5 ITC posts</u>				46,300
3. <u>Administration</u>				
1968 - Centre staff represents 14% of total GATT and ITC staff, therefore 14% of total Administration cost				
<u>Deduction for 3 ITC posts</u>			27,500	
1970 - Centre staff represents 40% of total GATT and ITC staff, therefore 40% of total Administration cost				
<u>Deduction for 12 ITC posts (including 1 temporary assistance)</u>				86,300
4. <u>Secondments</u>				
1968 - Secondments to the Centre: 1 Secretary/1 Counsellor			25,300	
1970 - Secondments to the Centre: None				
5. <u>Statistical Assistance, Documents Control, etc.</u>				
1968 - Equivalent of 12 man/months of professional and 12 man/months of general service staff			20,000	
1970 - 12 man/months general service staff				7,200
			146,800	194,800