

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5170

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REPORT OF THE COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

1. The Committee on Budget, Finance and Administration, appointed by the Council on 18 June 1980, met at the Centre William Rappard, Geneva, on 6 July 1981.

2. The Committee was chaired by Mr. P.K. Williams of the United Kingdom and the following sixteen members attended:

Australia	Hungary	Spain
Brazil	Israel	Sweden
Canada	Japan	Switzerland
France	Malaysia	United Kingdom
Germany, Fed. Rep. of	Nigeria	United States
		Zaire

Zimbabwe contribution

3. At its meeting in May 1981, the Committee had taken note of document Spec(81)24 in which the Director-General informed them that the Government of the territory formerly known as Southern Rhodesia, which attained independence under the name of Zimbabwe on 18 April 1980, had communicated on 11 May 1981 that it accepted no responsibility for the arrears of contributions for the years prior to its independence. The Committee had also noted that decisions had already been taken, or were contemplated, by the governing bodies of various organizations within the United Nations family, whereby cancellation of contributions in arrears from Southern Rhodesia had been authorized or proposed. Taking these circumstances into account, the Director-General suggested that the Committee consider the question of the cancellation of the amounts of US\$48,950, due to GATT from Southern Rhodesia in respect of arrears of contributions for the period 1966-1972, and SwF 272,510 due for the period 1973-1980, with a view to making appropriate recommendations to the CONTRACTING PARTIES. However, in view of the fact that several delegations had been unable to seek instructions due to the very short time available since cognizance had been taken of this question, the Committee had then decided to revert to the matter at a meeting to be specially convened for the purpose. The report of the Committee's meeting in May 1981, contained in document L/5150, was approved by the Council on 11 June 1981.

4. The Committee was informed that, since its last meeting, a payment had been received from the Government of Zimbabwe, corresponding to the contribution for 1981.

5. Taking into account the decisions already taken by the governing bodies of various organizations within the United Nations family, the Committee now recommends to the Council that the amounts due to GATT from Southern Rhodesia in respect of arrears of contributions, i.e. US\$48,950 for the period 1966-1972 and SwF 272,510 for the period from 1 January 1973 to 17 April 1980, be cancelled, on the understanding that an amount of SwF 32,990 will be paid by Zimbabwe for the period from 18 April to 31 December 1980.

General Service category salaries

6. A representative of the secretariat informed the Committee of the abnormal situation that had arisen as a result of a recent decision of the Governing Body of ILO to increase by 3 per cent with effect from 1 March 1981 the General Service category scale in effect at 31 December 1977. As a result, the staff representatives of the remaining Geneva-based organizations made a joint representation to the Chairman of ACC and to their executive heads about the inequity thus created in the treatment of the General Service category staff at Geneva.

7. The secretariat representative recalled that, in 1977, on the basis of a survey, the ICSC concluded that the salary scale in force at that time for General Service category staff was too high by an average of 17 per cent. A new scale, introduced from 1 January 1978 was applied to staff recruited after 31 December 1977 although for existing staff the previous salary level was maintained by means of a personal transitional allowance. Subsequent interim salary adjustments for staff recruited before 1 January 1978 based on the Geneva Consumer Price Index would offset this allowance until such time as parity was achieved.

8. After examination of the matter, and meeting staff representatives of UN, WHO, ITU, WMO, WIPO and GATT on 1 July 1981, the executive heads of the Geneva-based organizations had decided to bring before the International Civil Service Commission and their respective governing bodies, the matter of the abnormal situation of unequal net remuneration between similar groups of General Service staff in Geneva resulting from the ILO decision. It was their intention to grant a comparable increase in the net remuneration, retroactive to 1 March 1981, to those General Service staff in their organizations to whom the pre-1978 scale had been applicable.

9. The Committee was informed that, in accordance with the usual procedure, the Director-General would implement whatever decision was taken in this respect by the Secretary General of the United Nations or the United Nations General Assembly.

10. The Committee noted that the additional cost, not provided for in the GATT budget, arising from an increase of 3 per cent in the old salary scale would amount to approximately SwF 210,000 in 1981 and that, on the basis of the present rate of inflation, the revised old scale, increased by 3 per cent, would be superseded by the new scale by about April 1982.