

**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 met at the Centre William Rappard, Geneva, on 24 September, 16, 20, 21, 23 28 and 29 October 1987 in formal sessions and in an informal session on 23 October 1987.

2. The Committee was chaired by H.E. Mr. K.G.A. Hill of Jamaica and the membership of the Committee was as follows:

Australia	Israel	Singapore
Canada	Italy	Spain
Chile	Jamaica	Sweden
France	Japan	Switzerland
Germany, Fed. Rep.	Korea, Rep. of	United Kingdom
Hong Kong	Malaysia	United States
Hungary	Netherlands	Zaire
India	Nigeria	

3. The agenda of the meetings contained in GATT/AIR/2463 and GATT/AIR/2480 were approved.

4. The Committee had before it the following documents:

GATT Secretariat

- Pension and Salary Matters - Communication from the Chairman of the Council (Spec(87)10 and Spec(87)10/Add.1)
- Pension and Salary Matters - Note by the Secretariat (Spec(87)45)
- Report of the Chairman of the Committee on Budget, Finance and Administration to the Council on 7 October 1987 (Spec(87)50)
- Director-General's Financial Report on the 1986 Accounts and Report of the External Auditor thereon (L/6186)
- Outstanding Contributions due from Chad (Spec(87)27)
- Contributions of Kampuchea (Spec(87)44)
- Outstanding Contributions Expressed in US Dollars (Spec(87)43)
- Assessment on Antigua and Barbuda of Additional Contribution to the 1987 Budget and Advance to the Working Capital Fund (L/6165)
- Assessment on Morocco of Additional Contribution to the 1987 Budget and Advance to the Working Capital Fund (L/6202)
- Assessment on Botswana of Additional Contribution to the 1987 Budget and Advance to the Working Capital Fund (L/6219)
- Budget Estimates for the Financial Year 1988 (L/6220)
- 1987 Expenditure and Commitments Statement as at 30 September 1987 (Spec(87)47)
- Statement of Outstanding Contributions as at 30 September 1987 (Spec(87)48)
- Cash Situation (Spec(87)52)

International Trade Centre UNCTAD/GATT

- Second Performance Report on the Programme Budget for the Biennium 1986-1987 and GATT Contributions to the ITC (ITC/BUD/7)
- Proposed Programme Budget for the Biennium 1988-1989 (A/42/6)
- Report of the Advisory Committee for Administration and Budgetary Questions on the Proposed Programme Budget for the Biennium 1988-1989 (A/42/7)

A. GATT SECRETARIAT

### I. SALARIES AND PENSIONS OF PROFESSIONAL GATT STAFF

5. On 24 September, the Committee examined problems concerning salaries and pensions of GATT Professional and higher category staff on the basis of the Informal Advisory Group Report (Spec(87)10 and Spec(87)10/Add.1) and a Note by the Secretariat (Spec(87)45).

6. On 7 October the Chairman reported to the Council on these matters (Spec(87)50). Regarding the recommendations of the Informal Advisory Group concerning the establishment of additional seniority steps and relaxing the rules on the age of retirement, the Committee decided to further study these questions in the course of its examination of the 1988 budget proposals.

### II. REPORT ON THE 1986 ACCOUNTS AND REPORT OF THE EXTERNAL AUDITOR THEREON

7. The Committee examined the Director-General's Financial Report on the 1986 Accounts and the Report of the External Auditor thereon (document L/6186).

8. With regard to the Trust Fund for the Independent Group to Study the Trading System, the Committee was informed by the Secretariat that Sw F 360,005 had been received by 19 October 1987 and that the balance still outstanding amounted to Sw F 44,742 on which the Trust Fund paid interest to the General Fund. The Committee also noted that further payments would be forthcoming.

9. The Committee recommends to the Council that the CONTRACTING PARTIES approve the audited accounts for 1986 and convey to the External Auditor their thanks for the valuable assistance given to the CONTRACTING PARTIES in the audit of these accounts.

### III. CONTRIBUTIONS TO THE GATT BUDGET

#### Chad

10. The Committee examined a request from the Government of Chad to be exempted from paying its outstanding contributions for the years 1977-1987 (Spec(87)27). Some members of the Committee felt that the writing-off of outstanding contributions would create a precedent and suggested that this request should again be considered at a future meeting of the Committee when it examined the problem of contributions in arrears. While recognizing the difficult financial situation of Chad, the Committee, as a matter of principle, was not in a position to accept the Government of Chad's request.

Kampuchea

11. The Committee examined a request by the Director-General to cancel the outstanding contributions of Kampuchea (Spec(87)44). It noted that Kampuchea (Cambodia) had paid contributions to the GATT budgets from 1959 to 1973 because it had declared its intention to accede to GATT and had taken part in the work of the CONTRACTING PARTIES (BISD 7S/17). Further, contributions had been assessed on Kampuchea (Cambodia) until now. The Committee also noted that the Government of Kampuchea (Cambodia) had never signed the Protocol of Accession and therefore never became a contracting party. Consequently, this country was not liable to pay contributions to the GATT budget.

12. Contrary to what is now the practice, the Protocol of Accession of Kampuchea (Cambodia) did not contain any time-limit for its acceptance by the acceding country. At present, protocols of accession contain a strict time-limit for the acceptance of the protocol by the acceding country. If the country does not accept the protocol within this time-limit, the country would no longer be considered as being in the process of accession. A situation like that of Kampuchea (Cambodia), where the position of the acceding country would be in suspense for decades, would thus be excluded.

13. A further element that made the situation of Kampuchea (Cambodia) different from that of countries now in the process of accession was that formal decisions by the CONTRACTING PARTIES inviting acceding countries to take part in the work of the CONTRACTING PARTIES were no longer taken.

14. After a thorough exchange of views, the Committee decided that further considerations were needed and agreed to postpone any decision on the proposal of the Director-General on this matter.

Outstanding contributions expressed in US dollars

15. Further to the proposal of the Director-General (Spec(87)43), acting on a suggestion made by the External Auditor, the Committee recommends to the Council that outstanding contributions expressed in US dollars amounting to US\$22,311.83 be converted into Swiss francs and henceforth be expressed in that currency.

Assessment of additional contributions to the 1987 budget and advances to the Working Capital Funda) Antigua and Barbuda

16. Consequent to the accession to the GATT of Antigua and Barbuda (L/6165), the Committee recommends that a contribution to the 1987 budget amounting to Sw F 72,120 be assessed on this Government. This assessment represents the minimum contribution of 0.12 per cent applicable to

countries whose share in the total trade of the contracting parties is 0.12 per cent or less. Further, on the basis of the level of the Working Capital Fund of Sw F 3,224,561 on 1 January 1987, the Committee recommends to the Council that an amount of Sw F 16,120 be assessed on the Government of Antigua and Barbuda as an advance to the Fund.

b) Morocco

17. Consequent to the accession to the GATT of Morocco (L/6202), the Committee recommends that a contribution to the 1987 budget amounting to Sw F 58,680 be assessed on this Government. This assessment, calculated on a pro rata basis as from 17 June 1987, represents a contribution of 0.13 per cent and is based on this country's foreign trade figures for 1983-1985. Further, on the basis of the level of the Working Capital Fund of Sw F 3,297,640 on 17 June 1987, the Committee recommends to the Council that an amount of Sw F 16,490 be assessed on the Government of Morocco as an advance to the Fund.

c) Botswana

18. Consequent to the accession to the GATT of Botswana (L/6219), the Committee recommends that a contribution to the 1987 budget amounting to Sw F 72,120 be assessed on this Government. This assessment represents the minimum contribution of 0.12 per cent applicable to countries whose share in the total trade of the contracting parties is 0.12 per cent or less. Further, on the basis of the level of the Working Capital Fund of Sw F 3,224,561 on 1 January 1987, the Committee recommends to the Council that an amount of Sw F 16,120 be assessed on the Government of Botswana as an advance to the Fund.

#### IV. FINANCING OF THE 1987 BUDGET

##### Income and expenditure budget

19. The Committee examined the 1987 Expenditure and Commitments Statement as at 30 September 1987 (Spec(87)47) presented by the Secretariat. It was emphasized that the figures were estimates prepared three months before the end of the year and should therefore be treated as such. It was noted that, on the basis of these figures, the expenditure budget would close with likely savings of some Sw F 4,900,000 over the amount appropriated. In addition, it was expected that there would be an excess of some Sw F 200,000 in miscellaneous income over the original budget for 1987. The Committee noted that barring any significant change in the expected receipt of contributions by the end of the year, the Surplus Account was likely to close with a surplus of Sw F 2.4 million.



20. Budgetary savings were anticipated mainly on Salaries (Sw F 2,050,000), Common Staff Costs (Sw F 1,229,000), Common Services (Sw F 186,000), Trade Policy Training Courses (Sw F 118,000), Contribution to the International Trade Centre UNCTAD/GATT (Sw F 588,000) and the Uruguay Round (Sw F 847,000), to which the Unforeseen Expenditure item (Sw F 100,000) was to be added.

21. These budgetary savings were mainly due to the fact that the Remuneration Correction Factor (RCF) did not have the result on salaries of staff in the Professional and higher categories that was expected when the 1987 budget was approved as well as to the fact that a number of posts remained vacant for certain periods during the year. Further savings were due to the effect of the decline of the US dollar vis-à-vis the Swiss franc on contributions to the United Nations Joint Staff Pension Fund and to the International Trade Centre UNCTAD/GATT. With regard to the Uruguay Round budget, it was noted that recruitment of staff was delayed on account of the time consuming selection process of the large number of applicants. In addition, given the fact that a final decision on the launching of the Trade Policy Data Base had not yet been taken, savings were expected under this item.

#### Cash situation and outstanding contributions

22. In their statements to the Committee, the Director-General and a Deputy Director-General said that the Secretariat was experiencing serious cash flow problems. After the payment of the October salaries of the permanent staff (but not temporary staff), insufficient funds would be available to pay the GATT's contribution for October to the Joint Staff Pension Fund and any other non-deferrable commitments. By the end of 1987 total cumulative commitments amounted to some Sw F 9 million.

23. Unless some major contributions were forthcoming shortly, the Secretariat would be unable to meet its obligations. As a result of this situation, the Director-General had been obliged to request authority to have immediate recourse to bank overdraft facilities, in order to meet the Secretariat's current non-deferrable cash commitments (Spec(87)52).

24. The Committee suspended the consideration of this matter in the light of ongoing discussions conducted by the Chairman of the Council. The Committee noted that at a special meeting of the Council on 29 October payment of over Sw F 2 million was announced and that the Council decided to revert to the question of the cash situation on the basis of a report by the Director-General at its meeting on 10 November 1987.

#### V. ESTIMATES OF EXPENDITURE FOR 1988

25. The Committee heard an introductory statement by the Director-General. He said that he had resisted suggestions emanating from some national authorities who, taking into account the demands of the Uruguay Round, encouraged him to increase considerably the human resources of the Secretariat. It was evident that with the Uruguay Round well underway and

with work gathering momentum, an important increase in the overall work-load of GATT could be anticipated and that the Secretariat had to have the means to handle it. However, he had exercised maximum restraint and thus, the proposed budget showed an increase of only 3.8 per cent over the approved 1987 budget. The Director-General also underlined that the Secretariat was working at its maximum capacity. Further, one of his major concerns was that in the future the Secretariat's personnel would be as qualified as at the present moment. This meant that the budget did not only take account of the present personnel needs but also of the training of future executive staff.

26. The Director-General also raised the question of the salaries of Professional GATT staff. He hoped that the Committee could agree to the additional seniority steps which were included in the 1988 budget estimates upon recommendation by the Informal Advisory Group. These seniority steps would be a partial remedy to the serious erosion of salaries and pensions experienced by Professional staff in recent years. He added that additional seniority steps already existed in the World Health Organization and the International Labour Office and were therefore, in his opinion, compatible with the Common System.

27. A Deputy Director-General introduced the Budget Estimates for 1988 with a comprehensive statement, the text of which was circulated to the members of the Committee. He drew the Committee's attention to several indicators which demonstrated a considerable increase in the work-load of the Secretariat. The number of meetings had increased from 376 in 1985 and 380 in 1986 to an estimated 420 by the end of 1987. The number of Dispute Settlement Panels had increased from two in each of the years 1985 and 1986 to fifteen by September 1987. With regard to the reproduction of documents, there were 30 million pages in 1985, 33 million in 1986 and it was estimated that 36 million pages would be reproduced by the end of 1987.

28. These indicators showed an overall increase of 10 per cent in the 1987 work-load over 1986 and a further 10 per cent increase was anticipated in 1988.

29. Regarding the cash situation a Deputy Director-General drew attention to projections of both contributions and expenditures which indicated that on the basis of the present scale of contributions (minimum of 0.12 per cent) there would likely be a cash deficit of Sw F 2.6 million by the end of 1988. In order to avoid such a situation, he noted that three measures had been proposed by the Secretariat, namely, (i) an increase of 1 million Swiss francs in the Working Capital Fund, (ii) the lowering of the minimum contribution from 0.12 per cent to 0.03 per cent, and (iii) the payment of interest to contracting parties which paid their assessed contributions early in the year in which they fall due. While none of these measures proposed by the Secretariat would, if applied individually, solve the overall problem, a combination of them, or any other solution which might be proposed by members of the Committee, should be examined by the Committee without delay.

Forty-fourth session of the CONTRACTING PARTIES

30. A member of the Secretariat informed the Committee that the forty-fourth session of the CONTRACTING PARTIES was scheduled to be held at the International Labour Organisation, since the International Conference Centre was not available. The Committee noted that the Secretariat had made the necessary reservation at the International Conference Centre from 1989 onwards.

Salaries

31. A member of the Secretariat explained that since 1 April 1987, the International Civil Service Commission (ICSC) had introduced a system of salary calculation known as the Remuneration Correction Factor (RCF) and had subsequently modified it as from September 1987. This system, designed to ensure that take-home pay (defined as net base salary and post adjustment after deduction of the pension contribution) in local currency, whatever the exchange rate, should not be less than what it would have been if the dollar exchange rate in Switzerland was Sw F 1.70. The floor rate of Sw F 1.70 is 20 per cent below the rate in effect at the time of the last Geneva/New York place-to-place cost-of-living survey in October 1983, i.e. Sw F 2.13. The ICSC had also set a ceiling rate of Sw F 2.13 plus 20%, i.e. Sw F 2.56. The Secretariat based its 1988 estimates for salaries of the Professional staff on the salaries actually paid in September 1987, when the UN exchange rate was US\$1/Sw F 1.50. According to an estimate made by the Secretariat an increase or a decrease of 1 centime in the US\$/Sw F exchange rate would result in an increase or a decrease in the budget for salaries and pension contributions of some Sw F 25,000.

32. With regard to the recommendation of the Informal Advisory Group for granting two additional seniority steps for staff in the Professional category and above, several members expressed support, while others found the proposal incompatible with the austerity measures that their own authorities had brought into force in their countries. Some members also found the proposal inconsistent with the Common System and therefore could not support it. Other members suggested that the examination of this matter be deferred until the decision of the forthcoming United Nations General Assembly, concerning protection of pension benefits in local currency, was known. With regard to relaxing the rules on the age of retirement, proposed by the Informal Advisory Group, the Committee felt that it was not necessary to modify the prevailing practice in GATT.

Established posts, consolidations and regradings

33. Concerning the two new permanent posts included in the budget proposals, there was general support for the establishment of the post of a sixth interpreter, which would complete the team of in-house interpreters. There was, however, no consensus with regard to the post of trainer in office automation. Some members of the Committee suggested that it would be more effective and less costly to use the services of a consultant since the need for a trainer would be temporary.

34. A member of the Secretariat explained that effective training was the most important factor in obtaining maximum benefit from text processing machines. Training could not be viewed as a one-time effort as there was, on the one hand, a continuous turnover of clerical staff and on the other hand, a need to conduct regular refresher courses to keep up-to-date with new technology. Furthermore, it was imperative to have someone available on the spot to solve problems as they arose in order to ensure a smooth flow of work. He emphasized that the cost of an outside trainer amounted to some Sw F 1,000 per day, while an in-house trainer, available full-time, would cost Sw F 65,000 per year. It was noted that expenditure for the first ten months of 1987 amounted to some Sw F 30,000 for an outside trainer.

35. Some members expressed the view that fourteen regradings and five consolidations were too many. Other members considered that the additional cost of the proposed regradings could not be justified at the present time of austerity. Some other members suggested that consolidations might offer a means of by-passing the normal competitive conditions for entry into the permanent staff of the Secretariat. They further stressed the necessity for the Secretariat to have a wider geographical distribution of staff. It was agreed that efficiency should continue to be the criterion for the selection of staff.

36. A member of the Secretariat replied that the established job classification standards (ICSC for Professional staff and ILO for General Service category staff) had been applied and that, according to them, the regrading of a much larger number of posts would have been justified. However, after thorough examination only the most urgent cases had been retained in the 1988 budget proposals. With regard to consolidations, the proposal was made on the grounds that all the posts proposed were required on a permanent basis. The Secretariat confirmed that recruitment of all temporary assistance Professional staff were made on the basis of vacancy notices thereby guaranteeing normal competitive conditions.

37. The Committee could not approve the proposed consolidations but agreed to maintain the regradings included in the budget proposals.

#### Temporary assistance

38. Some members of the Committee proposed that the provision for temporary assistance be reduced. Other members proposed a freeze of the provision for temporary assistance at the 1987 approved level. A member of the Secretariat replied that a cut in this provision would entail a reduction of work/days since the same number of work/days were proposed for 1988 as were approved in 1987. The increased provision reflected the higher cost for maintaining the same level of activity in 1988.

### Missions

39. Some members of the Committee were of the opinion that the provision for missions should be reduced. One member said that any reduction in the credit should affect official missions but not the technical co-operation missions and therefore not be detrimental to the Secretariat's technical assistance to developing countries. Another member informed the Committee that a voluntary contribution had been made for technical co-operation missions.

### Contribution to the United Nations Joint Staff Pension Fund (UNJSPF)

40. One member of the Committee proposed that the provision of Sw F 165,000, corresponding to an increase of the contribution to the UNJSPF of 14.5 per cent to 15 per cent be deleted, since the United Nations General Assembly had not yet accepted a recommendation of the Pension Board to that effect.

41. Several members of the Committee were of the opinion that the provision should remain, taking into account the fact that if it was deleted and the recommendation was finally accepted by the General Assembly, it would then be necessary to request a supplementary contribution from the contracting parties to cover it, unless there were sufficient savings under some other items. Some members preferred to retain the provision as it would be more difficult for them to seek supplementary funds.

42. One member suggested that in the event that the General Assembly should not approve the increase in the contribution to the UNJSPF, the Secretariat should modify the contributions assessed and make a corresponding credit to contracting parties' accounts. Other members were of the opinion that the provision should remain frozen; should the General Assembly not approve the increase, the Committee would then decide on the use of the funds. Other members expressed the view that modifying assessed contributions and making refunds during the financial year could complicate the management of the budget and the treatment, in the future, of likely savings in budget items. They further said that it would be contrary to the practice of transferring unused funds to the Surplus Account at the end of the financial year. The Committee came to the conclusion that in the event that the General Assembly should not approve the increase in the contribution to the UNJSPF and/or should reduce the ITC budget, the Secretariat should as an exceptional measure modify the contributions assessed and make a corresponding credit to contracting parties' accounts. It was noted that the need for this exception arose from decisions which directly affected the GATT budget and which were to be taken outside of GATT.

### Common Services

43. Some members expressed concern regarding the significant increase over the 1987 expected expenditure of the provision for common services in the 1988 budget proposals. They suggested that efforts be made to contain these costs.

Books and information material

44. The provision of Sw F 75,000 for the production of an audio-visual presentation on the GATT in the three official languages of the Secretariat was questioned by some members of the Committee who felt a need for austerity, while others saw some value in such a presentation. One member suggested that the Secretariat study the possibility of selling such a film to recover production costs.

Rental of Centre William Rappard

45. A member of the Secretariat explained that the rent payable to FIPOI, a non-profit-making body and owner of the Centre William Rappard, was based on actual costs. The rental agreement provided for an adjustment of the rent every five years. The 1987 budget proposals had included a provision for an anticipated increase in the rent which had not been effected. The Secretariat had now been informed by FIPOI that the rent would be increased, as from 1 January 1988, to Sw F 1,578,000. The Committee was informed that the Director-General had not yet signed the Addendum No. 2 to the lease as the Secretariat was still in consultation with FIPOI regarding the rental costs for the years 1988, 1989 and 1990. The Secretariat further provided the Committee with information regarding the way FIPOI calculated the rent for the Centre William Rappard. It was also indicated that the rental cost per square metre of the Centre William Rappard was less than one-third of that payable for outside office space even after the proposed increase.

Rental of offices outside the Centre William Rappard

46. Some members of the Committee were not convinced that there was a need for the rental of additional offices. A member of the Secretariat explained the serious situation with regard to office space. For instance, only six offices were at the disposal of twenty-four trainees and temporary translators had to be accommodated in offices where staff were absent on leave or on mission. This situation was far from satisfactory. The Committee was informed that there was now a possibility for renting six additional offices at Chemin des Mines as from 1 January 1988. The Secretariat underlined the urgent need for decision regarding the renting of these six offices and hoped that further offices would become available there shortly.

Rental of car parks

47. One member of the Committee requested information on practices regarding staff participation in car park rental costs in other Geneva international organizations. A member of the Secretariat replied that, in general, outdoor car parks were provided free of charge to staff while there was sometimes cost sharing for indoor parking. In some organizations staff members participated in the cost of car parks whereas in others no charge was made.

#### Printing

48. One member of the Committee suggested that the proposed credit for printing be reduced.

#### Permanent equipment

49. Some members proposed that the provision for permanent equipment be reduced. They questioned the necessity of replacing two official vehicles in one year and suggested that the replacement of vehicles be undertaken more regularly.

#### Unforeseen expenditure

50. Several members of the Committee suggested that the proposed provision for unforeseen expenditure should be either reduced significantly or deleted.

51. A member of the Secretariat explained that in spite of its relatively small amount, this credit could be used only with the formal approval of the Council. The Committee nevertheless decided that it be deleted.

#### Trade Policy Training Courses

52. With regard to the proposed estimate for Trade Policy Training Courses, it was noted that the travel cost for study tours was paid for by the host country while the subsistence allowance was borne by the GATT budget. It was explained that the increase of the 1988 estimates over the 1987 anticipated expenditure was due to the fact that (i) in 1987 there was one trainee less than budgeted for; (ii) one course in 1988 would be conducted in Spanish which required simultaneous interpretation; (iii) travel expenses for the Spanish-speaking course were higher than for the other courses; and (iv) it had been possible in 1987 to purchase tickets under temporarily favourable conditions.

#### URUGUAY ROUND

53. The Committee noted that certain expenditure (interpretation, missions, reproduction of documents, stationery, etc.) had been included exclusively under the regular budget. In order to better identify the actual expenditure for the Uruguay Round it requested the Secretariat to apportion the expenditure between the Uruguay Round and regular budget.

#### Temporary assistance

54. The Committee noted that the 1988 budget included a provision for five Professional and four General Service category temporary posts. The budget was made on the assumption that the Professional staff would be on post from 1 June 1988. The Committee was provided with additional justifications and explanations regarding the establishment of these temporary posts. Some members of the Committee proposed that savings be made by reducing the number of posts to be created.

55. Taking into account the heavy workload anticipated, a member of the Committee questioned the feasibility of reducing the number of temporary assistance posts requested for the Uruguay Round and hoped that any deletion would not impair the work to be undertaken by the Secretariat.

#### TRADE POLICY DATA BASE

56. It was noted that the provision for the Trade Policy Data Base was included in the 1988 Budget estimates on the assumption that the establishment of the Data Base would be approved by the Council. As the Data Base would concern both regular GATT activities and the Uruguay Round, the Committee agreed that the provision be included in a separate part of the budget.

#### WORKING CAPITAL FUND

57. With regard to the increase of the Working Capital Fund by 1 million Swiss francs in 1988, several members of the Committee were in favour of the proposal either as a one-time increase or in the form of a step-by-step increase. One member of the Committee proposed that as a first step the Working Capital Fund be increased by Sw F 500,000, while others were not in a position to accept any increase. Other members were of the view that the Working Capital Fund should be set at a level sufficient to cover one month of GATT expenditure.

58. Other members considered the proposal as linked to those proposals lowering the minimum contribution and implementing an incentive scheme to encourage the early payment of contributions in the year in which they fall due.

59. The Committee decided to delete the provision of Sw F 1,000,000 to increase the Working Capital Fund from the 1988 budget.

#### VI. REVISED EXPENDITURE ESTIMATES

60. Taking into account the various comments made by the Committee, a Deputy Director-General submitted revised expenditure estimates which entailed a reduction of Sw F 1,916,000 as set out below. He also agreed to withdraw the proposed consolidation of temporary posts into the permanent establishment.

#### Swiss francs

##### Regular budget

- Deletion of the post of Trainer in Office Automation	68,000
- Deletion of two additional seniority steps	150,000
- Increase in the turnover reduction under salaries	100,000



	<u>Swiss francs</u>	
- Increase in the turnover reduction under Pension Fund contributions and rate of exchange on Pension Fund contributions from US\$1/Sw F 1.55 to US\$1/Sw F 1.50	135,000	
- Reduction of the allotment for missions	42,000	
- Deletion of the provision for a film	75,000	
- Reduction of the provision for permanent equipment	35,000	
- Increase in the provision for maintenance of service cars	(4,000)	
- Decrease of the provision for Electronic Data Processing	20,000	
- Reduction of the provision for printing	15,000	
- Deletion of the provision for Unforeseen Expenditure	<u>100,000</u>	
<u>Total reduction regular budget</u>		736,000
<u>Uruguay Round</u>		
- Two months delay on entry on duty of eight Professional posts authorized in 1987 (on post on 1 March 1988)	108,000	
- Increase in installation cost in 1988 (transfer from 1987 owing to delay in recruitment)	(106,000)	
- Deletion of two Professional posts requested for 1988	110,000	
- Reduction in the provision for rent of two offices and related office equipment	<u>38,000</u>	
<u>Total reduction Uruguay Round</u>		150,000
<u>International Trade Centre</u>		
- Reduction proposed by the Advisory Committee on Administrative and Budgetary Questions		30,000
<u>Working Capital Fund</u>		
- Deletion of the provision to increase the level of the Working Capital Fund		<u>1,000,000</u>
TOTAL REDUCTIONS		<u>1,916,000</u>

61. Several members of the Committee stated that they could accept the proposed reductions and the resulting revised expenditure budget.

VII. INCOME BUDGET ESTIMATES FOR 1988

62. The Committee examined the income budget estimates for 1988 and noted that the Secretariat had forecast a cash deficit of some Sw F 2.6 million at the end of 1988. This forecast was based on the present scale of contributions including a minimum contribution of 0.12 per cent.
63. The Committee studied the three measures (concerning respectively the minimum contribution, an incentive scheme and the increase in Working Capital Fund) proposed by the Secretariat in order to solve the cash deficit anticipated by the end of 1988. Some members expressed the view that they were linked while others said that they should be examined independently.
64. Some members supported the proposal to lower the minimum contribution from 0.12 per cent to 0.03 per cent, whereas others were not in a position to accept any proposal to reduce the present minimum contribution. One member suggested, as a first step, a reduction of the minimum contribution from 0.12 per cent to 0.08 per cent. Other members proposed that new minimum contributions be set at levels ranging from 0.01 per cent to 0.08 per cent. Some other members suggested that the contribution scale be based on actual trade share without any minimum.
65. Some members of the Committee were in favour of the implementation of an incentive scheme to encourage early payment of contributions in the year they fall due while other members questioned the efficiency of such a measure which would imply the deletion in the income budget of the item for Interest on Investments and thus increase the contributions to be paid by contracting parties. It was also suggested that a disincentive scheme be considered.
66. The Committee was unable to reach a consensus regarding any of the three measures proposed to deal with the anticipated cash deficit but agreed to request that the Council ask the Committee to review this matter urgently and make recommendations to the Council no later than 31 March 1988.
67. One member indicated that he could not associate his delegation with the conclusion to continue with the existing scale for apportioning contributions for the 1988 income budget but did not oppose the adoption of paragraph 71 as worded.
68. The Committee agreed that the budget for 1988 be financed as follows:

	<u>Swiss francs</u>
a) contributions assessed on contracting parties	60,300,000
b) miscellaneous income	<u>1,249,000</u>
	61,549,000
	=====

VIII. CONCLUSIONS

69. As the Committee was not able to reach a consensus about ways to deal with a probable cash deficit in 1988, the Committee recommends to the Council that it be asked to review this matter urgently and make recommendations to the Council no later than 31 March 1988.

70. The Committee recommends to the Council that, in the event that the General Assembly should not approve the increase in the contribution to the UNJSPF (paragraphs 40-42) and/or should reduce the ITC budget (paragraph 84), the Secretariat should modify the contributions assessed and make a corresponding credit to contracting parties' accounts.

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

<u>POINTS FOR DECISION:</u>	Paragraph 9	Paragraph 18
	Paragraph 15	Paragraph 69
	Paragraph 16	Paragraph 70
	Paragraph 17	Paragraph 71

DRAFT RESOLUTION ON THE EXPENDITURE OF THE CONTRACTING PARTIES  
IN 1988 AND THE WAYS AND MEANS TO MEET SUCH EXPENDITURE

The CONTRACTING PARTIES

HAVING CONSIDERED

the estimates of expenditure of the CONTRACTING PARTIES for 1988 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 1988, provided that such repayment does not exceed a total of 61,549,000 Swiss francs.
2. The repayment referred to in paragraph 1 shall be financed as follows:
  - (a) by contributions from contracting parties in the amount of 60,300,000 Swiss francs;
  - (b) by miscellaneous income estimated at 1,249,000 Swiss francs.
3. The Director-General shall report to the Council on the status of budgetary expenditure over the first nine months of 1988.
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 1988.

## SCHEDULE I

## REVISED ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1988

	Original Estimates L/6220	Increases (Decreases)	Transfers to Uruguay Round	Revised Estimates	1987 Expected Expenditure after Transfers to Uruguay Round	1987 Appropriations after Transfers to Uruguay Round
	Sw F	Sw F	Sw F	Sw F	Sw F	Sw F
<b>PART I: MEETINGS</b>						
<b>Section 1 - Forty-fourth session of the CONTRACTING PARTIES</b>						
(i) Temporary assistance (interpreters)	3,000	-	-	3,000	13,000	13,000
(ii) Rental of meeting rooms and other services	18,000	-	-	18,000	8,000	8,000
<b>Total Section 1:</b>	<b>21,000</b>	<b>-</b>	<b>-</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>
<b>Section 2 - Meetings of the Council and other Meetings</b>						
(i) Interpretation						
a) Council	5,000	-	-	5,000	5,082	5,000
b) MTN	100,000	-	(100,000)	-	-	-
c) Other meetings	155,000	-	-	155,000	195,608	155,000
(ii) Other services	4,000	-	-	4,000	8,976	4,000
<b>Total Section 2:</b>	<b>264,000</b>	<b>-</b>	<b>(100,000)</b>	<b>164,000</b>	<b>209,666</b>	<b>164,000</b>
<b>Total Part I:</b>	<b>285,000</b>	<b>-</b>	<b>(100,000)</b>	<b>185,000</b>	<b>230,666</b>	<b>185,000</b>
<b>PART II: SECRETARIAT</b>						
<b>Section 3 - Salaries</b>						
(i) Established posts	27,510,000	(644,000)	-	26,866,000	26,029,366	28,097,000
(ii) Temporary assistance (including overtime)	4,217,000	369,000	-	4,586,000	4,495,915	4,478,000
<b>Total Section 3:</b>	<b>31,727,000</b>	<b>(275,000)</b>	<b>-</b>	<b>31,452,000</b>	<b>30,525,281</b>	<b>32,575,000</b>
<b>Section 4 - Dispute Settlement Panels</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>141,614</b>	<b>50,000</b>
<b>Section 5 - Missions</b>						
a) Official missions	437,000	(12,000)	(127,000)	298,000	297,132	298,000
b) Technical co-operation missions	323,000	(30,000)	(205,000)	88,000	85,205	85,000
<b>Total Section 5:</b>	<b>760,000</b>	<b>(42,000)</b>	<b>(332,000)</b>	<b>386,000</b>	<b>382,337</b>	<b>383,000</b>

	Original Estimates L/6220	Increases (Decreases)	Transfers to Uruguay Round	Revised Estimates	1987 Expected Expenditure after Transfers to Uruguay Round	1987 Appropriations after Transfers to Uruguay Round	
	Sw F	Sw F	Sw F	Sw F	Sw F	Sw F	
<b>Section 6 - Common Staff Costs</b>							
(i)	Installation grants	100,000	-	-	100,000	88,040	100,000
(ii)	Travel and removal expenses of staff and their dependants	200,000	-	-	200,000	150,411	300,000
(iii)	Separation payments	160,000	-	-	160,000	185,830	210,000
(iv)	Contribution to the United Nations Joint Staff Pension Fund	4,926,000	(176,000)	-	4,750,000	4,387,883	5,112,000
(v)	Repatriation grants	220,000	-	-	220,000	189,732	360,000
(vi)	Travel on home leave	360,000	-	-	360,000	316,556	390,000
(vii)	Family allowances, education grants and related travel:						
	a) Family allowances	580,000	(2,000)	-	678,000	667,104	734,000
	b) Education grants and related travel	590,000	-	-	590,000	565,073	600,000
(viii)	Joint services	265,000	-	-	265,000	245,719	265,000
(ix)	Other common staff costs	702,000	-	-	702,000	696,001	650,000
	<b>Total Section 6:</b>	<b>8,203,000</b>	<b>(178,000)</b>	<b>-</b>	<b>8,025,000</b>	<b>7,492,349</b>	<b>8,721,000</b>
<b>Section 7 - Common Services</b>							
(i)	Cables, telex, telefax and telephone communications	130,000	-	(32,000)	98,000	101,057	100,000
(ii)	Freight and cartage	14,000	-	-	14,000	13,425	14,000
(iii)	Books and information material	215,000	(75,000)	-	140,000	119,525	120,000
(iv)	Rental and maintenance of premises and equipment:						
	a) Rental of CHR	1,640,000	-	-	1,640,000	1,488,050	1,620,000
	b) Rental offices outside CHR	395,000	-	(165,000)	230,000	220,846	230,000
	c) Rental of car parks	53,000	-	-	53,000	52,325	53,000
	d) Electricity	139,000	-	(5,000)	134,000	128,677	139,000
	e) Water supply	19,000	-	-	19,000	17,978	19,000
	f) Heating	80,000	-	(5,000)	75,000	70,509	80,000
	g) Telephone, telefax and telex (rental)	160,000	-	-	160,000	139,591	160,000
	h) Insurance premiums	134,000	-	-	134,000	111,263	142,000
	i) Maintenance expenditure	365,000	-	-	365,000	342,836	343,000
	j) Contractual cleaning	474,000	-	(10,000)	464,000	446,749	435,000
	k) Maintenance of service cars	16,000	4,000	-	20,000	16,777	17,000

	Original Estimates L/6220	Increases (Decreases)	Transfers to Uruguay Round	Revised Estimates	1987 Expected Expenditure after Transfers to Uruguay Round	1987 Appropriations after Transfers to Uruguay Round
	Sw F	Sw F	Sw F	Sw F	Sw F	Sw F
(v) Postal services	440,000	-	(110,000)	330,000	314,469	315,000
(vi) Stationery and office supplies	130,000	-	(33,000)	97,000	96,827	97,000
(vii) Reproduction of documents	740,000	-	(185,000)	555,000	483,118	484,000
(viii) External audit	12,000	-	-	12,000	12,000	12,000
(ix) Electronic Data Processing	1,135,000	(20,000)	(100,000)	1,015,000	999,632	1,000,000
(x) Other services and miscellaneous expenditure	40,000	-	-	40,000	60,712	30,000
Total Section 7:	6,331,000	(91,000)	(645,000)	5,595,000	5,236,366	5,420,000
Section 8 - Printing	389,000	(15,000)	-	374,000	388,663	389,000
Section 9 - Representation and Hospitality	145,000	-	-	145,000	145,000	145,000
Section 10 - Permanent Equipment	240,000	(35,000)	(100,000)	105,000	184,964	185,000
Section 11 - Contribution to the Staff Assistance Fund	20,000	-	-	20,000	20,000	20,000
Total Part II:	47,965,000	(636,000)	(1,077,000)	46,252,000	44,516,574	47,888,000
PART III: UNFORESEEN EXPENDITURE						
Section 12 - Unforeseen Expenditure	100,000	(100,000)	-	-	-	100,000
PART IV: - TRADE POLICY TRAINING COURSES						
Section 13 - Trade Policy Training Courses	1,060,000	-	-	1,060,000	885,896	1,004,000
Sub-Total Parts I-IV:	49,410,000	(736,000)	(1,177,000)	47,497,000	45,633,136	49,177,000
PART V: - URUGUAY ROUND						
Section 14 - Uruguay Round						
(1) Interpretation	-	-	100,000	100,000	153,562	100,000

	Original Estimates L/6220	Increases (Decreases)	Transfers to Uruguay Round	Revised Estimates	1987 Expected Expenditure after Transfers to Uruguay Round	1987 Appropriation: after Transfers to Uruguay Round
	Sw F	Sw F	Sw F	Sw F	Sw F	Sw F
(ii) Temporary assistance	2,012,000	(218,000)	-	1,794,000	549,900	935,000
(iii) Missions	-	-	332,000	332,000	325,813	327,000
(iv) Common staff costs	408,000	106,000	-	514,000	64,427	151,000
(v) Common services						
Cables/telex/telefax and telephone communications	-	-	32,000	32,000	33,684	35,000
Books and inf. material	-	-	-	-	15,000	15,000
Rental outside CMR	-	(22,000)	165,000	143,000	-	-
Electricity	-	(1,000)	5,000	4,000	-	-
Heating	-	(1,000)	5,000	4,000	-	-
Contractual cleaning	-	(1,000)	10,000	9,000	-	-
Postal services	-	-	110,000	110,000	104,823	105,000
Stationery and off. suppl.	-	-	33,000	33,000	32,276	33,000
Reproduction of documents	-	-	185,000	185,000	171,040	171,000
EDP	-	-	100,000	100,000	20,000	20,000
	-	(25,000)	645,000	620,000	376,823	379,000
(vi) Permanent equipment	-	(13,000)	100,000	87,000	13,500	14,000
Unappropriated balance	-	-	-	-	-	275,000
<b>Total Part V:</b>	<b>2,420,000</b>	<b>(150,000)</b>	<b>1,177,000</b>	<b>3,447,000</b>	<b>1,484,025</b>	<b>2,181,000</b>
<b>PART VI: TRADE POLICY DATA BASE</b>						
Section 15 - Trade Policy Data Base	435,000	-	-	435,000	-	100,000
<b>PART VII: INTERNATIONAL TRADE CENTRE UNCTAD/GATT</b>						
Section 16 - Contribution to the International Trade Centre UNCTAD/GATT	10,200,000	(30,000)	-	10,170,000	9,076,800	9,664,300
<b>WORKING CAPITAL FUND</b>	<b>1,000,000</b>	<b>(1,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>63,465,000</b>	<b>(1,916,000)</b>	<b>-</b>	<b>61,549,000</b>	<b>56,193,961</b>	<b>61,122,300</b>



SCHEDULE II/ETAT NO II/ESTADO II

SCALE OF CONTRIBUTIONS FOR 1988  
BAREME DES CONTRIBUTIONS POUR 1988  
ESCALA DE CONTRIBUCIONES PARA 1988

(Minimum contribution of 0.12%/  
Contribution minimale de 0,12% / Contribución mínima de 0,12%)

		1988	
Contracting parties/Parties contractantes/ Partes contratantes		Contributions/ Contribuciones	
		Z	Sw F/FS
Antigua and Barbuda/Antigua et Barbuda.....			
Antigua y Barbuda.....	0.12		72,360
Argentina/Argentine.....	0.34		205,020
Australia/Australie.....	1.35		814,050
Austria/Autriche.....	1.14		687,420
Bangladesh.....	0.12		72,360
Barbados/Barbade.....	0.12		72,360
Belgium/Belgique/Bélgica.....	3.02		1,821,060
Belize/Bélize/Belice.....	0.12		72,360
Benin/Bénin.....	0.12		72,360
Botswana.....	0.12		72,360
Brazil/Brésil/Brasil.....	1.12		675,360
Burkina Faso.....	0.12		72,360
Burma/Birmanie/Birmania.....	0.12		72,360
Burundi.....	0.12		72,360
Cameroon/Cameroun/Camerún.....	0.12		72,360
Canada/Canadá.....	4.76		2,870,280
Central African Republic/République centrafricaine/República Centroafricana.....	0.12		72,360
Chad/Tchad.....	0.12		72,360
Chile/Chili.....	0.19		114,570
Colombia/Colombie.....	0.23		138,690
Congo.....	0.12		72,360
Côte d'Ivoire.....	0.12		72,360
Cuba.....	0.42		253,260
Cyprus/Chypre/Chipre.....	0.12		72,350
Czechoslovakia/Tchécoslovaquie/Checoslovaquia...	1.07		645,210
Denmark/Danemark/Dinamarca.....	1.05		633,150
Dominican Republic/République Dominicaine República Dominicana.....	0.12		72,360
Egypt/Egypte/Egipto.....	0.38		229,140
Finland/Finlande/Finlandia.....	0.78		470,340
France/Francia.....	6.27		3,780,810
Gabon/Gabón.....	0.12		72,360
Gambia/Gambie.....	0.12		72,360
Germany (FR) /Allemagne (RF) /Alemania (RF).....	10.18		6,138,540
Ghana.....	0.12		72,360
Greece/Grèce/Grecia.....	0.42		253,260
Guyana.....	0.12		72,360
Haiti/Haïti/Haití.....	0.12		72,360
Hong Kong.....	1.73		1,043,190

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1988		
Contracting parties/Parties contractantes/ Partes contratantes	Contributions/ Contribuciones	
-----		
	%	Sw F/FS
-----		
Hungary/Hongrie/Hungria.....	0.48	289,440
Iceland/Islande/Islandia.....	0.12	72,360
India/Inde .....	0.65	391,950
Indonesia/Indonésie.....	0.94	566,820
Ireland/Irlande/Irlanda.....	0.59	355,770
Israel/Israël.....	0.45	271,350
Italy/Italie/Italia.....	4.86	2,930,580
Jamaica/Jamaïque.....	0.12	72,360
Japan/Japon/Japón.....	8.80	5,306,400
Kenya.....	0.12	72,360
Korea, Republic of/Corée, République de/..... Corea, República de.....	1.73	1,043,190
Kuwait/Koweït.....	0.50	301,500
Luxembourg/Luxemburgo.....	0.26	156,780
Madagascar.....	0.12	72,360
Malawi.....	0.12	72,360
Malaysia/Malaisie/Malasia.....	0.77	464,310
Maldives/Maldivas.....	0.12	72,360
Malta/Malte.....	0.12	72,360
Mauritania/Mauritanie.....	0.12	72,360
Mauritius/Maurice/Mauricio.....	0.12	72,360
Mexico/Mexique/México.....	0.89	536,670
Morocco/Maroc/Marruecos.....	0.16	96,480
Netherlands, Kingdom of/Pays-Bas, Royaume des/ Países Bajos, Reino de los.....	4.12	2,484,360
New Zealand/Nouvelle-Zélande/Nueva Zelandia.....	0.33	198,990
Nicaragua.....	0.12	72,360
Niger/Niger.....	0.12	72,360
Nigeria/Nigéria.....	0.60	361,800
Norway/Norvège/Noruega.....	0.99	596,970
Pakistan/Pakistán.....	0.24	144,720
Peru/Pérou/Perú.....	0.14	84,420
Philippines/Filipinas.....	0.30	180,900
Poland/Pologne/Polonia.....	0.65	391,950
Portugal.....	0.44	265,320
Romania/Roumanie/Rumania.....	0.53	319,590
Rwanda.....	0.12	72,360
Senegal/Sénégal.....	0.12	72,360
Sierra Leone/Sierra Leone.....	0.12	72,360
Singapore/Singapour/Singapur.....	0.96	578,880
South Africa/Afrique du Sud/Sudáfrica.....	0.86	518,580
Spain/Espagne/España.....	1.56	940,680
Sri Lanka.....	0.12	72,360
Suriname.....	0.12	72,360
Sweden/Suède/Suecia.....	1.71	1,031,130

----- 1988 -----		
Contracting parties/Parties contractantes/ Partes contratantes	Contributions/ Contribuciones	
	Z	Sw F/FS
-----		
Switzerland/Suisse/Suiza.....	1.77	1,067,310
Tanzania/Tanzanie/Tanzania.....	0.12	72,360
Thailand/Thaïlande/Tailandia.....	0.48	289,440
Togo.....	0.12	72,360
Trinidad and Tobago/Trinité-et-Tobago/ Trinidad y Tobago.....	0.12	72,360
Turkey/Turquie/Turquía.....	0.48	289,440
Uganda/Ouganda.....	0.12	72,360
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.....	5.96	3,593,880
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América.....	16.08	9,696,240
Uruguay.....	0.12	72,360
Yugoslavia/Yougoslavie.....	0.62	373,860
Zaire/Zaire.....	0.12	72,360
Zambia/Zambie.....	0.12	72,360
Zimbabwe.....	0.12	72,360
Associated Governments/Gouvernements associés/ Gobiernos asociados:		
Democratic Kampuchea/Kampuchea démocratique/ Kampuchea democrática.....	0.12	72,360
Tunisia/Tunisie/Túnez.....	0.13	78,390
	----- 100.00	----- 60,300,000
	=====	=====

SCHEDULE III

MISCELLANEOUS INCOME BUDGET ESTIMATES FOR 1988

	<u>Sw F</u>
(a) Interest on investments	200,000
(b) Sale of publications	130,000
(c) Profit or (loss) on exchange	50,000
(d) Savings on previous year's outstanding obligations	110,000
(e) Refund of staff costs for staff employed at Centre William Rappard on behalf of UNHCR	670,000
(f) Overhead contribution in respect of trust funds	8,000
(g) Rental of meeting rooms and office space at Centre William Rappard to others	20,000
(h) Others	<u>61,000</u>
	1,249,000
	=====

ANNEX I/ANNEXE I/ANEXO I

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 19 OCTOBER 1987/ETAT DES ARRIERES DE CONTRIBUTIONS AU 19 OCTOBRE 1987  
CONTRIBUCIONES PENDIENTES AL 19 DE OCTUBRE DE 1987

Contracting Parties and Associated Governments/Parties Contractantes et Gouvernements associés/Partes Contrantes y Gobiernos asociados	US dollars/Dollars des Etats-Unis/Dólares EEUU 1969/1972		Swiss francs/Francs suisses/Francos suizos					Total 1973/1987
			1973/1983	1984	1985	1986	1987	
Argentina/Argentine.....							228,380	228,380
Bangladesh.....							72,120	72,120
Belize/Bélize/Belice.....				60,731	67,800	70,440	72,120	271,091
Benin/Bénin.....			51,738	60,840	67,800	70,440	72,120	322,938
Brazil/Brésil/Brasil.....						739,537	763,270	1,502,807
Burkina Faso.....			273,709	60,840	67,800	70,440	72,120	544,909
Burundi.....			323,195	60,840	67,800	70,440	72,120	594,395
Cameroon/Cameroun/Camerún.....							70,273	70,273
Central African Republic/République centrafricaine/República Centroafricana.....			206,700	60,840	67,800	70,440	72,120	477,900
Chad/Tchad.....	1969/1972	15,815	465,400	60,840	67,800	70,440	72,120	736,600
Colombia/Colombie.....							33,207	33,207
Congo.....			233,026	60,840	67,800	70,440	72,120	504,226
Côte d'Ivoire.....						40,000	78,130	118,130
Cuba.....						174,308	240,400	414,708
Dominican Republic/République Dominicaine República Dominicana.....	1971/1972	6,497	465,400	60,840	67,800	70,440	72,120	736,600
Gabon/Gabón.....					49,920	70,440	72,120	192,480
Gambia/Gambie.....			318,973	60,840	67,800	70,440	72,120	590,173
Ghana.....					39,736	70,440	72,120	182,296
Guyana.....			58,250	60,840	67,800	70,440	72,120	329,450
Haiti/Haïti/Haití.....			44,119	60,840	67,800	70,440	72,120	315,319
Italy/Italie/Italia.....							2,866,770	2,866,770
Kampuchea.....			452,006	60,840	67,800	70,440	72,120	723,206
Kenya.....						38,540	72,120	110,660
Madagascar.....				20,209	67,800	70,440	72,120	230,569
Malawi.....						47,436	72,120	119,556
Maldives/Maldivas.....							72,120	72,120
Mauritania/Mauritanie.....			365,419	60,840	67,800	70,440	72,120	636,619
Mexico/Mexique/México.....							51,000	51,000
Nicaragua.....			260,952	a/	8,624	70,440	72,120	412,136
Niger/Níger.....			5,611	60,840	67,800	70,440	72,120	276,811
Nigeria/Nigéria.....					352,759	563,520	540,900	1,457,179
Peru/Pérou/Perú.....			158,690	101,400	113,000	105,660	96,160	574,910
Philippines/Filipinas.....					3,710	228,930	204,340	436,980

Contracting Parties and Associated Governments/Parties Contractantes et Gouvernements associés/Partes Contrantes y Gobiernos asociados	US dollars/Dollars des Etats-Unis/Dólares EEUU 1969/1972	Swiss francs/Francis suisses/Francos suizos					Total 1973/1987
		1973/1983	1984	1985	1986	1987	
Romania/Roumanie/Rumania.....					422,640	336,560	759,200
Rwanda.....					2,823	72,120	74,943
Senegal/Sénégal.....		172,628	60,840	67,800	70,440	72,120	443,828
Sierra Leone/Sierra Leone.....		412,100	60,840	67,800	70,440	72,120	683,300
Suriname.....				67,800	70,440	72,120	210,360
Tanzania/Tanzanie/Tanzania.....		165,859	60,840	67,800	70,440	72,120	437,059
Togo.....				63,860	70,440	72,120	206,420
Trinidad and Tobago/Trinité-et-Tobago/ Trinidad y Tobago.....					39,071	96,160	135,231
Tunisia/Tunisie/Túnez.....						15,043	15,043
Turkey/Turquie/Turquia.....						765	765
Uganda/Ouganda.....		235,578	60,840	67,800	70,440	72,120	506,778
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América.....					2,953,890	9,579,940	12,533,830
Uruguay.....						72,120	72,120
Zaire/Zaire.....		159,700	60,840	67,800	70,440	72,120	430,900
Zambia/Zambia.....					12,252	72,120	84,372
	22,312	4,829,053	1,277,460	2,055,409	7,129,607	17,509,138	32,800,667

US\$22,312 at Sw F 1.53 to US\$1.- equivalent to / 22,312 dollars EU à 1,53 FS par dollar EU, équivalent à /  
22.312 dólares EE.UU a 1,53 FS por dólar, que equivalen a ..... 34,137

a/ In conformity with the payment proposal approved by the CONTRACTING PARTIES in November 1982 ..... 32,834,804  
En conformité avec la proposition de paiement approuvée par les PARTIES CONTRACTANTES en novembre 1982 .....  
En conformidad con la propuesta de pago aprobada por las PARTES CONTRANTES en noviembre de 1982

B. INTERNATIONAL TRADE CENTRE UNCTAD/GATT

## I. INTRODUCTION

72. At the meeting held on 16 October 1987, the Committee heard an introductory statement by the Director, Division of Programme, Finance and External Relations of the International Trade Centre.

73. He noted that a number of statements had been made in various fora in recent years supporting an increase in voluntary contributions to the ITC in order to enable it to develop its activities related to the marketing and distribution of processed and unprocessed commodities. He hoped that increased contributions would enable the ITC to respond more effectively to developing countries' requests for technical assistance.

74. He also reported that the estimated level of 1987 project delivery under trust fund financed programmes had increased by some US\$700,000 over the 1986 level to reach US\$11,000,000 in 1987. The estimated level of 1987 delivery under UNDP financed projects had been maintained at the 1986 level of US\$11,000,000.

## II. SECOND PERFORMANCE REPORT ON THE PROGRAMME BUDGET FOR THE BIENNIUM 1986-1987 AND GATT CONTRIBUTION TO THE ITC

75. Turning to the Centre's Second Performance Report on the Programme Budget for the Biennium 1986-1987, the representative of the ITC noted that the revised ITC Regular Programme Budget showed an increase of US\$565,800 as reflected in document ITC/BUD/7. This resulted in an increase of US\$246,100 in both the GATT and the UN contributions.

76. The Committee recalled that savings on the GATT contribution to the ITC reverted to the GATT and that savings of some Sw F 587,000 were likely to occur in 1987. It was noted that definite figures would not be available before March 1988. The representative of the ITC further indicated that the ITC had voluntarily followed to the extent possible the austerity measures which were introduced in the United Nations.

77. One member of the Committee recalled a recommendation of the Joint Advisory Group with regard to the ITC charging fees for services rendered. The representative of the ITC replied that a study was being undertaken on this question and that the ITC was already charging subscriptions for some services, particularly in trade information; such services were provided through technical co-operation projects, which would be credited with the proceeds of the subscriptions; consequently these fees are treated as reductions to project costs rather than to the regular budget.

78. The Committee requested the Secretariat, in collaboration with representatives of the Centre, to provide a paper setting out ways in which the CONTRACTING PARTIES could exercise greater control over the size of GATT's contribution to the Centre's budget. This paper should include a report on the progress of the study undertaken, concerning fees for services rendered.



III. PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989  
AND REPORT OF THE ADVISORY COMMITTEE ON  
ADMINISTRATIVE AND BUDGETARY QUESTIONS

79. With regard to the proposed Regular Programme Budget for the Biennium 1988-1989, the representative of the ITC briefly reviewed the approval process. The proposals were prepared in late 1986 and were reviewed by the United Nations Secretariat and appeared in document A/42/6 of 16 March 1987. During May 1987, the proposals were considered by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Committee for Programme and Co-ordination (CPC). The report of ACABQ had been distributed (document A/42/7). Final approval of the ITC budget would be given by the General Assembly later this year.

80. He also pointed out that the 1988-1989 proposed budget represented fundamentally the maintenance of the 1986-1987 budget which had been approved by the Committee in October 1985.

81. The Committee discussed the Proposed Programme Budget for the Biennium 1988-1989 and the report of the ACABQ. In response to a question from a member of the Committee regarding salaries, the representative of the ITC replied that, in the past, the ITC had been obliged to budget with a 5 per cent turnover factor, which was the average for the United Nations as a whole. Given the fact that this was not realistic in the case of the ITC, the United Nations had agreed that the ITC budget be established without any turnover reduction.

82. The Committee noted the ACABQ recommendation to reduce the provision for official travel of staff by US\$64,000.

83. One member suggested that in the event that the General Assembly should reduce the ITC budget, the GATT budget should be adjusted accordingly. The Secretariat should therefore modify the contributions assessed and make a corresponding credit to contracting parties accounts (paragraph 70).

84. The Committee recommends to the Council that the estimates of expenditure for the International Trade Centre UNCTAD/GATT for the biennium 1988-1989 be approved in the amount of US\$24,994,600 (1988: US\$12,495,700; 1989: US\$12,498,900). Miscellaneous income is estimated at US\$509,000 (1988: US\$254,500; 1989: US\$254,500). The net amount to be provided to the Centre from the 1988 GATT budget is US\$6,120,600, equal to the contribution to be made by the United Nations, representing Sw F 10,170,000. The contribution will be paid in Swiss francs in twelve equal monthly instalments.

POINT FOR DECISION: Paragraph 84