

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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REPORT OF THE COMMITTEE ON BUDGET,
FINANCE AND ADMINISTRATION

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INTRODUCTION

1. The Committee on Budget, Finance and Administration, appointed by the Council on 31 March 1982, met at the Centre William Rappard, Geneva, on 10, 11 and 17 October 1983.

2. The Committee was chaired by Mr. J.-P. Rigault of France and the following nineteen members attended:

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

Indonesia, Netherlands, Romania 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 1982 Accounts of the GATT and the Budget Estimates for 1984. In addition, the Committee examined the financial position of the GATT at 30 September 1983 on the basis of the Expenditure and Commitments Statement prepared by the secretariat and the situation with regard to outstanding contributions. It also examined the Second Performance Report of the International Trade Centre UNCTAD/GATT on its budget for the Biennium 1982-1983 and its Proposed Programme Budget for 1984-1985.

4. The Committee had before it the following documents:

Director-General's Financial Report on the 1982 Accounts and
Report of the External Auditor thereon (L/5478)

Budget Estimates for the Financial Year 1984 (L/5520)

Outstanding Contributions as at 30 September 1983 (Spec(83)28)

Outstanding Contributions due from Chad (Spec(83)37)

Second Performance Report on the Programme Budget of the ITC for
the Biennium 1982-1983 (ITC/OED/BUD/13/Rev. I)

Proposed Programme Budget of the ITC for the Biennium
1984-1985 (A/38/6)

ACABQ: First Report on the Proposed Programme Budget
for the Biennium 1984-1985 (A/38/7)

5. At the beginning of the meeting the Committee heard an introductory statement by the Director-General. He said that he had assumed the task of respecting to the fullest extent the insistence of governments that expenditures be kept within rigorously economical limits, while ensuring the proper execution of the programme of work decided upon by the CONTRACTING PARTIES. The principles of austerity and transparency, which had been recognized by the Committee last year, had been the yard-stick throughout the preparation of the budget estimates for 1984.

6. The preliminary phase in the preparation of the 1984 estimates was a re-evaluation of 1983 requirements and the resources available to meet them. In this connexion, a thorough reassessment had led to a reduction in the need for recourse to the additional credits approved following Ministerial decisions, of the order of SwF 200,000, and their full-year impact in 1984 was consequently also reduced. Other economies made possible in 1983 concerned in particular posts vacant or filled at a lower level than foreseen and amounted to approximately SwF 700,000. An examination of the budgetary situation at 30 September 1983 indicates that total savings on the 1983 budget would probably amount to some SwF 1,375,000 by the end of the financial year.

7. The Director-General indicated that the situation in 1983 resulted from a deliberate and flexible personnel management policy, which included, for example, the postponement of recruitments whenever possible, as well as unforeseen delays in the often difficult selection process, partly due to the employment conditions that it was possible to offer. Economies of this kind would not be possible to the same degree in 1984 taking into account that most posts would be filled.

8. The establishment of the 1984 budget estimates had thus been undertaken after an assessment in detail of available staff resources and an in-depth study of the most efficient manner of dealing with all the priorities confronting the secretariat. As an extension of the measures undertaken in 1983, the Director-General had further realigned the personnel in order to meet additional responsibilities and by so doing, had been able to avoid any request for additional staff. This had led, however, to the need to regrade certain posts, but the financial implications were minimal.

9. The policy applied in the establishment of the budget had enabled the avoidance of real growth by excluding any proposals which could not be related to activities or provisions already approved, as well as significant absorption of increases due to inflation and those resulting from the application of statutory provisions. The Director-General was convinced that the budget requested represented the bare minimum necessary for the work with which the secretariat would be faced.

10. It had nevertheless been necessary to provide for increases in certain areas, for example, for the use of electronic data processing systems and for the increase in the number of participants in Commercial Policy Training Courses as well as for interpretation costs for a course in Spanish. In addition, a separate credit was requested to cover the cost of experts called upon to serve on dispute settlement panels, if not provided without compensation, rather than including an amount within the overall temporary assistance credit as previously.

11. The total proposed expenditure budget amounted to SwF 52,651,000 representing an increase of 6.07 per cent over 1983, or excluding the ITC, an increase of 6.4 per cent for GATT alone. However, the most recent estimates indicated that inflation in Switzerland in 1983 would probably be lower than had been at first foreseen, about 3.5 per cent, and that optimistic estimates for 1984 now suggested a rate as low as 2.5 per cent. The secretariat's requirements had been carefully re-examined in the light of these more recent projections and the Director-General felt that it was consequently possible to propose reductions in the budget estimates for 1984 of SwF 656,000. The total budget would be thus reduced to SwF 51,995,000, representing an overall increase of 4.75 per cent over 1983, the impact of inflation for the GATT part of the budget alone being reduced to less than 2 per cent.

12. The Director-General drew attention to the fact that, while the budget estimates presented were realistic, the situation with regard to their financing gave rise to great concern. In spite of all the efforts that had been made to ensure the receipt of the funds required for the functioning of the secretariat, the level of outstanding contributions continued to be very high and the secretariat's cash resources at present amounted to approximately SwF 4,600,000, including the Working Capital Fund, while the expenditures foreseen until the end of the year amounted to a little more than SwF 12,000,000. For this reason, the Director-General appealed to the Committee to use all possible means to encourage governments to meet their financial obligations as soon as possible in order to enable the secretariat to continue to undertake the tasks entrusted to it. If considerable amounts of outstanding contributions were not received, it would be necessary to seek a temporary bank overdraft in order to be able to meet the monthly salary bill and other undeferrable commitments.

A. GATT SECRETARIAT

I. REPORT ON THE 1982 ACCOUNTS AND
REPORT OF THE EXTERNAL AUDITOR THEREON

13. The Committee examined the Report on the 1982 Accounts and the Report of the External Auditor thereon (L/5478).

14. The Committee recommends that the CONTRACTING PARTIES approve the audited accounts for 1982 and convey to the External Auditor their thanks for the valuable assistance given to the CONTRACTING PARTIES in the audit of these accounts.

II. FINANCING OF THE 1983 BUDGET

15. The Committee examined the 1983 Expenditure and Commitments Statement prepared by the secretariat and was given additional information and explanations. It was noted that, on the basis of these figures, the expenditure budget was expected to close with savings amounting to some SwF 1,375,000. This could be expected to be partially offset, however, by a shortfall of miscellaneous income of approximately SwF 132,000. The savings resulted principally from economies that had been made as a result of the Director-General's policy of delaying recruitment for vacant posts and from difficulties encountered in the selection process. In reply to questions, a representative of the secretariat indicated that the expected savings would probably have to be used at the end of the year towards the repayment to the Working Capital Fund of the advance made at 31 December 1982 to cover the deficit on the General Fund.

16. With regard to outstanding contributions, the Committee noted with very great concern that the level of such contributions at 30 September 1983 amounted to more than SwF 18 million. Contributions totalling slightly more than SwF 900,000 had been received since the beginning of October from Spain and Romania but the situation still showed a further deterioration as compared with the same date in 1982. The Committee had noted the Director-General's comments to the effect that, unless very substantial amounts of outstanding contributions were to be paid within the very near future, it would be necessary to request temporary bank overdraft facilities in order to be able to cover essential imperative current expenses. One member of the Committee expressed the serious concern of his authorities at the growth in the amount and proportion of the budget outstanding. This member reluctantly accepted that the secretariat might find it necessary to go into overdraft if a critical state of finances were reached, and he was very concerned that by going into overdraft pressure on contracting parties to make contributions on time would be diminished.

17. The Committee requested the secretariat to continue its efforts in connexion with the collection of contributions by taking every opportunity to remind governments of their financial obligations, including direct contacts with the permanent representatives of the countries concerned. The secretariat should also continue its efforts to encourage governments which have been in arrears over a long period to set up instalment payment arrangements similar to those already in operation with two countries with longstanding arrears of contributions.

18. In this connexion, the Committee had been informed of a proposal from the Government of Chad for the settlement of its arrears of contributions which would have accumulated by 31 December 1986 by the payment of twenty equal instalments, commencing in 1987. In addition, also from 1987, Chad would pay its current contributions in full in the year for which they are due. It was also noted that ILO had approved a similar proposal in respect of Chad.

19. The Committee could accept the recommendation of this measure for adoption by the Council, but some members felt that Chad was a special case and that this recommendation should not prejudice the possibility of future arrangements for repayment schedules over a shorter period. Any new proposal should be submitted for the Committee's consideration.

20. The Committee recommends that the Council accept the proposal of the Government of Chad to settle its arrears of contributions at 31 December 1986 by twenty equal instalments, commencing in 1987, noting that, also from 1987, Chad would pay its current contribution in full in the year in which it was due.

21. The Committee further recommends to the Council that a special plea be reiterated to governments to meet their financial obligations fully and promptly by paying their pending contributions immediately and to pay each year's contribution as early as possible in the year in which it falls due.

III. ESTIMATES OF EXPENDITURE FOR 1984

22. Before the Committee began its item-by-item examination of the 1984 expenditure estimates, several members made general comments on the estimates and their presentation.

23. There was general appreciation in the Committee regarding the Director-General's efforts to maintain the budget estimates at a realistic level and particularly with respect to the reductions that he had announced in order to bring the inflation factor used in the budget into line with the most recent forecasts. The estimates would be examined in the context of the international economic situation, which had led governments to abstain from real growth in their own budgets, and great emphasis would be placed on zero real growth coupled with significant absorption of inflation as well as of unavoidable statutory increases. These considerations would be kept in mind on the examination of each of the individual expenditure estimates and further reductions in the estimates would be sought while respecting obligations arising from decisions taken at the meeting of the CONTRACTING PARTIES at Ministerial level in 1982.

Regradings

24. Some members of the Committee said that the manning-table of the secretariat gave the impression of being top-heavy. Each year's budget contained proposals for regradings and it was important to avoid both the steady upward movement of the grading levels and the use of the regrading of posts as a substitute for the promotion of persons.

25. A representative of the secretariat gave additional detailed explanations regarding the proposed regrading of posts and comparative figures with other organizations with respect to the overall grading structure. The Committee found the additional information most useful and, in the light of the explanations given and the observations made, could accept the regradings proposed. One member said that no written justifications had been given in respect of the proposed general service category regradings and, he urged the Director-General to provide the Committee with them in future. He pointed out that, under the given economic circumstances, governments were forced to apply a very critical and restrictive policy to staffing. He expected the Director-General also to apply this line in the GATT, and with this expectation he could accept the proposed regradings of general service category staff.

Temporary assistance

26. Some members of the Committee were of the opinion that the temporary assistance credit was one of the areas where reduction could be made particularly in respect of the provision which included the cost of the replacement of staff temporarily absent from duty. A representative of the secretariat pointed out that the only increase in the estimate, apart from a very small cost increase, concerned the projection for a full-year, in 1984, of additional staff approved for part of 1983 as a result of Ministerial decisions. The Director-General had made all possible reallocation and redeployment of personnel to allow the creation of the new Trade Policies Division as well as to accommodate the increased use of Spanish as a working language without having recourse to additional staff. With regard to the credit of SwF 763,000 which included the replacement of staff absent from duty, the Committee was informed that this item covered all staff for the translation services, pools, reproduction of documents, etc., recruited on a very short-term basis during periods of very heavy workload. The replacement of staff absent from duty, which was covered by only a small part of the provision was infrequent and was only envisaged in cases of long absence, such as maternity leave for example, when a real need was felt and when the existing staff could not cope with the additional work.

27. Notwithstanding the explanations given, the Committee felt that economies could be made on this item. A representative of the secretariat said that the Director-General had been able to reduce the 1984 provision for the full-year cost of the Ministerial posts only as a result of the very extensive reallocation and redeployment of personnel that had been undertaken and that he would accept a reduction of SwF 50,000 in the provision for temporary assistance with great reluctance.

Dispute settlement panels

28. There was a consensus of opinion in the Committee that the provision for fees, subsistence allowance and travel costs for experts to serve on dispute settlement panels, coming from outside Geneva, if not provided without compensation, was too high. A credit of SwF 20,000 had been provided in 1983 for this purpose within the temporary assistance credit and the provision of SwF 100,000 made separately in the 1984 budget estimates represented an excessive increase.

29. A representative of the secretariat reminded the Committee that the provision had been made in accordance with the terms of the Declaration made at the Session of the CONTRACTING PARTIES at Ministerial level in November 1982. Greater difficulty was being experienced in obtaining local panelists and it would be no doubt necessary in future to seek them outside Geneva. Expenditure in 1983 was already in excess of the credit at SwF 35,000 and the average daily cost of panelists in 1982 had been SwF 600.

30. The Committee recognized that these difficulties existed but, was of the opinion that the estimate should be reduced to SwF 50,000.

Printing

31. Several members of the Committee were of the opinion that the estimate for printing could be reduced particularly in view of the fact that a provision was made each year for studies in international trade that were not forthcoming. It was agreed to reduce the 1984 provision by SwF 15,000 to cover one study rather than two.

Unforeseen expenditure

32. Some members of the Committee pointed out that their governments did not include provisions for unforeseen expenditure in their budgets and that no call had been made on the GATT provisions over the last few years. They felt that the 1984 provision should be deleted or at least substantially reduced. Provision could be made under the relevant estimates to cover possible increases in common staff costs that were pending approval by the United Nations General Assembly.

33. A representative of the secretariat pointed out that the increases in the education grant and in the contribution to the UN Joint Staff Pension Fund and, possibly, an increase in the amount payable in respect of the sickness insurance scheme would, if approved by the General Assembly, increase 1984 expenditure by some SwF 400,000. He reminded the Committee that the inclusion of a provision for unforeseen expenditure in GATT budgets had been originally proposed by the Committee on Budget, Finance and Administration in order to avoid the assessment of supplementary contributions on contracting parties in respect of such expenditures. It had been decided at that time that it was not good budgetary practice to make provision for unapproved items and that an unforeseen expenditure provision would provide the necessary safety margin, especially as the use of the provision was subject to approval by the CONTRACTING PARTIES or the Council.

34. The Committee took note of the explanations made and agreed that the wisest course would be to retain customary procedures by maintaining the line in the 1984 budget. A number of members expressed the hope however that it would prove possible to reduce this provision in future years.

Commercial Policy Training Courses

35. Several members of the Committee felt that the increase in the provisions covering the Commercial Policy Training Courses from SwF 703,000 to SwF 993,000 was excessive. They recognized that the introduction of a Spanish-language course as well as courses in English and French, and an increase in the number of participants to be accepted for each course had resulted from decisions taken at the Ministerial meeting. They felt that some reduction could be made in the additional cost by reviewing the elements of the relevant budgetary provision. The Committee noted that the accommodation rented on an annual basis by the secretariat on behalf of participants in the courses was operated on a self-financing basis and that it was sub-let when not occupied by the participants.

36. Several members expressed general support for the courses and welcomed the introduction of a course in Spanish. They considered that rotation of the courses should be made on the basis of strict equality amongst the three working languages of GATT; especially since the courses were open to all participants whatever their mother-tongue might be. Some members also felt that the courses should be operated on functional rather than national principles and the approach to them should be pragmatic, as reflected by need.

37. After a thorough review of the estimate had been made, a representative of the secretariat informed the Committee that the Director-General was prepared to reduce the estimate for miscellaneous expenditure by SwF 20,000. This economy would be achieved inter alia by reducing the provision for documentation and the secretariat would attempt to obtain such documentation by other means. With regard to interpretation costs for the course in Spanish, the Director-General proposed to appeal to Spanish-language contracting parties to make available the services of Spanish-speaking lecturers in order to avoid the need for full recourse to interpretation. By this means, economies of some SwF 55,000 could be achieved. The Committee agreed to these proposals.

Revision of expenditure estimates

38. In the light of the reductions proposed by the Director-General with regard to the adjustment of the inflation rate applied to certain elements of the budget to the most recently available projections for 1984 and the reductions agreed to during the item-by-item examination of the budget estimates, the Director-General put forward revised expenditure estimates totalling SwF 51,805,000 (see Schedule I) entailing an overall reduction of the estimates by SwF 846,000 as follows:

Swiss francs

Reduction to be achieved by:

revising the rate of inflation applied to
the estimate for the progression of the index
governing the post adjustment system for the
professional staff

Salaries	385,000	
Pension Fund contributions	<u>40,000</u>	425,000

revising the rate of inflation applied to the
estimate for general service category salary
increases in 1984

Salaries	205,000	
Pension Fund contributions	<u>26,000</u>	231,000

reducing the estimate for temporary assistance		50,000
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reducing the estimate for the cost of outside panelists in dispute settlement panels		50,000
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deleting the provision for one study in International Trade		15,000
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reducing the provision for interpretation and miscellaneous expenditure for the 1984 Commercial Policy Training Courses		<u>75,000</u>
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		<u>846,000</u>
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39. Members of the Committee expressed satisfaction that it had been possible to make considerable economies and agreed to the revised level of total expenditure of SwF 51,805,000.

IV. INCOME BUDGET ESTIMATES FOR 1984

40. The Committee agreed that the budget for 1984 be financed as follows:

	<u>Swiss francs</u>
(a) Contributions assessed on contracting parties	50,700,000
(b) Miscellaneous income	<u>1,105,000</u>
	<u>51,805,000</u>

V. OTHER MATTERS

Staff Regulations and Rules and Financial Regulations and Rules for GATT

41. A representative of the secretariat informed the Committee that work on draft Staff Regulations and Rules and Financial Regulations and Rules for GATT was progressing. A joint working party had been set up by the Director-General to complete work on the Staff Regulations and Rules. This group was expected to submit its recommendations early in 1984 and draft Regulations and Rules should be ready for submission to the Committee by mid-year.

Pension Fund matters

42. The Committee received a report on current Pension Fund developments from Mrs. E. Michaud (France), member representing the CONTRACTING PARTIES on the Joint Staff Pension Board, the text of which is annexed hereto (Annex II).

43. The Committee noted that the term of office of Mrs. Michaud as well as that of Mr. G.A. Stünzi (Switzerland), alternate member, would end on 31 December 1983. Both member were willing to serve a further term and the Committee expressed its appreciation for their services.

44. The Committee recommends that the Council approve the renomination of Mrs. E. Michaud (France) and Mr. G.A. Stünzi (Switzerland) as member and alternate member respectively to represent the CONTRACTING PARTIES on the ICITO/GATT Pension Committee for a three-year period commencing on 1 January 1984.

External Audit

45. The Committee noted that the Director-General intended to make the necessary arrangements with the External Auditor for the final audit of the 1983 accounts, for the interim audit of the 1984 accounts and for the submission to the CONTRACTING PARTIES of the Auditor's report for 1983 in accordance with the decision taken by the CONTRACTING PARTIES in 1951.

VI. CONCLUSION

46. 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.

POINTS FOR DECISION:

Paragraph 14
Paragraph 20
Paragraph 21
Paragraph 44
Paragraph 46

DRAFT RESOLUTION ON THE EXPENDITURE OF THE CONTRACTING PARTIES
IN 1984 AND THE WAYS AND MEANS TO MEET SUCH EXPENDITURE

The CONTRACTING PARTIES

HAVING CONSIDERED

the estimates of expenditure of the CONTRACTING PARTIES for 1984 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 1984, provided that such repayment does not exceed a total of 51,805,000 Swiss francs.
2. The repayment referred to in paragraph 1 shall be financed as follows:
 - (a) by contribution from contracting parties in the amount of 50,700,000 Swiss francs;
 - (b) by miscellaneous income estimated at 1,105,000 Swiss francs;
3. The Director-General shall report to the Council on the status of budgetary expenditure over the first nine months of 1984.
4. The contribution 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 1984.

SCHEDULE I

REVISED ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1984

	<u>Original Estimates (L/5520) SwF</u>	<u>Decreases SwF</u>	<u>Revised Estimates SwF</u>
PART I: <u>MEETINGS</u>			
Section 1 - <u>Fortieth Session of the CONTRACTING PARTIES</u>			
(i)	Temporary assistance (interpreters)	-	13,000
	13,000		
(ii)	Travel and subsistence of temporary staff	-	2,000
	2,000		
(iii)	Rental of meeting rooms and additional office space	-	4,000
	4,000		
(iv)	Other services	-	1,000
	<u>1,000</u>		
	Total Section 1:	-	20,000
	<u>20,000</u>		
Section 2 - <u>Meetings of the Council and other Meetings</u>			
(i)	Temporary assistance (interpreters)	-	190,000
	190,000		
(ii)	Travel and subsistence of temporary staff	-	2,000
	2,000		
(iii)	Other services	-	4,000
	<u>4,000</u>		
	Total Section 2:	-	196,000
	<u>196,000</u>		
	Total Part I:	-	216,000
	<u>216,000</u>		

	<u>Original estimates (L/5520) SwF</u>	<u>Decreases SwF</u>	<u>Revised estimates SwF</u>	
PART II: <u>SECRETARIAT</u>				
Section 3 - <u>Salaries and Wages and Official Missions</u>				
(i)	Established posts	24,165,000	(590,000)	23,575,000
(ii)	Temporary assistance (including overtime) and consultants	4,461,000	(50,000)	4,411,000
(iii)	Dispute settlement panels	100,000	(50,000)	50,000
(iv)	<u>Missions</u>			
	(a) Official missions	465,000	-	465,000
	(b) Technical co-operation missions	<u>270,000</u>	<u>-</u>	<u>270,000</u>
	Total Section 3:	<u><u>29,461,000</u></u>	<u><u>(690,000)</u></u>	<u><u>28,771,000</u></u>
Section 4 - <u>Common Staff Costs</u>				
(i)	Installation grants	50,000	-	50,000
(ii)	Travel and removal expenses of staff and their dependants	160,000	-	160,000
(iii)	Separation payments	60,000	-	60,000
(iv)	Contribution to the United Nations Joint Staff Pension Fund	4,883,000	(66,000)	4,817,000
(v)	Repatriation grants	180,000	-	180,000
(vi)	Travel on home leave	300,000	-	300,000
(vii)	Family allowances, education grants and related travel:			
	(a) Family allowances	627,000	-	627,000
	(b) Education grants and related travel	500,000	-	500,000
(viii)	Joint services	240,000	-	240,000
(ix)	Other common staff costs	<u>551,000</u>	<u>-</u>	<u>551,000</u>
	Total Section 4:	<u><u>7,551,000</u></u>	<u><u>(66,000)</u></u>	<u><u>7,485,000</u></u>

	<u>Original estimates (L/5520) SwF</u>	<u>Decreases SwF</u>	<u>Revised estimates SwF</u>	
Section 5 - <u>Common Services</u>				
(i)	Cables, telex and telephone communications	100,000	-	100,000
(ii)	Freight and cartage	14,000	-	14,000
(iii)	Books and information material	105,000	-	105,000
(iv)	Rental and maintenance of premises and equipment:			
	(a) Rent	1,525,000	-	1,525,000
	(b) Electricity	120,000	-	120,000
	(c) Water supply	8,000	-	8,000
	(d) Heating	100,000	-	100,000
	(e) Telephone and telex (rental)	140,000	-	140,000
	(f) Insurance premiums	120,000	-	120,000
	(g) Maintenance expenditure	310,000	-	310,000
	(h) Contractual cleaning	420,000	-	420,000
	(i) Maintenance of service cars	15,000	-	15,000
(v)	Postal services	260,000	-	260,000
(vi)	Stationery and office supplies	130,000	-	130,000
(vii)	Reproduction of documents	595,000	-	595,000
(viii)	External audit	62,000	-	62,000
(ix)	Other services and miscellaneous expenditure	<u>660,000</u>	<u>-</u>	<u>660,000</u>
	Total Section 5:	<u><u>4,684,000</u></u>	<u><u>-</u></u>	<u><u>4,684,000</u></u>
Section 6 - <u>Printing</u>				
		<u>390,000</u>	<u>(15,000)</u>	<u>375,000</u>
Section 7 - <u>Representation and Hospitality</u>				
		<u>125,000</u>	<u>-</u>	<u>125,000</u>
Section 8 - <u>Public Information</u>				
		<u>5,000</u>	<u>-</u>	<u>5,000</u>

	<u>Original estimates (L/5520) SwF</u>	<u>Decreases SwF</u>	<u>Revised estimates SwF</u>
Section 9 - <u>Permanent Equipment</u>	140,000	-	140,000
Section 10 - <u>Contribution to the Staff Assistance Fund</u>	20,000	-	20,000
Total Part II:	<u>42,376,000</u>	<u>(771,000)</u>	<u>41,605,000</u>
 PART III: <u>UNFORESEEN EXPENDITURE</u>			
Section 11 - <u>Unforeseen Expenditure</u>	200,000	-	200,000
 PART IV: <u>COMMERCIAL POLICY TRAINING COURSES</u>			
Section 12 - <u>Commercial Policy Training Courses</u>	993,000	(75,000)	918,000
<u>Sub-Total</u>	<u>43,785,000</u>	<u>(846,000)</u>	<u>42,939,000</u>
 PART V: <u>INTERNATIONAL TRADE CENTRE UNCTAD/GATT</u>			
Section 13 - <u>Contribution to the International Trade Centre UNCTAD/GATT</u>	8,866,000	-	8,866,000
<u>TOTAL</u>	<u>52,651,000</u>	<u>(846,000)</u>	<u>51,805,000</u>

SCHEDULE II/ETAT No II/ESTADO II

SCALE OF CONTRIBUTIONS FOR 1984/
BAREME DES CONTRIBUTIONS POUR 1984/
ESCALA DE CONTRIBUCIONES PARA 1984

(Scale including à single minimum of 0.12 %)/
(Contribution minimale: 0,12%)/(Contribución mínima: 0,12 por ciento)

Country/Pays/País	%	SwF / FS
<u>Contracting parties/Parties contractantes/</u> <u>Partes contratantes:</u>		
Argentina/Argentine	0.52	263,640
Australia/Australie	1.42	719,940
Austria/Autriche	1.14	577,980
Bangladesh	0.12	60,840
Barbados/Barbade	0.12	60,840
Belgium/Belgique/Bélgica	3.37	1,708,590
Benin/Bénin	0.12	60,840
Brazil/Brésil/Brasil	1.34	679,380
Burma/Birmanie/Birmania	0.12	60,840
Burundi	0.12	60,840
Cameroon/Cameroun/Camerún	0.12	60,840
Canada/Canadá	4.04	2,048,280
Central African Republic/République centrafricaine/República Centrafricana	0.12	60,840
Chad/Tchad	0.12	60,840
Chile/Chili	0.27	136,890
Colombia/Colombie	0.23	116,610
Congo, People's Republic/République populaire du Congo/Congo, República Popular	0.12	60,840
Cuba	0.31	157,170
Cyprus/Chypre/Chipre	0.12	60,840
Czechoslovakia/Tchécoslovaquie/Checoslovaquia	0.95	481,650
Denmark/Danemark/Dinamarca	1.04	527,280
Dominican Republic/République Dominicaine/ República Dominicana	0.12	60,840
Egypt, Arab Republic/République arabe d'Egypte Egipto, República Árabe	0.32	162,240
Finland/Finlande/Finlandia	0.85	430,950
France/Fancia	7.06	3,579,420
Gabon/Gabón	0.12	60,840
Gambia/Gambie	0.12	60,840
Germany, Federal Republic/République fédérale d'Allemagne/Alemania, República Federal	10.57	5,358,990
Ghana	0.12	60,840
Greece/Grèce/Grecia	0.43	218,010
Guyana/Guyane	0.12	60,840

Country/Pays/País	%	SwF / FS
<u>Contracting parties/Parties contractantes/ Partes contratantes: (cont'd)/(suite)/(cont.)</u>		
Haiti/Haïti/Haití	0.12	60,840
Hungary/Hongrie/Hungría	0.54	273,780
Iceland/Islande/Islandia	0.12	60,840
India/Inde	0.62	314,340
Indonesia/Indonésie	0.91	461,370
Ireland/Irlande/Irlanda	0.56	283,920
Israel/Israël	0.45	228,150
Italy/Italie/Italia	5.05	2,560,350
Ivory Coast/Côte d'Ivoire/Costa de Marfil	0.16	81,120
Jamaica/Jamaïque	0.12	60,840
Japan/Japon/Japón	8.39	4,253,730
Kenya	0.12	60,840
Korea, Republic/République de Corée/ Corea, República	1.34	679,380
Kuwait/Kuweït	0.70	354,900
Luxembourg/Luxemburgo	0.29	147,030
Madagascar	0.12	60,840
Malawi	0.12	60,840
Malaysia/Malaisie/Malasia	0.72	365,040
Maldives/Maldivas	0.12	60,840
Malta/Malte	0.12	60,840
Mauritania/Mauritanie	0.12	60,840
Mauritius/Maurice/Mauricio	0.12	60,840
Netherlands, Kingdom/Pays Bas, Royaume/ Países Bajos, Reino	4.37	2,215,590
New Zealand/Nouvelle-Zélande/Nueva Zelandia	0.34	172,380
Nicaragua	0.12	60,840
Niger/Níger	0.12	60,840
Nigeria/Nigéria	1.15	583,050
Norway/Norvège/Noruega	1.03	522,210
Pakistan/Pakistán	0.24	121,680
Peru/Pérou/Perú	0.20	101,400
Philippines/Filipinas	0.42	212,940
Poland/Pologne/Polonia	0.90	456,300
Portugal	0.40	202,800
Romania/Roumanie/Rumania	0.75	380,250
Rwanda	0.12	60,840
Senegal/Sénégal	0.12	60,840
Sierra Leone/Sierra Leona	0.12	60,840
Singapore/Singapour/Singapur	1.03	522,210
South Africa/Afrique du Sud/Sudáfrica	1.12	567,840
Spain/Espagne/España	1.60	811,200
Sri Lanka	0.12	60,840
Suriname	0.12	60,840
Sweden/Suède/Suecia	1.77	897,390
Switzerland/Suisse/Suiza	1.79	907,530

Country/Pays/País	%	SwF / FS
<u>Contracting parties/Parties contractantes/ Partes contratantes: (cont'd)/(suite)/(cont.)</u>		
Tanzania/Tanzanie/Tanzanía	0.12	60,840
Thailand/Thaïlande/Tailandia	0.48	243,360
Togo	0.12	60,840
Trinidad and Tobago/Trinité-et-Tobago/ Trinidad y Tabago	0.21	106,470
Turkey/Turquie/Turquia	0.39	197,730
Uganda/Ouganda	0.12	60,840
United Kingdom of Great Britain and Northern Ireland/Royaume-Uni de Grande-Bretagne et d'Irlande du Nord/Reino Unido de Gran Bretaña e Irlanda del Norte	7.78	3,944,460
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América	14.59	7,397,130
Upper Volta/Haute-Volta/Alto Volta	0.12	60,840
Uruguay	0.12	60,840
Yugoslavia/Yougoslavie	0.75	380,250
Zaire/Zaire	0.12	60,840
Zambia/Zambie	0.12	60,840
Zimbabwe	0.12	60,840
<u>Associated Governments/Gouvernements associés/ Gobiernos asociados:</u>		
Democratic Kampuchea/Kampuchea démocratique/ Kampuchea democrática	0.12	60,840
Tunisia/Tunisie/Túnez	0.18	91,260
	<hr/>	<hr/>
	100.00	50,700,000
	<hr/> <hr/>	<hr/> <hr/>

ANNEX I

GENERAL AGREEMENT ON TARIFFS AND TRADE
ACCORD GENERAL SUR LES TARIFS DOUANIERS ET LE COMMERCE
ACUERDO GENERAL SOBRE ARANCELDES ADUANEROS Y COMERCIO

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 30 SEPTEMBER 1983/ETAT DES ARRIERES DE CONTRIBUTIONS AU 30 SEPTEMBRE 1983/
CONTRIBUCIONES PENDIENTES AL 30 DE SEPTIEMBRE DE 1983

Country/Pays/País	US dollars/Dollars des Etats-Unis/Dólares EEUU 1969/1972	Swiss francs/Francs suisses/Francos suizos					Total 1973/1983
		1973/1979	1980	1981	1982	1983	
Argentina/Argentine						166,793	166,793
Bangladesh						58,250	58,250
Benin/Bénin						58,250	109,988
Brazil/Brazil/Brasil				51,738		645,550	645,550
Burundi			46,800	48,480	53,170	58,250	323,195
Central African Republic/République centrafricaine/República Centroafricana		144,422	46,800	48,480	53,170	58,250	351,122
Chad/Tchad		258,700	46,800	48,480	53,170	58,250	465,400
Congo, People's Republic/ Congo, République populaire/ Congo, República Popular/	1969/1972 15,815						
Cuba		44,989	46,800	48,480	53,170	58,250	251,689
Dominican Republic/République Dominicaine/ República Dominicana						77,720	77,720
Gabon/Gabón	1971/1972 6,497	258,700	46,800	48,480	53,170	58,250	465,400
Gambia/Gambie		112,273	46,800	48,480	53,170	58,250	318,973
Ghana				27,507	53,170	58,250	138,927
Greece/Grece/Grecia						22,296	22,296
Guyana/Guyane						58,250	58,250
Haiti/Haiti/Haití		75,425	46,800	48,480	53,170	58,250	282,125
Hungary/Hongrie/Hungría						5,930	5,930
Ivory Coast/Côte d'Ivoire/Costa de Marfil						26,844	26,844
Kampuchea, Democratic/Kampuchea démocratique/Kampuchea Democrática		245,306	46,800	48,480	53,170	58,250	452,006
Kenya						58,250	58,250
Kuwait/Koweït						383,450	383,450
Madagascar					33,713	58,250	91,963
Malaysia/Malaisie/Malasia						330,050	330,050
Maldives/Maldivas						58,250	58,250
Mauritania/Mauritanie		158,719	46,800	48,480	53,170	58,250	365,419

Country/Pays/Pais	US dollars/Dollars des Etats-Unis/Dólares EEUU 1969/1972		Swiss francs/France suisses/Francos suizos					Total 1973/1983
	1973/1979	1980	1981	1982	1983			
Nicaragua	224,338	46,800	48,480	53,170	58,250		431,038	
Niger/Niger				11,788	58,250		70,038	
Peru/Pérou/Perú	75,600	70,200	76,760	66,470	92,220		381,250	
Philippines/Filipinas					49,897		49,897	
Poland/Pologne/Polonia					519,350		519,350	
Portugal					4,530		4,530	
Romania/Roumanie/Rumania					368,890		368,890	
Rwanda					58,250		58,250	
Senegal/Sénégal		12,728	48,480	53,170	58,250		372,628	
Sierra Leone/Sierra Leona	205,400	46,800	48,480	53,170	58,250		412,100	
Singapore/Singapour/Singapur					446,550		446,550	
Spain/Espagne/España					766,900		766,900	
Tanzania/Tanzanie/Tanzania		5,959	48,480	53,170	58,250		165,859	
Togo		18,653	48,480	53,170	58,250		178,553	
Tunisia/Tunisie/Túnez					1,940		1,940	
Turkey/Turquie/Turquía					160,170		160,170	
Uganda/Ouganda	94,670	46,800	48,480	53,170	58,250		301,370	
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América						7,042,860	7,042,860	
Upper Volta/Haute-Volta/Alto Volta	67,009	46,800	48,480	53,170	58,250		273,709	
Uruguay					58,250		58,250	
Yugoslavia/Yougoslavie					354,320		354,320	
Zaire/Zaire			48,280	53,170	58,250		159,700	
Zambia/Zambie				53,170	58,250		111,420	
Total	2,082,046	715,940	928,227	1,173,939	13,115,627		18,064,419	

US \$ 22,312 at SwF 2.18 to US \$ 1.- equivalent to / 22.312 dollars EU à 2,18 FS par dollar EU, équivalent à /
22.312 dólares EE.UU a 2,18 FS por dólar, que equivalen a

1/ Partial payment received since 30.9.83/Paiement partiel reçu depuis le 30.9.83/pago
parcial recibido después del 30.9.83

Comparative Figures for the Preceding Years
Tableau comparatif pour les années précédentes
Cifras comparativas para los años precedentes

Assessment for Contributions pour Contribuciones de	Amount outstanding as at 30 September Montant non encore payé au 30 septembre Saldo pendiente al 30 de septiembre	Percentage Pourcentage Porcentaje
1983 47,460,000 + 58,250	13,115,627	27.60
1982 44,310,000 + 53,170	10,900,718	24.57
1981 40,400,000	6,586,526	16.30
1980 39,000,000	6,583,449	16.88

ANNEX II

REPORT BY MRS. E. MICHAUD, MEMBER REPRESENTING
THE CONTRACTING PARTIES ON THE ICITO/GATT PENSION COMMITTEE

The measures approved last year by the United Nations General Assembly reduced the actuarial deficit of the Pension Fund by 3.62 per cent. The actuarial valuation at 31 December 1982 showed that the deficit still amounted to 4.79 per cent of pensionable remuneration and that the present contribution rate (21 per cent) could not, over the long term, meet the liabilities of the Fund. For example, the contribution rates of the World Bank, the IMF, and the Inter-American Development Bank are respectively 24.15, 36.50 and 41.26 per cent, the employer's share being 17.15, 29.5 and 31.26 per cent.

Considering that the measures implemented as from 1 January 1983 were mainly centred on the reduction of benefits to participants, and not wishing to invoke Article 27 of the regulations of the Fund, which requires member organizations to make good any deficiency, the Board recommended that the General Assembly should increase the total contribution rate from 21 to 24 per cent. This increase would be effected gradually by means of biennial instalments of 0.75 per cent, beginning with 1 January 1984. The existing formula for splitting the contribution would be maintained: the organizations would pay 0.50 per cent and the participants 0.25 per cent. Subsequent instalments of the increase would be due as from the first day of 1986, 1988 and 1990. In 1984 the additional cost to GATT's budget would be Sw F 175,000 and to its participants, Sw F 87,500.

The Board also renewed the recommendation which it had made last year and which had been rejected by the General Assembly, to raise the mandatory age of retirement to 62 years but with no reduction in retirement pension entitlements prior to that age.

Not much progress was made in the work on the special index for pensioners, owing to its extreme complexity. The International Civil Service Commission was invited to continue its studies.

B. INTERNATIONAL TRADE CENTRE UNCTAD/GATT

I. INTRODUCTION

47. Before turning to the Centre's Second Performance Report for 1982-1983 and the Proposed Programme Budget for 1984-1985, the Committee heard an introductory statement by the Executive Director of the Centre. He recalled that, as confirmed by ECOSOC in 1973, the Centre was the focal point for all United Nations technical assistance activities in trade promotion. Its budget for 1984-1985 was based on the work programme adopted by the Joint Advisory Group and had been recommended without amendment by the UN Advisory Committee on Administrative and Budgetary Questions to the 5th Committee of the UN General Assembly.

48. The 1984-1985 estimates showed a real growth of only 0.4 per cent over the previous biennium. Two new posts had been requested after a thorough examination of the most rational use of staff resources to obtain optimum efficiency. It was concluded that the Centre's capacity for responding to the new needs of developing countries could not be maintained without this additional help and full justifications were given in the budget document.

49. The outlook for increased technical assistance activities by the Centre through UNDP projects in the coming biennium were good despite prevailing financial constraints affecting the UNDP programme. The Executive Director hoped that trust fund contributions to the Centre would continue to be provided generously by an increased number of governments.

II. SECOND PERFORMANCE REPORT FOR 1982-1983

50. The Committee noted from the Centre's performance report and from an information paper provided by the GATT secretariat that the revision of the Centre's 1982-1983 budget would not result in an increase in the contribution payable by GATT in 1983.

51. In reply to a question, a representative of the Centre informed the Committee that any surplus that would be forthcoming in respect of the 1982-1983 biennium would be surrendered to GATT and UNCTAD.

52. A representative of the GATT secretariat informed the Committee that discussions had taken place with representatives of the Centre and of the United Nations secretariat with a view to protecting the Centre budget from the effects of exchange rate fluctuations and fully maintaining the principle of equal partnership by stabilizing the Swiss franc value of the Centre's requirements. The difficulties had not been entirely overcome, but progress had been made and discussions would be resumed when the final figures for the 1982-1983 biennium were available.

III. PROPOSED PROGRAMME BUDGET FOR
THE BIENNIUM 1984-1985

53. In presenting the Centre's Proposed Programme Budget for the Biennium 1984-1985, a representative of the Centre stated that the inflation rate used in the preparation of the ITC budget was 4.8 per cent based on the projections which were current at the time that the estimates were prepared. While it might seem anomalous that the inflation rate used for the Centre was different from that applied to the GATT budget, it should be remembered that the Centre was obliged to apply United Nations standards as its budget estimates formed an integral part of the United Nations global budget presentation and that the Programme Budget had now been recommended by ACABQ for adoption by the Fifth Committee of the United Nations General Assembly. However, he assured the Committee that, as Centre budgets were subject to adjustment on the presentation of performance reports, GATT would benefit from reductions corresponding to the readjustment of the inflation rate used in the budget to the actual level of inflation.

54. With regard to a question concerning the Centre's rate of real growth, a representative of the Centre said that it had been possible to maintain real growth at only 0.4 per cent, despite the proposals for two new posts and two regradings, by making reductions elsewhere in the budget. The Committee also noted that there was negative growth of 1.1 per cent in the 50 per cent share of the 1984-1985 budget in dollar terms.

55. The Committee recommends to the Council that the estimates of expenditure of the International Trade Centre UNCTAD/GATT for the biennium 1984-1985 be approved in the amount of US\$ 17,825,000 (1984: US\$ 8,699,700; 1985: US\$ 9,125,000). Miscellaneous income is estimated at US\$ 390,900 (1984: US\$ 195,000; 1985: US\$ 195,900) and transfer of US\$ 180,100 will be made to the 1984 budget from surplus. The net amount to be provided to the Centre from the 1984 GATT budget is US\$ 4,162,300, equal to the contribution to be made by the United Nations, representing SwF 8,866,000 at the rate of US\$ 1/SwF 2.13. The contribution will be paid in Swiss francs, in twelve equal monthly instalments.

POINT FOR DECISION: Paragraph 55