

# GENERAL AGREEMENT ON TARIFFS AND TRADE

## 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 8, 9 and 26 October 1984.

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

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

Indonesia, Jamaica, Korea, Netherlands, New Zealand, Philippines, Romania, Turkey and Yugoslavia were represented by observers.

3. In accordance with its terms of reference, the Committee considered the Director-General's Financial Report on the 1983 Accounts of the GATT and the Budget Estimates for 1985. In addition, the Committee examined the financial position of the GATT at 30 September 1984 on the basis of outturn figures prepared by the secretariat and the situation with regard to outstanding contributions. It also examined the Financial Report and Audited Financial Statements of the International Trade Centre UNCTAD/GATT (ITC) for the Biennium ended 31 December 1983 and Report of the Board of Auditors, and a Performance Report on the Programme Budget of the ITC for the Biennium 1984-1985.

4. The Committee had before it the following documents:

Director-General's Financial Report on the 1983 Accounts and Report of the External Auditor thereon (L/5649)

Budget Estimates for the Financial Year 1985 (L/5700)

Additional Expenditure to the 1984 Budget (Spec(84)49)

Outstanding Contributions (Spec(84)50)

Outstanding Contributions as at 30 September 1984 (INT(84)41)

Financial Report and Audited Financial Statements of the ITC for the Biennium ended 31 December 1983 and Report of the Board of Auditors (A/39/5)

Performance Report on the Programme Budget of the ITC for the Biennium 1984-1985 (ITC/BUD/2)

5. At the beginning of the meeting the Committee heard an introductory statement by the Director-General. He said that the present session differed from those of recent years in that he and the Committee were confronted with a budget increase for 1985 that exceeded the limits that had been applied in recent years. However, the 1985 budget estimates covered only approved activities which were already in progress and they were aimed at normalizing a situation that had been kept under control until now only by the dexterous use of financial and human resources that recalled the efforts of a tight-rope walker.

6. The present proposals were simply a stop-gap and in some areas the secretariat's capacity would continue to be below what he considered to be the necessary minimum. For example, in the field of technical assistance in the wider sense, including the Commercial Policy Training Courses, a number of contracting parties would not be able to take full advantage of their participation in GATT as long as the number of their staff familiar with the subtleties of GATT continued to be extremely limited, and in the near future he would wish to initiate discussions on this subject.

7. Secondly, it would be desirable also to undertake at an early date an in-depth rationalization of current information and notification methods concerning trade policies. Current procedures reflected a succession of individual decisions which, in the interest of transparency, needed to be harmonized, unified and up-dated.

8. Thirdly, as trade policy problems were closely linked to many aspects of economic and social life, the secretariat's involvement with international, governmental and private institutions, as well as individuals was increasing, and considerable strain was being placed on the secretariat's resources. In this field, GATT was often in a position of inferiority from a staff resource point of view, vis-à-vis entities whose primary competence was not in respect of trade policies.

9. The Director-General stressed that there was no intention of changing the dimensions of the secretariat and therefore its efficiency, but it was necessary to distinguish between gigantism and atrophy. Despite appearances, very great austerity had been exercised in the preparation of the 1985 Budget Estimates, even to the point of leaving an after-taste of incompleteness, and it was his intention, after the approval of the 1985 budget, to raise the question of the secretariat's current and future capacity with the representatives of the contracting parties, taking into account the tasks which the CONTRACTING PARTIES intended to entrust to the secretariat in the future.

10. The Director-General emphasized that the secretariat was now fully engaged in the implementation of the work programme adopted in 1982, and it was evident that this work exceeded the provisions which had been established jointly last year, in a spirit of maximum

economy. The fact that the secretariat did not needlessly spend approved budgetary credits was reflected in the savings on the 1983 expenditure budget which had amounted to more than Sw F 1,800,000. This resulted in part from the application of a realistic personnel policy of filling posts or refilling posts which became vacant only when it was essential to do so. In 1984, on the other hand, not only had it not been possible to make such savings, but it was necessary also to take account of a full establishment in the 1985 budget provisions. However, the larger part of the increase foreseen in the 1985 budget corresponded to the cost increases, already experienced in 1984, which were not foreseeable when the 1984 budget was prepared and over which the secretariat had no control. These consisted principally of the effects of the increase in the US dollar/Swiss franc exchange rate and of decisions taken by the United Nations General Assembly concerning education grants and contributions to the United Nations Joint Staff Pension Fund. These factors compelled the Director-General to request authorization to exceed the approved credits for 1984 and, thus foresee, at the same time, an increase for 1985.

11. A further element of the requested increase in the 1985 budget concerned the reinforcement of the Translation and Documentation Division. Recent experience confirmed that the reinforcement of this key division was indispensable to allow it to cope in an adequate manner with the workload in connection with documentation requested by contracting parties.

12. With regard to the proposed regradings, whose cost was low, the Director-General attached great importance to the flexibility which he exercised in connection with the recruitment and retention of high-quality staff. It enabled him to acknowledge greatly increased responsibilities. This was particularly important in a secretariat such as GATT where some 47 per cent of the GATT's staff were over fifty years of age, as compared with 24 per cent in other organizations.

13. In conclusion, the Director-General drew the Committee's attention to the serious deterioration of the secretariat's cash situation, due to delays in receipt of contracting parties contributions. He informed the Committee that on 8 October total cash resources could cover payments to mid-October only and that it was essential that further payments of at least Sw F 11,500,000 be received to cover imperative payments until the end of the year. The Committee would be examining this situation in depth on the basis of the secretariat's report and the Director-General appealed for measures to be adopted to ensure a higher degree of financial security. It was paradoxical that an organization with such important long-term objectives should have to exist on a day-to-day basis with such permanent risks to its efficient operation.

A. GATT SECRETARIAT

I. REPORT ON THE 1983 ACCOUNTS AND  
REPORT OF THE EXTERNAL AUDITOR THEREON

14. The Committee examined the Report on the 1983 Accounts and the Report of the External Auditor thereon (L/5649).

15. The Committee recommends that the CONTRACTING PARTIES approve the audited accounts for 1983 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 1984 BUDGET

Income and expenditure budget

16. The Committee examined the outturn figures 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 excess expenditure of some Sw F 360,000 after utilizing the provision for Unforeseen Expenditure. According to present estimates also, miscellaneous income would fall short of the budget by some Sw F 300,000. The Committee noted that the anticipated excess expenditure in 1984 resulted from the effects of the increase in the US dollar/Swiss franc exchange rate, from decisions of the United Nations General Assembly subsequent to the approval of the 1984 budget by the CONTRACTING PARTIES, concerning education grants and contributions to the United Nations Joint Staff Pension Fund, from the additional expenditure relating to the GATT Commercial Policy Training Courses and a higher contribution to the ITC. The total additional budgetary cost of these items amounted to some Sw F 950,000 but the strictest economy measures had been and were being taken in order to limit their impact on the 1984 budget to an absolute minimum.

17. The Committee recommends to the Council that the excess expenditure in 1984 of some Sw F 950,000 as outlined above be met, to the extent possible, by savings within the appropriate sections of the 1984 budget or by transfers from other sections. Should it not prove possible to finance this amount fully in this way, the Committee recommends that the Director-General be authorized to transfer the necessary funds from Part III - Unforeseen Expenditure, and be authorized to have recourse to the Working Capital Fund if necessary.

Outstanding contributions

18. A representative of the secretariat, introducing the question of outstanding contributions, stressed that the Director-General was greatly concerned with regard to the continued deterioration of the

contribution receipt situation. In fact, although some 8 million Swiss francs had been received since the meeting of the Committee began, unless further contributions of Sw F 3.5 million were to be received before the end of the year, it would be necessary for the Director-General to have recourse to a temporary bank overdraft at short notice in order to cover essential, imperative current expenses.

19. The Committee therefore recommends to the Council that the Director-General be authorized, in unavoidable circumstances resulting from the non-receipt of contracting parties' contributions, to have recourse in 1984 to bank overdraft facilities in order to meet the secretariat's current, undeferrable cash commitments.

20. Regarding the long-term problem created by outstanding contributions, the secretariat's working paper (Spec(84)50) contained a proposal that a system of charging interest on arrears of contributions be examined by the Committee. This proposal was based upon the successful application of such a system in two other international organizations. In this connection, some members of the Committee were of the opinion that GATT was not comparable to the two international organizations in question, and that charging interest on arrears would not have the same effect for GATT as it had had elsewhere. One member stated that his Government was specifically prevented from paying interest of this kind. The Committee recalled that other possibilities that had been studied in the past included increasing the level of the Working Capital Fund, which called for additional advances from contracting parties, the suspension of the supply of documentation and services to countries in arrears, etc.

21. There was, however, a general feeling that the Committee's examination should be directed towards a system of incentive rather than a punitive system. Under present circumstances contracting parties paying their contributions in good time were penalized in the sense that late payers shared also the interest that accrued to the GATT income budget from the investment of funds paid early. In addition, the prompt payers ran the risk of having to share in the cost of credit facilities if the secretariat had to have recourse to commercial borrowing.

22. The Committee agreed to examine, at a special meeting, the problem of outstanding contributions, including, inter alia, a system recently being considered for adoption in one international organization whereby interest accrued to member countries who paid their contributions in due time. In addition, the Director-General was requested to continue his efforts in connection 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 pursue 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 some contracting parties.

23. The Committee 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 1985

24. Before the Committee began its item-by-item examination of the 1985 expenditure estimates, several members made general statements regarding the estimates and their presentation.

25. There was general recognition in the Committee that decisions taken at the meeting of the CONTRACTING PARTIES at Ministerial level in 1982 had placed a heavy burden on the secretariat and it was necessary to provide the means with which to face up to the workload that had resulted from these decisions.

26. Although members were sympathetic to the problems faced by the secretariat, most continued to be committed to the principle of zero budgetary growth, especially in the context of the continuing international economic difficulties which led governments to abstain from real growth in their own budgets. There was a need to budget for activities in accordance with the amounts available and not all members of the Committee were convinced that the growth of the secretariat's activities would continue at the present rhythm in 1985. The budgetary increase proposed was much larger than it had been in previous years and an increase of 13.5 per cent was not acceptable to most members. These considerations would be kept in mind during the examination of each of the individual expenditure estimates and reductions would be sought wherever possible. One member stated that his authorities could accept a budget level of not more than Sw F 56,800,000 and made proposals for reductions on several items of the budget.

27. Some members of the Committee said that their authorities could accept the budgetary estimates which they considered to represent the minimum increase necessary in view of the work to be done and which resulted from the policy decisions that had been taken, although one of these members considered that reasonable reductions should be made wherever possible.

28. A representative of the secretariat said that the 1985 budget had been calculated very tightly and that any reduction would affect the secretariat's ability to provide services to contracting parties. He pointed out that unavoidable increases, including the International Trade Centre, represented 9.6 per cent.

29. The Committee recognized that one of the major elements in the 1985 budgetary increase was the amount of Sw F 1,134,000 resulting from additional requirements in respect of documentation, translation



and typing services. Most members of the Committee were of the opinion that the area of documentation was one where there were clearly possibilities for economies. Some delegations had already undertaken an exercise to reduce the documentation flow in missions and were resisting requests from capitals for increased quantities. In their view, the secretariat's proposals presupposed an escalation of documentation requirements in 1985 but not all members were convinced that the culminating point had not now been reached.

30. A representative of the secretariat stated that when the 1984 budget was established, it had been thought that the secretariat could cope with the increased flow of documentation with its available resources, but this had proved not to be the case. The behaviour of contracting parties in making very large numbers of requests and in presenting documents late represented a transference of work from delegations to the secretariat and was in part instrumental in producing the situation that had arisen. It was essential that Committees become conscious of the link between requests for documentation and their financial implications.

31. The Committee decided to study and make concrete proposals at an early date on the whole question of documentation and possibilities for overall reductions in its volume.

#### Forty-first session of the CONTRACTING PARTIES

32. One member of the Committee was of the opinion that the provision for the session of the CONTRACTING PARTIES in 1985 could be reduced to the level of anticipated expenditure in 1984.

33. A representative of the secretariat pointed out that 1984 anticipated expenditure was based on the assumption that the session would be held at the Conference Centre but it had now been decided to hold the 1984 session at the building of the International Labour Organization and this would result in higher cost. For this reason the 1985 proposed level should be retained.

#### Meetings of the Council and other meetings

34. Some members of the Committee expressed doubts with regard to the increasing cost of meetings and proposed that a ceiling should be put on expenditures at the 1984 budget level. There was a general feeling that there were too many meetings and when two took place simultaneously, or even three meetings at the same time as often happened in GATT, small delegations with limited staff could not cope. If meetings were limited to one at a time, the GATT interpreters would be able to service them and expenditure on outside interpreters would be considerably reduced.

35. A representative of the secretariat agreed that the number of meetings had been increasing steadily over the past few years and it would not be realistic to anticipate a decline in requests for meetings to be held. He pointed out that the proposed provision for 1985 did not even cover the 1984 level of expenditure and recruitment of outside interpreters in 1984 would result in an overexpenditure on the item for Meetings of the Council and other Meetings of some Sw F 60,000. The Committee requested the secretariat to reduce expenditure by avoiding simultaneous meetings and agreed to study the question of the increase in their level, and their financial implications at a separate meeting.

#### Regradings

36. Some members of the Committee felt that the present period of financial restrictions was not a suitable climate for regradings and that the proposals made in the 1985 budget should be deleted. Others were concerned that the number of higher-graded posts could become disproportionate. A representative of the secretariat recalled that in the past the Committee had always recognized the Director-General's need for flexibility in applying a personnel policy suitable to a relatively small secretariat with a very limited turnover. The secretariat's pattern of grading structure was similar to that of other organizations. All the proposed regradings conformed to the international job classification standards that had recently been adopted. He pointed out that about 47 per cent of GATT's professional staff were over fifty years of age, as compared with some 24 per cent in other organizations and that nearly one quarter of these GATT staff had at least twenty years' service with the organization. Such factors had to be taken into account when reviewing the grading structure as well as the fact that the recruitment level in GATT was high due to outside competitiveness for suitably qualified persons. Furthermore, the GATT secretariat was too small to be able to train newly-recruited officials at lower levels.

#### Temporary assistance

37. The Committee noted that the additional resources requested under this item represented twenty-five man/years and that the increase proposed was nearly 40 per cent. Some members were of the opinion that a substantial reduction should be made under this heading particularly in respect of the provision related to the translation and reproduction of documents and the cost of replacement of staff temporarily absent from duty.

38. A representative of the secretariat confirmed that the volume of documentation was the main part of the problem with regard to increases in the temporary assistance provisions and reminded the Committee that any reduction in resources would have an inevitable impact on the secretariat's ability to provide services to contracting

parties. With regard to the cost of the replacement of staff absent from duty, which represented only a small part of the provision, he said that such staff were replaced only in the case of long absence and when existing staff could not cope with the workload.

#### Dispute settlement panels

39. Some members of the Committee did not favour an increase from Sw F 50,000 to Sw F 100,000 in the provision for dispute settlement panels and requested that the provision be maintained at the 1984 level. Other members supported the proposed increase since the credit allocated in 1984 would be overspent and it was felt important that sufficient funds be available to facilitate the work of the Panels and to avoid delays in the settlement of cases that were being dealt with.

#### Missions

40. Some members of the Committee were of the opinion that the provisions for missions were an area where economies could be made and proposed that these provisions be frozen at the 1984 budget level. A representative of the secretariat informed the Committee that the secretariat received a great number of requests for technical co-operation and that if the credit were to be reduced the programme would have to be cut back. He also indicated that the most economical air fares were utilized for all official travel. Some representatives emphasized that as a cut-back in technical co-operation was not desirable, economies and reductions should be made in the area of official travel, not connected to technical assistance programmes.

#### Common services and printing

41. Some members of the Committee felt that substantial reductions could be made under these headings. A cut-back in the reproduction and distribution of documents and publications would result in corresponding economies, for example, on the items for postage, printing, paper etc.

#### Permanent equipment

42. Several members of the Committee felt that reductions could be made on the item for permanent equipment, particularly by delaying replacements. In answer to questions, a representative of the secretariat informed the Committee that typewriters were often kept in service for as long as twenty years. At the end of its useful life such equipment was sold as a deduction against the cost of replacement equipment.

Unforeseen expenditure

43. One member of the Committee was of the opinion that the provision for unforeseen expenditure should be deleted from the 1985 Budget Estimates. A representative of the secretariat reminded the Committee that the inclusion of a provision for unforeseen expenditure in the GATT budget had been originally proposed by the Committee on Budget, Finance and Administration in order to avoid the assessment of supplementary contributions on contracting parties during the financial year in respect of such expenditures. In this connection it was recalled that the dollar-based provisions had been calculated at the rate of US\$1/Sw F 2.46 and if the present market rate was used an increase in the overall budget of more than Sw F 300,000 would result.

Commercial Policy Training Courses

44. The Committee expressed its support for the objectives of the GATT Commercial Policy Training Courses which, in addition to their usefulness to governments of developing countries, represented a good advertisement for GATT and had the advantage of producing officials who were oriented towards GATT. The introduction of a regular course in Spanish was greatly appreciated.

45. Some members were concerned with the escalation of the cost which, since 1982, had practically doubled. It was recognized that a large part of the increase was due to accommodation problems linked to the acute and chronic shortage of suitable reasonably-priced accommodation in Geneva and because of which the Director-General had found it necessary to substantially increase the daily subsistence allowance paid to the participants.

46. Some members felt, however, that a reduction could be made in the number of course participants and in the length of the courses. Both of these measures would result in economies. They were also of the opinion that an in-depth review of the financial implications of the courses, and problems that arose in connection with them, should be made by the Committee at a later date. Other members were of the opinion that the number of participants and the length of the courses should be preserved.

47. A representative of the secretariat informed the Committee that in view of the limited number of places available many requests from governments had to be refused and that the secretariat did not, therefore, wish to reduce the number of participants below twenty-four, which was the maximum number that could be accommodated in one course. With regard to the length of the courses, this was directly related to the ground to be covered. The level of per diem paid to the participants depended upon the amount to be paid by them for their accommodation and the secretariat would appreciate any help from governments to obtain suitable, reasonably-priced lodgings for them. The Director-General would welcome a review by the Committee on



Swiss francs

Reduction to be achieved by limiting official missions to an absolute minimum and by requesting the payment of travel costs by bodies inviting GATT officials to attend meetings whenever possible:

Official missions 40,000

Reduction of miscellaneous items:

Common services: Books and information material	10,000	
Heating	10,000	
Contractual cleaning	10,000	
Hospitality	<u>15,000</u>	45,000

Reduction of the item for permanent equipment to be achieved by delaying the acquisition and replacement of items of office equipment:

Permanent equipment 60,000

Reduction made to the provision for the Commercial Policy Training Courses on the understanding that the participants' authorities will assist the secretariat and the participants to find reasonably-priced accommodation in Geneva, thus permitting a reduction in the provision for payments of per diem. Further reduction made on the assumption that the cost of study tours abroad will be met by the governments by which they have been invited:

Commercial Policy Training Courses 95,000

1,384,000  
=====

50. Several members of the Committee stated that they could accept the proposed reductions only on the understanding that the secretariat's efficiency would not be impaired. Some members hoped that the reductions proposed in respect of the Commercial Policy Training Courses would not have adverse effects on the proper running of the courses. Some members reiterated that they felt that the burden of reductions to the translation and typing services should be shared equitably among the working languages. Some members were of the opinion, however, that in the future further economies might be possible including some that would become apparent when the overall questions of meetings, documentation and the training courses were examined in depth. With this in mind the Committee, some members reluctantly, could accept the proposals for reductions made by the

Director-General. One member reserved his delegation's position but did not wish to block a consensus.

51. The Committee agreed to meet at an early date to review the problems in connection with (a) arrears of contributions, including their effects on the secretariat's liquidity situation, (b) the escalation in the number of meetings and the need to avoid holding meetings simultaneously, (c) the increase in documentation, and (d) the Commercial Policy Training Courses, including in particular accommodation difficulties for participants in these courses.

#### IV. INCOME BUDGET ESTIMATES FOR 1985

52. The Committee agreed that the budget for 1985 be financed as follows:

	<u>Swiss francs</u>
(a) Contributions assessed on contracting parties	56,500,000
(b) Miscellaneous income	<u>1,040,000</u>
	57,540,000
	=====

#### V. OTHER MATTERS

##### Staff Regulations and Rules and Financial Regulations and Rules for GATT

53. A representative of the secretariat informed the Committee that work on draft staff regulations and rules and financial regulations and rules for GATT was still in progress. Some delays had occurred due to the complexities of the tasks involved.

##### Pension Fund Matters

54. The Committee received a report on current Pension Fund developments from Mr. G.A. Stünzi (Switzerland), alternate member representing the CONTRACTING PARTIES on the ICITO/GATT Pension Committee. The text of Mr. Stünzi's report is annexed hereto. (Annex II).

##### Underground garage at Centre William Rappard

55. A representative of the secretariat informed the Committee that some 360 parking spaces existed in the grounds of the Centre William Rappard and there were a further 290 spaces at Chemin des Mines.

These parking facilities were shared between the Office of the High Commissioner for Refugees and the GATT secretariat. In view of the fact that the parking at the Chemin des Mines would no longer be available after June 1987, the Fondation des Immeubles pour les Organisations Internationales (FIPOI) recently informed the Director-General that an underground garage would be built between the GATT headquarters building and the lake in order to overcome the serious parking problems which would otherwise result. Construction would commence in 1985. The Director-General wished the Committee to have advance warning of possible repercussions on future GATT budgets.

#### External Audit

56. The Committee noted that the Director-General intended to make the necessary arrangements with the External Auditor for the final audit of the 1984 accounts of the GATT, for the interim audit of the 1985 accounts and for the submission to the CONTRACTING PARTIES of the Auditor's report for 1984 in accordance with the decision taken by the CONTRACTING PARTIES in 1951.

#### VI. CONCLUSION

57. 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 DECISIONS:

- Paragraph 15
- Paragraph 17
- Paragraph 19
- Paragraph 23
- Paragraph 57



DRAFT RESOLUTION ON THE EXPENDITURE OF THE CONTRACTING PARTIES  
IN 1985 AND THE WAYS AND MEANS TO MEET SUCH EXPENDITURE

The CONTRACTING PARTIES

HAVING CONSIDERED

the estimates of expenditure of the CONTRACTING PARTIES for 1985 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 1985, provided that such repayment does not exceed a total of 57,540,000 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 56,500,000 Swiss francs;
  - (b) by miscellaneous income estimated at 1,040,000 Swiss francs.
3. The Director-General shall report to the Council on the status of budgetary expenditure over the first nine months of 1985.
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 1985.

SCHEDULE IREVISED ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1985

	<u>Original</u> <u>Estimates</u> <u>(L/5700)</u> <u>Sw F</u>	<u>Increases</u> <u>(Decreases)</u> <u>Sw F</u>	<u>Revised</u> <u>Estimates</u> <u>Sw F</u>	
PART I: <u>MEETINGS</u>				
Section 1 - <u>Forty-first session of the</u> <u>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	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	Total Section 1:	<u>20,000</u> =====	<u>-</u> =====	<u>20,000</u> =====
Section 2 - <u>Meetings of the Council</u> <u>and other Meetings</u>				
(i)	Temporary assistance (interpreters)	210,000	(20,000)	190,000
(ii)	Travel and subsistence of temporary staff	2,000	-	2,000
(iii)	Other services	<u>4,000</u>	<u>-</u>	<u>4,000</u>
	Total Section 2:	<u>216,000</u> =====	<u>(20,000)</u> =====	<u>196,000</u> =====
	Total Part I:	<u>236,000</u> =====	<u>(20,000)</u> =====	<u>216,000</u> =====

	<u>Original Estimates (L/5700) Sw F</u>	<u>Increases (Decreases) Sw F</u>	<u>Revised Estimates Sw F</u>
PART II: <u>SECRETARIAT</u>			
Section 3 - <u>Salaries and Wages and Official Missions</u>			
(i)	Established posts	-	26,088,000
(ii)	Temporary assistance (including overtime) and consultants	(956,000)	5,082,000
(iii)	Dispute settlement panels	-	100,000
(iv)	<u>Missions</u>		
	(a) Official missions	(40,000)	450,000
	(b) Technical co-operation missions	-	285,000
	Total Section 3:	(996,000)	32,005,000
Section 4 - <u>Common Staff Costs</u>			
(i)	Installation grants	-	80,000
(ii)	Travel and removal expenses of staff and their dependants	-	200,000
(iii)	Separation payments	-	60,000
(iv)	Contribution to the United Nations Joint Staff Pension Fund	(37,000)	5,741,000
(v)	Repatriation grants	-	180,000
(vi)	Travel on home leave	-	400,000
(vii)	Family allowances, education grants and related travel:		
	(a) Family allowances	-	710,000
	(b) Education grants and related travel	-	560,000
(viii)	Joint services	-	260,000
(ix)	Other common staff costs	(6,000)	598,000
	Total Section 4:	(43,000)	8,789,000

		<u>Original</u> <u>Estimates</u> <u>(L/5700)</u>	<u>Increases</u> <u>(Decreases)</u>	<u>Revised</u> <u>Estimates</u>
		<u>Sw F</u>	<u>Sw F</u>	<u>Sw F</u>
<b>Section 5 - <u>Common Services</u></b>				
(i)	Cables, telex and telephone communications	110,000	-	110,000
(ii)	Freight and cartage	14,000	-	14,000
(iii)	Books and information material	120,000	(10,000)	110,000
(iv)	Rental and maintenance of premises and equipment:			
	(a) Rent	1,537,000	-	1,537,000
	(b) Electricity	120,000	-	120,000
	(c) Water supply	18,000	-	18,000
	(d) Heating	100,000	(10,000)	90,000
	(e) Telephone and telex (rental)	140,000	-	140,000
	(f) Insurance premiums	125,000	-	125,000
	(g) Maintenance expenditure	300,000	-	300,000
	(h) Contractual cleaning	420,000	(10,000)	410,000
	(i) Maintenance of service cars	18,000	-	18,000
(v)	Postal services	280,000	(20,000)	260,000
(vi)	Stationery and office supplies	130,000	-	130,000
(vii)	Reproduction of documents	700,000	(55,000)	645,000
(viii)	External audit	62,000	-	62,000
(ix)	Other services and miscellaneous expenditure	<u>785,000</u>	<u>-</u>	<u>785,000</u>
	Total Section 5:	4,979,000 =====	(105,000) =====	4,874,000 =====
<b>Section 6 - <u>Printing</u></b>		400,000 =====	(50,000) =====	350,000 =====
<b>Section 7 - <u>Representation and Hospitality</u></b>		125,000 =====	(15,000) =====	110,000 =====
<b>Section 8 - <u>Public Information</u></b>		5,000 =====	- =====	5,000 =====

	<u>Original Estimates (L/5700) Sw F</u>	<u>Increases (Decreases) Sw F</u>	<u>Revised Estimates Sw F</u>
Section 9 - <u>Permanent Equipment</u>	223,000 =====	(60,000) =====	163,000 =====
Section 10 - <u>Contribution to the Staff Assistance Fund</u>	20,000 =====	- =====	20,000 =====
Total Part II:	47,585,000 =====	(1,269,000) =====	46,316,000 =====
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>	1,042,000 =====	(95,000) =====	947,000 =====
<u>Sub-Total</u>	49,063,000 =====	(1,384,000) =====	47,679,000 =====
PART V: <u>INTERNATIONAL TRADE CENTRE UNCTAD/GATT</u>			
Section 13 - <u>Contribution to the International Trade Centre UNCTAD/GATT</u>	9,731,000 =====	130,000 =====	9,861,000 =====
<u>TOTAL</u>	58,794,000 =====	(1,254,000) =====	57,540,000 =====

SCHEDULE II/ETAT NO II/ESTADO II

SCALE OF CONTRIBUTIONS FOR 1985  
BAREME DES CONTRIBUTIONS POUR 1985  
ESCALA DE CONTRIBUCIONES PARA 1985

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

Country/Pays/País	%	Sw F/FS
<u>Contracting parties/Parties contractantes/ Partes contratantes:</u>		
Argentina/Argentine . . . . .	0.52	293,800
Australia/Australie . . . . .	1.43	807,950
Austria/Autriche . . . . .	1.10	621,500
Bangladesh . . . . .	0.12	67,800
Barbados/Barbade . . . . .	0.12	67,800
Beglium/Belgique/Bélgica . . . . .	3.18	1,796,700
Belize/Belice . . . . .	0.12	67,800
Benin/Bénin . . . . .	0.12	67,800
Brazil/Brésil/Brasil . . . . .	1.39	785,350
Burkina Faso . . . . .	0.12	67,800
Burma/Birmanie/Birmania . . . . .	0.12	67,800
Burundi . . . . .	0.12	67,800
Cameroon/Cameroun/Camerún . . . . .	0.12	67,800
Canada/Canadá . . . . .	4.26	2,406,900
Central African Republic/République centrafricaine/República Centrafricana . . . . .	0.12	67,800
Chad/Tchad . . . . .	0.12	67,800
Chile/Chili . . . . .	0.25	141,250
Colombia/Colombie . . . . .	0.25	141,250
Congo, People's Republic/Congo, République populaire/Congo, República Popular . . . . .	0.12	67,800
Cuba . . . . .	0.32	180,800
Cyprus/Chypre/Chipre . . . . .	0.12	67,800
Czechoslovakia/Tchécoslovaquie/Checoslovaquia . . . . .	1.00	565,000
Denmark/Danemark/Dinamarca . . . . .	1.02	576,300
Dominican Republic/République Dominicaine/ República Dominicana . . . . .	0.12	67,800
Egypt, Arab Republic/Egypte, République arabe/ Egipto, República Arabe . . . . .	0.33	186,450
Finland/Finlande/Finlandia . . . . .	0.82	463,300
France/Francia . . . . .	6.71	3,791,150
Gabon/Gabón . . . . .	0.12	67,800
Gambia/Gambie . . . . .	0.12	67,800
Germany, Federal Republic/Allemagne, République fédérale/Alemania, República Federal . . . . .	10.23	5,779,950
Ghana . . . . .	0.12	67,800
Greece/Grèce/Grecia . . . . .	0.43	242,950
Guyana/Guyane . . . . .	0.12	67,800

Country/Pays/País	%	Sw F/FS
<u>Contracting parties/Parties contractantes/ Partes contratantes: (cont'd)/(suite)/(cont.)</u>		
Haiti/Haïti/Haití . . . . .	0.12	67,800
Hungary/Hongrie/Hungría . . . . .	0.54	305,100
Iceland/Islande/Islandia . . . . .	0.12	67,800
India/Inde . . . . .	0.73	412,450
Indonesia/Indonésie . . . . .	1.16	655,400
Ireland/Irlande/Irlanda . . . . .	0.55	310,750
Israel/Israël . . . . .	0.47	265,550
Italy/Italie/Italia . . . . .	4.93	2,785,450
Ivory Coast/Côte d'Ivoire/Costa de Marfil . . . . .	0.16	90,400
Jamaica/Jamaïque . . . . .	0.12	67,800
Japan/Japon/Japón . . . . .	8.62	4,870,300
Kenya . . . . .	0.12	67,800
Korea, Republic/Corée, République/ Corea, República . . . . .	1.48	836,200
Kuwait/Koweït . . . . .	0.63	355,950
Luxembourg/Luxemburgo . . . . .	0.28	158,200
Madagascar . . . . .	0.12	67,800
Malawi . . . . .	0.12	67,800
Malaysia/Malaisie/Malasia . . . . .	0.77	435,050
Maldives/Maldivas . . . . .	0.12	67,800
Malta/Malte . . . . .	0.12	67,800
Mauritania/Mauritanie . . . . .	0.12	67,800
Mauritius/Maurice/Mauricio . . . . .	0.12	67,800
Netherlands, Kingdom of/Pays Bas, Royaume des/ Países Bajos, Reino de los . . . . .	4.34	2,452,100
New Zealand/Nouvelle-Zélande/Nueva Zelandia . . . . .	0.34	192,100
Nicaragua . . . . .	0.12	67,800
Niger/Níger . . . . .	0.12	67,800
Nigeria/Nigéria . . . . .	1.03	581,950
Norway/Norvège/Noruega . . . . .	1.01	570,650
Pakistan/Pakistán . . . . .	0.26	146,900
Peru/Pérou/Perú . . . . .	0.20	113,000
Philippines/Filipinas . . . . .	0.41	231,650
Poland/Pologne/Polonia . . . . .	0.78	440,700
Portugal . . . . .	0.44	248,600
Romania/Roumanie/Rumania . . . . .	0.72	406,800
Rwanda . . . . .	0.12	67,800
Senegal/Sénégal . . . . .	0.12	67,800
Sierra Leone/Sierra Leona . . . . .	0.12	67,800
Singapore/Singapour/Singapur . . . . .	1.09	615,850
South Africa/Afrique du Sud/Sudáfrica . . . . .	1.17	661,050
Spain/Espagne/España . . . . .	1.58	892,700
Sri Lanka . . . . .	0.12	67,800
Suriname . . . . .	0.12	67,800
Sweden/Suède/Suecia . . . . .	1.70	960,500
Switzerland/Suisse/Suiza . . . . .	1.72	971,800

Country/Pays/País	%	Sw F/FS
<u>Contracting parties/Parties contractantes/ Partes contratantes: (cont'd)/(suite)/(cont.)</u>		
Tanzania/Tanzanie/Tanzanía . . . . .	0.12	67,800
Thailand/Thaïlande/Tailandia . . . . .	0.51	288,150
Togo . . . . .	0.12	67,800
Trinidad and Tobago/Trinité-et-Tobago/ Trinidad y Tabago . . . . .	0.19	107,350
Turkey/Turquie/Turquía . . . . .	0.44	248,600
Uganda/Ouganda . . . . .	0.12	67,800
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 . . . . .	7.67	4,333,550
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América . . . . .	14.88	8,407,200
Uruguay . . . . .	0.12	67,800
Yugoslavia/Yougoslavie . . . . .	0.75	423,750
Zaire/Zaire . . . . .	0.12	67,800
Zambia/Zambie . . . . .	0.12	67,800
Zimbabwe . . . . .	0.12	67,800
<u>Associated Governments/Gouvernements associés/ Gobiernos asociados:</u>		
Democratic Kampuchea/Kampuchea démocratique/ Kampuchea democrática . . . . .	0.12	67,800
Tunisia/Tunisie/Túnez . . . . .	0.17	96,050
	100.00	56,500,000
	100.00	56,500,000



ANNEX I/ANNEXE I/ANEXO I

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 30 SEPTEMBER 1984/ETAT DES ARRIERES DE CONTRIBUTIONS AU 30 SEPTEMBRE 1984  
CONTRIBUCIONES PENDIENTES AL 30 DE SEPTIEMBRE DE 1984

Country/Pays/País	US dollars/Dollars des Etats-Unis/Dólares EEUU		Swiss francs/Francis suisses/Francos suizos					Total 1973/1984
	1969/1972		1973/1980	1981	1982	1983	1984	
Argentina/Argentine							263,640	263,640
Bangladesh							60,840	60,840
Belize/Belice						58,250	60,840	119,090
Benin/Bénin						51,738	60,840	112,578
Brazil/Brésil/Brasil							679,380	679,380
Burkina Faso			113,809	48,480	53,170	58,250	60,840	334,549
Burundi			163,295	48,480	53,170	58,250	60,840	384,035
Cameroon/Cameroun							60,360	60,360
Central African Republic/République centrafricaine/República Centroafricana			157,231	48,480	53,170	58,250	60,840	377,971
Chad/Tchad		15,815	305,500	48,480	53,170	58,250	60,840	526,240
Colombia/Colombie							103,468 <sup>2/</sup>	103,468
Congo, People's Republic/ Congo, République populaire/ Congo, República Popular			73,126	48,480	53,170	58,250	60,840	293,866
Cuba						77,720	157,170 <sup>2/</sup>	234,890
Cyprus/Chypre/Chipre							60,840	60,840
Dominican Republic/République Dominicaine/ República Dominicana		6,497	305,500	48,480	53,170	58,250	60,840	526,240
Gabon/Gabón							31,013	31,013
Gambia/Gambie			159,073	48,480	53,170	58,250	60,840	379,813
Ghana				27,507	53,170	58,250	60,840	199,767
Greece/Grèce/Grecia							8,688	8,688
Guyana/Guyane						58,250	60,840	119,090
Haiti/Haïti/Haití					53,170	58,250	60,840	332,316
Italy/Italie/Italia			111,576 <sup>3/</sup>	48,480	53,170	58,250	174,144 <sup>2/</sup>	174,144
Ivory Coast/Côte d'Ivoire/Costa de Marfil							81,120	107,964
Kampuchea, Democratic/ Kampuchea Democrática			292,106	48,480	53,170	58,250	60,840	512,846
Kenya							58,250 <sup>2/</sup>	58,250
Madagascar					33,713	58,250	60,840	152,803
Maldives/Maldivas							60,840	60,840
Malta/Malte							60,840	60,840
Mauritania/Mauritanie			205,519	48,480	53,170	58,250	60,840	426,259
Netherlands, Kingdom of/Pays Bas, Reino de los Países Bajos							2,215,590	2,215,590

Country/Pays/País	US dollars/Dollars des Etats-Unis/Dólares EEUU		Swiss francs/Francis/Francos suizos					Total 1973/1984
	1969/1972		1973/1980	1981	1982	1983	1984	
Nicaragua	.	.	230,529	48,480	53,170	1/	60,840	393,019
Niger/Níger	.	.	.	.	11,788	58,250	60,840	130,878
Nigeria/Nigéria	.	.	.	.	.	.	578,920	578,920
Peru/Pérou/Perú	.	.	.	76,760	66,470	92,220	101,400 <sup>3/</sup>	336,850
Philippines/Filipinas	.	.	.	.	.	49,897 <sup>2/</sup>	212,940 <sup>3/</sup>	262,837
Poland/Pologne/Polonia	.	.	.	.	.	.	456,300	456,300
Rwanda	.	.	.	.	.	.	60,840	60,840
Senegal/sénégal	.	.	12,728	48,480	53,170	58,250	60,840	233,468
Sierra Leone/Sierra Leona	.	.	252,200	48,480	53,170	58,250	60,840	472,940
Tanzania/Tanzanie/Tanzania	.	.	5,959	48,480	53,170	58,250	60,840	226,699
Togo	.	.	.	.	21,970	58,250	60,840	141,060
Uganda/Ouganda	.	.	141,470	48,480	53,170	58,250	60,840	362,210
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América	.	.	.	.	.	.	7,397,130 <sup>2/</sup>	7,397,130
Uruguay	.	.	.	.	.	58,250 <sup>2/</sup>	60,840	119,090
Yugoslavia/Yougoslavie	.	.	.	.	.	.	16,454	16,454
Zaire/Zaire	.	.	.	48,280	53,170	58,250	60,840	220,540
Zambia/Zambie	.	.	.	.	24,090	58,250	60,840	143,180
TOTAL	.	22,312	2,529,621	879,747	1,061,921	1,638,169	14,421,167	20,530,625

US\$22,312 at Sw F 2.40 to US\$1.- equivalent to / 22.312 dollars EU à 2.40 FS par dollar EU, équivalent à /  
22.312 dólares EE.UU a 2.40 FS por dolar, que equivalen a . . . . . 53,549  
=====

1/ In conformity with the payment proposal approved by the CONTRACTING PARTIES in November 1982  
En conformité avec la proposition de paiement approuvée par les PARTIES CONTRACTANTES en novembre 1982  
En conformidad con la propuesta de pagar aprobada por las PARTES CONTRATANTES en noviembre de 1982

2/ Payment received since 30 September 1984  
Paiement reçu depuis le 30 septembre 1984  
Pago recibido desde el 30 de septiembre de 1984

3/ Partial payment received since 30 September 1984  
Paiement partiel reçu depuis le 30 septembre 1984  
Pago parcial recibido desde el 30 de septiembre de 1984

L/5699  
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ANNEX II

REPORT BY MR. G.A. STUNZI, ALTERNATE MEMBER REPRESENTING THE  
CONTRACTING PARTIES ON THE ICITO/GATT PENSIONS COMMITTEE

At its thirty-eighth session, the General Assembly of the United Nations only partly approved the proposals submitted the previous year by the Joint Staff Pensions Board, making an increase, as from 1 January 1984, of 0.75 per cent in the contributions, which thus rose from 21 to 21.75 per cent (14.5 per cent borne by the affiliated organizations and 7.25 per cent by the participants); it once again called for examination of the possibility of eliminating the actuarial deficit, evaluated at 4.04 per cent of pensionable remuneration, and decided that this question would be reviewed at the thirty-ninth session.

The Joint Staff Pensions Board studied the problem and proposes technical measures - new interest rates for calculating the one-third lump-sum payment, revised reduction factor for early retirement, modification of the two-track pension adjustment system and payment of pensions to new retirees at the end of the month to which it relates; all these measures would come into effect on 1 January 1985 and would make it possible to reduce the deficit by 1.33 per cent while respecting acquired rights and without retroactive application. The Joint Staff Pensions Board also renewed its recommendations that contributions be increased to 24 per cent and that the statutory separation age be raised to sixty-two; such measures would contribute to reducing the actuarial deficit by 2.25 per cent and 0.46 per cent respectively, thus eliminating the whole of the actuarial deficit.

At the request of the General Assembly of the United Nations, the International Civil Service Commission prepared a report on pensionable remuneration for the Professional and Higher categories, containing three recommendations:

- The first relates to the application of a new scale. Many reservations were expressed concerning the data and the methodology employed, as well as the brevity of the time allowed for studying the effects of this proposal; the Joint Staff Pensions Board therefore appointed a tripartite working group consisting of nine members, which was instructed to study the methodology and report as soon as possible. The group met in New York as from 10 September. In the light of its recommendations, the Joint Staff Pensions Board recognized that the introduction of the scale proposed by the Commission in its report, as from 1 January 1985, was justified. This scale, which relates to pensionable remuneration of Professional and Higher categories, would be slightly modified and its application subject to appropriate transitional measures.
- The second recommendation concerns the adjustment system for pensionable remuneration. The Consumer Price Index (CPI) for New York would replace the index for the United States and the adjustment would be made only once a year (provided the index increases by 5 per cent).

- The third recommendation relates to 5.4 per cent adjustment, on 1 October 1984, of the scale of pensionable remuneration due on 1 October. The Joint Staff Pensions Board made the same recommendation.

Since the new economy measures proposed by the Board are mainly at the expense of present and future pensioners, they will not entail any increased expenditure for GATT's budget in 1985. On the other hand, the Board's recommendation to increase the aggregate contribution to 24 per cent within a period shorter than that proposed last year would mean an additional charge on GATT's budgets in future years.

B. INTERNATIONAL TRADE CENTRE UNCTAD/GATT

I. INTRODUCTION

58. Before turning to the Centre's audited accounts for 1982-1983 and the Performance Report on the 1984-1985 budget, the Committee heard an introductory statement by the Executive Director of the Centre. He said that, since the approval of the 1984-1985 budget last year, the Centre had continued to receive the support of the GATT Council and the UNCTAD Trade and Development Board for its activities related to trade promotion and export development for the benefit of developing countries, and their encouragement for an increase in voluntary contributions. He hoped that such increases would enable a return to the higher US dollar levels of trust fund contributions the Centre enjoyed a few years ago. Unfortunately, the strong appreciation of the dollar had had negative effects on the dollar value of contributions made in other currencies. However, he had the satisfaction of being able to report a growth of UNDP resources for trade promotion activities.

II. AUDITED ACCOUNTS FOR 1982-1983

59. The Committee took note of the Financial Report and Accounts for the Biennium 1982-1983 ended 31 December 1983 and Report of the Board of Auditors, contained in document A/39/5 which, under the agreed administrative arrangements for the International Trade Centre, was submitted to the United Nations General Assembly for approval.

III. PERFORMANCE REPORT FOR 1984-1985

60. The Committee noted from the Performance Report of the Centre for the biennium 1984-1985 and from an information paper provided by the GATT secretariat that the revision of the Centre's 1984-1985 budget would result in increases in GATT's Swiss franc contributions to the Centre as follows:

<u>1984</u>	<u>Swiss francs</u>
Amount approved in 1984 GATT budget (L/5564)	8,866,000
Revised amount per ITC performance report (ITC/BUD/2)	<u>8,984,000</u>
Increase in 1984 GATT contribution	118,000 =====

	<u>Swiss francs</u>
<u>1985</u>	
Original ITC provision at US\$1/Sw F 2.13	9,510,000
Adjustment to US\$1/Sw F 2.46	<u>221,000</u>
Provision in 1985 GATT budget (L/5700)	9,731,000
Revised amount per ITC performance report (ITC/BUD/2)	<u>9,861,000</u>
Additional increase in 1985 GATT contribution	130,000 =====

61. Some members of the Committee sought and obtained detailed clarifications on the 1984-1985 budget before agreeing to recommend the revised estimates to the Council. It was subsequently agreed that, in future, the Committee should not finalize its consideration of the Centre's estimates until the examination of the GATT budget as a whole had been finalized.

62. A representative of the secretariat informed the Committee that the additional requirements for the Centre in respect of 1984 would be covered by savings within the 1984 budget, by utilization of the Unforeseen Expenditure item or by transfer from the Working Capital Fund.

63. The Committee recommends to the Council that the revised estimates of expenditure for the International Trade Centre UNCTAD/GATT for the biennium 1984-1985 be approved in the amount of US\$ 16,413,300 (1984: 8,189,900; 1985: US\$ 8,223,400). The GATT contributions for 1984 and 1985 amount to US\$ 7,892,300 (1984: US\$ 3,883,800; 1985: US\$ 4,008,500) on the assumption that a like amount will be borne by the United Nations, that US\$ 410,700 (1984: US\$ 204,300; 1985: US\$ 206,400) will be forthcoming as miscellaneous income and that a transfer of US\$ 218,000 will be made from surplus in 1984. This revision of the Centre budget had the effect that, on the basis of present estimates, the GATT contribution in 1984 would amount to Sw F 8,984,000.

64. With regard to 1985, the Committee recommends to the Council that the revised amount of Sw F 9,861,000 provided in the 1985 GATT budget for a contribution to the International Trade Centre UNCTAD/GATT, be paid to the Centre in 1985 in instalments, in Swiss francs.

POINTS FOR DECISION: Paragraph 63  
Paragraph 64