

# GENERAL AGREEMENT ON

RESTRICTED

# TARIFFS AND TRADE

L/6577  
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## REPORT OF THE COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

### CONTENTS

	<u>Page</u>
INTRODUCTION . . . . .	1
A. GATT SECRETARIAT	
I.    DIRECTOR-GENERAL'S REPORT ON THE 1988 ACCOUNTS AND REPORT OF THE EXTERNAL AUDITOR THEREON (L/6506). . . . .	3
II.   FINANCING OF THE 1989 BUDGET . . . . .	3
Budgetary Situation . . . . .	3
Cash situation . . . . .	3
III.  INSTALMENT PAYMENTS FOR COUNTRIES WITH CONTRIBUTIONS IN ARREARS . . . . .	3
IV.   CONTRIBUTIONS BY OBSERVER COUNTRIES TOWARDS THE COST OF DOCUMENTATION SERVICES PROVIDED BY THE SECRETARIAT . . . . .	4
V.    AVOIDANCE OF ARREARS IN THE FUTURE . . . . .	4
VI.   REQUEST OF CZECHOSLOVAKIA TO REVIEW THE BASIS FOR CALCULATION OF ITS CONTRIBUTION . . . . .	4
VII.  STAFFING POLICY AND GRADING . . . . .	5
VIII. APPOINTMENT OF REPRESENTATIVE AND ALTERNATE REPRESENTATIVE OF THE CONTRACTING PARTIES ON THE ICITO/GATT STAFF PENSION COMMITTEE . . . . .	5
IX.   BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1990 . . . . .	6
New Post . . . . .	7
Missions . . . . .	7
Common Services. . . . .	7
Electronic Data Processing . . . . .	8
Printing . . . . .	8
Permanent Equipment . . . . .	8
Trade Negotiations Committee . . . . .	8

	<u>Page</u>
X. REVISED EXPENDITURE ESTIMATES . . . . .	9
XI. INCOME BUDGET ESTIMATES FOR 1990 . . . . .	10
XII. CONCLUSION . . . . .	10
DRAFT RESOLUTION ON THE EXPENDITURE OF THE CONTRACTING PARTIES IN 1990 AND THE WAYS AND MEANS TO MEET SUCH EXPENDITURE. . .	11
SCHEDULE I - REVISED ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1990 . . . . .	12
SCHEDULE II - SCALE OF CONTRIBUTIONS FOR 1990 . . . . .	17
SCHEDULE III - MISCELLANEOUS INCOME BUDGET ESTIMATES FOR 1990 . . . . .	20
ANNEX I - STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 9 OCTOBER 1989 . . . . .	21
ANNEX II - REPORT BY MR. N.-E. SCHYBERG, MEMBER REPRESENTING CONTRACTING PARTIES ON THE ICITO/GATT STAFF PENSION COMMITTEE . . . . .	23
 B. INTERNATIONAL TRADE CENTRE UNCTAD/GATT	
I. INTRODUCTION . . . . .	26
II. SECOND PERFORMANCE REPORT ON THE PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989 AND GATT CONTRIBUTION TO THE ITC . . . . .	26
III. PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 AND REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS . . . . .	26

INTRODUCTION

1. The Committee on Budget, Finance and Administration met at the Centre William Rappard, Geneva, on 3 July, 25, 26 September, 10 and 17 October 1989.

2. The Committee was chaired by Mr. K. Broadbridge of Hong Kong and the membership of the Committee was as follows:

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

3. At these meetings Austria, Bangladesh, Brazil, the Republic of the Côte d'Ivoire, the Czechoslovak Socialist Republic, the Arab Republic of Egypt, the Republic of Indonesia, the Kingdom of the Netherlands, Nicaragua, the United Republic of Tanzania and Turkey were represented by Observers.

4. The Agendas of the meetings in GATT/AIR/2800 and GATT/AIR/2839 were approved.

5. The Committee had before it the following documents:

GATT Secretariat:

- Director-General's Report on the 1988 Accounts and Report of the External Auditor thereon (L/6506)
- Budgetary Situation (CRP.6(89)2, CRP.6(89)3, CRP.6(89)4, CRP.7(89)2, CRP.7(89)3, CRP.7(89)4 and Spec(89)43)
- Cash Situation (CRP.6(89)8 and CRP.9(89)1)
- Instalment Payments for Countries with Contributions in Arrears
  - Progress Report (CRP.6(89)6 and CRP.9(89)2/REV).
- Contribution of Observer Countries towards the Cost of Documentation Services Provided by the Secretariat
  - Progress Report (CRP.6(89)5 and CRP.9(89)3)
- Avoidance of Arrears in the Future
  - Progress Report (CRP.6(89)7 and CRP.9(89)4)
- Request of Czechoslovakia to Review the Basis for Calculation of its Contribution to the GATT Budget (Spec(89)11, CRP.4(89)2 and CRP.5(89)1)
- Staffing Policy and Grading (Spec(89)41)
- Budget Estimates for the Financial Year 1990 (L/6550)

- Electronic Data Processing
  - Breakdown of Proposed Estimate (CRP.9(89)7)
- Recapitulation of Voluntary Contributions received by GATT (CRP.9(89)8)
- Additional Information on Inflation in Switzerland in 1990 (CRP.9(89)9)
- Activities of the International Civil Service Commission and of the United Nations Joint Staff Pension Fund in 1989 (Spec(89)45)
- Report by Mr. N.-E. Schyberg, Member Representing the CONTRACTING PARTIES on the ICITO/GATT Staff Pension Committee

International Trade Centre UNCTAD/GATT

- Second Performance Report on the Programme Budget for the Biennium 1988-1989 and GATT Contributions to the ITC (ITC/BUD/10 and CRP.9(89)6)
- Proposed Programme Budget for the Biennium 1990-1991 (A/44/6)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the Proposed Programme Budget for the Biennium 1990-1991 (A/44/7)

**A. GATT SECRETARIAT**

I. DIRECTOR-GENERAL'S REPORT ON THE 1988 ACCOUNTS AND  
REPORT OF THE EXTERNAL AUDITOR THEREON (L/6506)

6. The Committee examined the Director-General's Financial Report on the 1988 Accounts and the Report of the External Auditor thereon.

7. The Committee noted that the overall 1988 deficit was Sw F 272,065 as compared with a 1987 deficit of Sw F 3,125,514. This was due to the fact that outstanding contributions at 31 December 1988 were approximately Sw F 3 million lower than at 31 December 1987.

8. The Committee recommends to the Council that the CONTRACTING PARTIES approve the audited accounts for 1988 and convey to the External Auditor their thanks for the assistance given to the CONTRACTING PARTIES in the audit of these accounts.

II. FINANCING OF THE 1989 BUDGET

Budgetary Situation CRP.6(89)2, CRP.6(89)3, CRP.6(89)4, CRP.7(89)2, CRP.7(89)3, CRP.7(89)4 and Spec(89)43

9. The Committee examined the budgetary situation as at 31 May, 30 June and 31 August 1989. The projected end of year deficit is now Sw F 620,000. This deficit is due to factors over which the Secretariat had no control such as the US\$/Sw F exchange rate movements, adjustments to common system salaries and common staff costs, an increase in pension fund contributions, the additional meeting of the Trade Negotiations Committee in April 1989 and the increasing tempo of the Uruguay Round.

10. Any year-end deficit would be covered as appropriate from contributions yet to be received and/or a withdrawal from the Working Capital Fund.

Cash situation (CRP.6(89)8 and CRP.9(89)1)

11. The Committee examined the cash situation as at 27 June and 21 September 1989. At 21 September 1989, the total contributions received in respect of the 1989 assessment, amounted to Sw F 51,560,492 or 78 per cent of the total assessment which was an improvement on the previous years' performance which at the same date was 76 per cent in 1988 and 68 per cent in 1987. It was expected that cash on hand together with anticipated receipts of contributions would cover expenditure up to the end of 1989.

III. INSTALMENT PAYMENTS FOR COUNTRIES WITH CONTRIBUTIONS IN  
ARREARS - PROGRESS REPORT (CRP.6(89)6 and CRP.9(89)2/REV)

12. Of the thirty-two contracting parties assessed in 1988 at the minimum contribution level of 0.03 per cent with arrears outstanding for 1987 and

earlier, seven had paid a total amount of Sw F 526,274 in respect of their contributions for 1987 and earlier.

13. There were six contracting parties liable for tailor-made repayment schemes for arrears payments. Argentina had paid its arrears in full; Cuba had made a partial payment and the USA had indicated that a provision had been made in their budget for partial payment. Peru, Romania and the Philippines were still considering the matter.

IV. CONTRIBUTIONS BY OBSERVER COUNTRIES TOWARDS THE COST OF DOCUMENTATION SERVICES PROVIDED BY THE SECRETARIAT, PROGRESS REPORT (CRP.6(89)5 and CRP.9(89)3)

14. As at 18 September 1989 twelve countries had each contributed Sw F 1,000.

15. The Secretariat now intended to send a further reminder to Observers which had not paid. In the event of non-payment they would be informed that documentation would be sent only to a single address and, for those observers with missions in Geneva, documentation would have to be collected at the Centre William Rappard.

V. AVOIDANCE OF ARREARS IN THE FUTURE - PROGRESS REPORT (CRP.6(89)7 and CRP.9(89)4)

16. The first step of the administrative measures approved by the Council in October 1988 (L/6384) stipulates that after one full year's assessed contribution remains outstanding:

- documentation would not be posted to delegations to the GATT in Geneva,
- representatives would not be nominated to preside over GATT bodies.

17. As at 18 September 1989 there were seventeen contracting parties in this position, five of which had delegations in Geneva and were therefore affected by the first administrative measure.

VI. REQUEST OF CZECHOSLOVAKIA TO REVIEW THE BASIS FOR CALCULATION OF ITS CONTRIBUTION TO THE GATT BUDGET (Spec(89)11, CRP.4(89)2 and CRP.5(89)1)

18. Since 1962 an adjustment factor of 8 per cent has been applied to Czechoslovakia's f.o.b. imports to make them consistent with the c.i.f. imports of other contracting parties. Czechoslovakia claimed that an adjustment factor of 2.5 per cent was now justified, with effect from 1989.

19. On the basis of an examination of the c.i.f./f.o.b. ratios for world-wide trade and for Poland and Hungary as outlined in

document CRP.5(89)1, the Secretariat advised that the Czechoslovak proposal of a factor of 2.5 per cent was reasonable.

20. With regard to the implementation date, some members felt that the change should apply with effect from the 1989 contribution year in recognition of the fact that Czechoslovakia raised the matter prior to the adoption of the 1989 assessment. Others were opposed in principle to applying the adjustment retroactively.

21. In conclusion the Committee agreed to the use of the 2.5 per cent adjustment factor for the calculation of the 1990 contribution but decided that the 1989 assessment should not be changed.

#### VII. STAFFING POLICY AND GRADING (Spec(89)41)

22. The Secretariat said that at this point in the Uruguay Round, it was impossible to predict what the post-Uruguay Round GATT would look like with enough precision to make a meaningful forecast of manpower needs. For this and other reasons, the Secretariat believed that this was not the appropriate time to take the kind of strategic overview that the Committee had in mind when it called for an overall examination. Any projections of manpower needs would have to be related to programme considerations and these would not become clear until after the Round. The Secretariat therefore suggested that the Committee postpone the review until such time as it could be carried out effectively.

23. The Secretariat also proposed to extend the contracts of staff specifically recruited for the Uruguay Round until 31 July 1991, in order that they be available in the immediate follow-up period, during which time the need for their further employment would be determined.

24. The Committee agreed to the Secretariat's proposals concerning staffing and grading, and agreed that the contracts of staff engaged for the Uruguay Round be extended to 31 July 1991, but without prejudice to the Secretariat's review of staffing.

#### VIII. APPOINTMENT OF REPRESENTATIVE AND ALTERNATE REPRESENTATIVE OF THE CONTRACTING PARTIES ON THE ICITO/GATT STAFF PENSION COMMITTEE

25. The Committee received a report on current Pension Fund developments from Mr. N.-E. Schyberg, member representing the CONTRACTING PARTIES on the ICITO/GATT Staff Pension Committee. The Committee noted the content of the report, the text of which is annexed hereto (Annex II).

26. The Committee noted that the mandate of Mr. N.-E. Schyberg and Mr. M. Ahmad as member and alternate member representing the CONTRACTING PARTIES on the ICITO/GATT Staff Pension Committee, would expire on 31 December 1989. Both were agreeable to continue to serve for another term of three years in the same capacity.

27. The Committee expressed its appreciation to Mr. N.-E. Schyberg and Mr. M. Ahmad for the service they had performed on behalf of the



CONTRACTING PARTIES during the past three years on the ICITO/GATT Staff Pension Committee.

28. The Committee recommends that the Council approve the nomination of Mr. Nils-Erik Schyberg and Mr. Munir Ahmad as member and alternate member respectively to represent the CONTRACTING PARTIES on the ICITO/GATT Staff Pension Committee for a three-year period commencing on 1 January 1990.

IX. BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1990 (L/6550)

29. On behalf of the Director-General, the 1990 budget estimates were introduced by a Deputy Director-General. He said that the proposed budget increase was a large one, representing as it did 17.6 per cent when the latest, additional requests based on International Civil Service Commission and United Nations Joint Staff Pension Board (UNJSPB) Recommendations to the UN General Assembly were taken into account (Spec(89)45).

30. The question before the Committee, however, was why the GATT needed an increase of Sw F 11,442,000 in 1990 over the amount appropriated for 1989.

31. In large part, the increase was needed for reasons that were beyond the Secretariat's control, for example: a change in the dollar/Swiss franc exchange rate; inflation; increases in the allowances under the UN Common System and in GATT's contribution to the ITC budget. Altogether, these unavoidable increases accounted for about half of the proposed total increase.

32. Another reason for the increase was that the new Trade Policy Review Division would operate at full strength for an entire year, while the 1989 appropriation for the TPRM allowed for only three months working.

33. There were other proposed increases which might be considered discretionary but were necessary if the GATT was to meet its responsibilities in the final year of the Uruguay Round, such as the provision of Sw F 500,000 for the Brussels Trade Negotiations Committee meeting at Ministerial level in December 1990 and for conference room rental, interpretation, staff and other costs for meetings which would have to be held in Geneva outside the Centre William Rappard. The GATT meeting rooms were almost completely reserved up to the end of 1989, and a much more intensive negotiating schedule was anticipated in 1990. Consequently, it would be necessary to hold meetings outside the Centre William Rappard next year.

34. The Committee was surprised by the overall size of the proposed budget. Nevertheless some members accepted the need for the increase. Others stated that at least part of it was inevitable given the need to bring the Uruguay Round to a conclusion in 1990 and the need to finance the Trade Policy Review Mechanism (TPRM) for a full year but emphasized the need to reduce the overall size of the increase. Others said that they expected international organizations to follow policies of zero real growth which meant in this case offsetting increases proposed for the Uruguay Round and the TPRM by savings on other items.

35. Document Spec(89)45 outlined additional budgetary requests based on International Civil Service Commission (ICSC) and United Nations Joint Staff Pension Board (UNJSPB) recommendations to the United Nations General Assembly. Insofar as GATT was concerned, they represented a potential 1990 cost of Sw F 1,240,000 in respect of an increase in base salaries for Professional and higher category staff, additional steps for Professional staff at the top of the grade, increases in children's allowances and other grants and payments and an increase in the Organization's contribution to the UNJSPF.

36. Some members were opposed to including anticipated increases in salaries and common staff costs as proposed in Spec(89)45 in the budget and suggested that they should be provided for, if and when approved by the United Nations General Assembly, in a supplementary budget.

37. Several members of the Committee were of the opinion that the provision should remain, as it would be more difficult for them to seek additional funds at a later date.

38. It was suggested that in the event that the United Nations General Assembly should not approve, or should approve only part of the increases, the Secretariat should modify the contributions assessed and make a corresponding credit to contracting parties' accounts. It was noted that the need for this measure arose from decisions which directly affected the GATT budget and which were to be taken outside of GATT.

#### New Post

39. Some members queried the need for the proposed post of Systems Engineer in the Technical Services and Buildings Section. The Secretariat said that the request was consistent with the Organization's policy to carry out all maintenance of equipment (including some 150 personal computers and interpretation equipment) in-house which was less expensive than using outside contractors. The grading of the post had been determined in accordance with classification standards and the likely market response to the post to be advertised.

#### Missions

40. Some members of the Committee considered that the provision for official and technical co-operation missions under both the GATT regular and Uruguay Round budgets was excessive and proposed that the 1990 allocation should be held at the 1989 level. The additional amounts required for technical co-operation missions should be met from Trust Funds to be provided by voluntary contributions from donor countries.

#### Common Services

41. A member of the Committee noted that the proposed increases under some headings (cables, telex, books, contractual cleaning, etc..) were higher than inflation.

42. Some members suggested that in view of the overall size of the proposed budget, the replacement of telephone sets should be postponed. A

member of the Secretariat said that the existing equipment was inefficient and its replacement was necessary in order to improve the quality of service and overall cost-effectiveness.

#### Electronic Data Processing (EDP)

43. A detailed breakdown of the proposed expenditure on EDP was circulated (CRP.9(89)7) showing an overall increase of Sw F 524,000 over the 1989 approved budget. This allocation included a provision for machine time, EDP equipment and software. Some members suggested that this provision be reduced.

#### Printing

44. The Committee noted that although the proposed allocation was 37 per cent higher than the 1989 budget this was not matched by a corresponding increase in expected sales revenue and suggested that ways of generating sales should be examined. A member of the Secretariat said that a large increase was necessary because of the demands of the Uruguay Round and because the allocation for printing had been significantly under-provided in the past. The Secretariat would examine ways of increasing sales revenue and also a suggestion from the Committee to consider a means of linking the level of the budgetary allocation for printing to increases in sales revenue.

#### Permanent Equipment

45. Some members proposed a reduction in the allocation to the 1989 level on the basis that the replacing of paging and other equipment could be postponed. The Secretariat said that the paging system was important for security reasons and that the present equipment was no longer working adequately and very expensive to repair.

#### Trade Negotiations Committee

46. With regard to the provision of Sw F 500,000 for Trade Negotiations Committee meetings, the Committee queried the Sw F 420,000 for conference room rental, interpretation, staff and other costs for meetings which would have to be held outside the Centre William Rappard in 1990. Some members felt that the key meetings would be small informal ones often held at delegations' offices and that therefore there would be minimal expense. The Secretariat said it was impossible to predict exactly what would be needed under this heading. However, it was certain that there would be a significant increase in the activities of the negotiating groups.

47. The Committee agreed that any allocation under this heading be frozen in the sense that these funds would be used exclusively for financing the cost of outside meetings and any unspent amount could not be transferred to other sections of the budget without prior approval by the Budget

Committee. The Secretariat was also requested to report to the Committee regularly during the year on the use made of the funds.

X. REVISED EXPENDITURE ESTIMATES

48. The Deputy Director-General asked the Committee to bear in mind the heavy schedule of meetings and large volume of documentation anticipated in 1990. Both 1990 and 1991 would be exceptional years; 1990 because of the need to finish the Uruguay Round on time and 1991 because the budget for that year would be influenced by the outcome of the Round. It was important not to under-fund the budget as a cash problem in late 1990 would have serious consequences for the concluding stages of the Round.

49. Taking into account the comments made by members of the Committee, the need to balance increases by compensatory savings and following informal discussions with members of the Committee and the Secretariat, the Chairman submitted revised expenditure estimates which entailed the following reductions amounting to Sw F 1,732,000:

	<u>Sw F</u>
Savings arising from a freeze in the post-adjustment index in Geneva consequent on an ICSC recommendation to implement New York-Geneva cost-of-living survey results.	(107,000)
Deletion of the proposed Systems Engineer post	(70,000)
Reduction in allocation for:	
official missions	(87,000)
technical co-operation missions	(67,000)
Various reductions on salaries and common staff costs	(171,000)
Reduction in allocation for common services	(340,000)
Reduction in allocation for printing	(20,000)
Reduction in allocation for permanent equipment	(30,000)
Reduction in allocation for rental of meeting rooms outside CWR	(200,000)
Reduction in the provision regarding recommendations of the ICSC and of the UNJSPB (Spec(89)45)	<u>(640,000)</u>
Total reductions	(1,732,000) =====

50. The Committee welcomed the Deputy Director-General's proposals. Some members said that the allocation of resources for meetings to be held outside the Centre William Rappard, if not intentionally, went against the Punta del Este guideline to hold no more than two meetings at the same time. This provision might encourage the holding of too many simultaneous Uruguay Round meetings which small delegations might not be able to attend.

Accordingly, outside meetings should be kept to a minimum and should be for normal GATT activities rather than Uruguay Round negotiating groups. Two members said that they had reservations on the inclusion of the provision for outside meetings but they would not block the consensus on the revised estimates. Others were concerned with the provision relating to recommendations outlined in Spec(89)45 but welcomed the reductions now proposed in this item. Some members were concerned that it had been necessary to reduce the allocation for technical co-operation missions, particularly in the concluding year of the Uruguay Round when technical co-operation missions for developing countries were most needed.

51. The Committee agreed to the revised budget estimates amounting to Sw F 74,571,000 on the understanding that 1990 would be an exceptional year which should not be regarded as a precedent or a basis for the 1991 budget proposals and on the understanding that the Secretariat would exercise the utmost financial restraint and discipline in 1990.

#### XI. INCOME BUDGET ESTIMATES FOR 1990

52. The Committee agreed that the budget for 1990 be financed as follows:

	<u>Sw F</u>
a) contributions assessed on contracting parties	73,600,000
b) miscellaneous income	<u>971,000</u>
	74,571,000
	=====

#### XII. CONCLUSION

53. The Committee recommends to the Council that, in the event that the General Assembly of the United Nations should not approve or should approve only part of the increases outlined in paragraph 35 of this report, the Secretariat should modify the contributions assessed and make a corresponding credit to contracting parties' accounts.

54. With regard to the provision of Sw F 220,000 for conference room rental, interpretation, staff and other costs for meetings which would have to be held outside Centre William Rappard the Committee recommends to the Council that this amount be used exclusively for this purpose and any savings not be transferred without prior approval by the Budget Committee.

55. 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.

POINTS FOR DECISION: Paragraph 8  
Paragraph 28  
Paragraph 53  
Paragraph 54  
Paragraph 55

DRAFT RESOLUTION ON THE EXPENDITURE OF THE CONTRACTING PARTIES  
IN 1990 AND THE WAYS AND MEANS TO MEET SUCH EXPENDITURE

The CONTRACTING PARTIES

HAVING CONSIDERED

the estimates of expenditure of the CONTRACTING PARTIES for 1990 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 1990, provided that such repayment does not exceed a total of 74,571,000 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 73,600,000 Swiss francs;
  - (b) by miscellaneous income estimated at 971,000 Swiss francs.
3. The Director-General shall report regularly on the status of budgetary expenditure during the financial year.
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 at 1 January 1990.

SCHEDULE I

-----  
REVISED ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1990  
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		Original Estimates L/6550 & Spec(89)45 Sw F ----	(Decreases)  Sw F ----	Revised Estimates  Sw F ----
<b>PART I: MEETINGS</b>				
<b>Section 1 - Forty-sixth session of the CONTRACTING PARTIES</b>				
(i)	Temporary assistance (interpreters)	3,000	-	3,000
(ii)	Rental of meeting rooms and other services	5,000	-	5,000
	<b>Total Section 1:</b>	----- 8,000 -----	----- - -----	----- 8,000 -----
<b>Section 2 - Meetings of the Council and other meetings</b>				
(i)	Interpretation			
	a) Council	5,000	-	5,000
	b) Other meetings	160,000	-	160,000
(ii)	Other services	10,000	-	10,000
	<b>Total Section 2:</b>	----- 175,000 -----	----- - -----	----- 175,000 -----
	<b>Total Part I:</b>	----- 183,000 -----	----- - -----	----- 183,000 -----
<b>PART II: SECRETARIAT</b>				
<b>Section 3 - Salaries</b>				
(i)	Established posts	28,909,000	(216,000)	28,693,000
(ii)	Temporary assistance (including overtime)	5,216,000	(5,000)	5,211,000
	<b>Total Section 3:</b>	----- 34,125,000 -----	----- (221,000) -----	----- 33,904,000 -----
<b>Section 4 - Dispute settlement panels</b>				
		170,000	-	170,000
		-----	-----	-----
<b>Section 5 - Missions</b>				
	a) Official missions	313,000	-	313,000
	b) Technical co-operation missions	160,000	(67,000)	93,000
	<b>Total Section 5:</b>	----- 473,000 -----	----- (67,000) -----	----- 406,000 -----

	Original Estimates L/6550 & Spec(89)45 Sw F ----	(Decreases) Sw F ----	Revised Estimates Sw F ----	
<b>Section 6 - Common staff costs</b>				
(i)	Installation grants	108,000	-	108,000
(ii)	Travel and removal expenses of staff and their dependants	220,000	(20,000)	200,000
(iii)	Separation payments	160,000	(25,000)	135,000
(iv)	Contribution to the United Nations Joint Staff Pension Fund	5,446,000	(19,000)	5,427,000
(v)	Repatriation grants	180,000	(25,000)	155,000
(vi)	Travel on home leave	390,000	-	390,000
(vii)	Family allowances, education grants and related travel:			
	a) Family allowances	902,000	(2,000)	900,000
	b) Education grants and related travel	680,000	(25,000)	655,000
(viii)	Joint services	288,000	-	288,000
(ix)	Sickness insurance	1,028,000	(4,000)	1,024,000
	<b>Total Section 6:</b>	<b>9,402,000</b>	<b>(120,000)</b>	<b>9,282,000</b>
<b>Section 7 - Common services</b>				
(i)	Cables, telex, telefax and telephone communications	120,000	(10,000)	110,000
(ii)	Rental of communication equipment (telex, telefax and telephone)	246,000	(30,000)	216,000
(iii)	Freight and cartage	14,000	-	14,000
(iv)	Books and information material	160,000	(15,000)	145,000
(v)	Rental and maintenance of premises and equipment:			
	a) Rental of CHR	1,925,000	-	1,925,000
	b) Rental of offices outside CHR	241,000	-	241,000
	c) Rental of car parks	55,000	-	55,000
	d) Electricity	134,000	(1,000)	133,000
	e) Water supply	22,000	(1,000)	21,000
	f) Heating	75,000	-	75,000
	g) Insurance premiums	145,000	(3,000)	142,000
	h) Maintenance expenditure	519,000	(85,000)	434,000
	i) Contractual cleaning	504,000	(5,000)	499,000
	j) Maintenance of service cars	15,000	-	15,000



	Original Estimates L/6550 & Spec(89)45 Sw F ----	(Decreases) Sw F ----	Revised Estimates Sw F ----
(vi) Postal services	330,000	-	330,000
(vii) Stationery and office supplies	100,000	-	100,000
(viii) Reproduction of documents	590,000	(10,000)	580,000
(ix) External audit	9,000	-	9,000
(x) Electronic Data Processing	1,515,000	(180,000)	1,335,000
(xi) Other services and miscellaneous expenditure	40,000	-	40,000
	-----	-----	-----
Total Section 7:	6,759,000	(340,000)	6,419,000
	-----	-----	-----
Section 8 - Printing	618,000	(20,000)	598,000
	-----	-----	-----
Section 9 - Representation and hospitality	145,000	-	145,000
	-----	-----	-----
Section 10 - Permanent equipment	208,000	(30,000)	178,000
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Section 11 - Contribution to the Staff Assistance Fund	20,000	-	20,000
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Total Part II:	51,920,000	(798,000)	51,122,000
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PART III: TRADE POLICY TRAINING COURSES			
Section 12 - Trade Policy Training Courses	1,090,000	-	1,090,000
	-----	-----	-----
Sub-total Parts I-III:	53,193,000	(798,000)	52,395,000
	-----	-----	-----
PART IV: - URUGUAY ROUND			
Section 13 - Uruguay Round			
(i) Interpretation	390,000	-	390,000
(ii) Temporary assistance (including overtime)	4,123,000	(5,000)	4,118,000
(iii) Missions			
a) Official missions	237,000	(87,000)	150,000
b) Technical Co-operation missions	290,000	-	290,000

	Original Estimates L/6550 & Spec(89)45 Sw F ----	(Decreases) Sw F -----	Revised Estimates Sw F -----	
(iv)	Common staff costs			
	a) Installation grants	20,000	-	20,000
	b) Travel and removal expenses of staff and their dependants	19,000	-	19,000
	c) Separation payments	10,000	-	10,000
	d) Contribution to the United Nations Joint Staff Pension Fund	585,000	-	585,000
	e) Travel on home leave	110,000	-	110,000
	f) Family allowances, education grants and related travel			
	(i) Family allowance	63,000	-	63,000
	(ii) Education grants	30,000	-	30,000
	g) Sickness insurance	91,000	-	91,000
(v)	Common services			
	a) Cables, telex, telefax and telephone communications	51,000	-	51,000
	b) Book and information material	30,000	-	30,000
	c) Rental of offices outside CHR	790,000	-	790,000
	d) Electricity	9,000	-	9,000
	e) Heating	11,000	-	11,000
	f) Contractual cleaning	15,000	-	15,000
	g) Postal services	110,000	-	110,000
	h) Stationery and office supplies	40,000	-	40,000
	i) Reproduction of documents	259,000	-	259,000
	j) Electronic Data Processing	295,000	-	295,000
	k) Other services and miscellaneous expenditure	15,000	-	15,000
(vi)	Permanent equipment	43,000	-	43,000
(vii)	Trade Negotiations Committee:			
	a) meetings outside CHR	420,000	(200,000)	220,000
	b) Brussels Ministerial meeting	80,000	-	80,000
	Total Part IV:	8,136,000	(292,000)	7,844,000
		-----	-----	-----
		-----	-----	-----
PART V: - TRADE POLICY REVIEW MECHANISM				
Section 14 - Trade Policy Review Mechanism				
(i)	Temporary assistance (including overtime)	1,341,000	(2,000)	1,339,000
(ii)	Missions	135,000	-	135,000
(iii)	Common staff costs			
	a) Installation grants	72,000	-	72,000
	b) Travel and removal expenses of staff and their dependants	84,000	-	84,000
	c) Contribution to the United Nations Joint Staff Pension Fund	155,000	-	155,000
	d) Family allowances	21,000	-	21,000
	e) Sickness insurance	33,000	-	33,000

	Original Estimates L/6550 & Spec(89)45 Sw F ----	(Decreases) Sw F ----	Revised Estimates Sw F ----
(iv) Common services			
a) Cables, telex, telefax and telephone communications	30,000	-	30,000
b) Rental of offices outside CWR	216,000	-	216,000
c) Reproduction of documents	50,000	-	50,000
d) Electronic Data Processing	110,000	-	110,000
e) Other services and miscellaneous expenditure	3,000	-	3,000
(v) Printing	64,000	-	64,000
(vi) Permanent equipment	80,000	-	80,000
Unspent balance	-	-	-
Total Part V:	<u>2,394,000</u>	<u>(2,000)</u>	<u>2,392,000</u>
 PART VI: INTERNATIONAL TRADE CENTRE UNCTAD/GATT			
Section 15 - Contribution to the International Trade Centre UNCTAD/GATT	<u>11,340,000</u>	<u>-</u>	<u>11,340,000</u>
Sub-Total	<u>75,063,000</u>	<u>(1,092,000)</u>	<u>73,971,000</u>
Section 16 - Activities of the International Civil Service Commission and of the United Nations Joint Staff Pension Board in 1990 (Spec(89)45)	<u>1,240,000</u>	<u>(640,000)</u>	<u>600,000</u>
TOTAL	<u>76,303,000</u>	<u>(1,732,000)</u>	<u>74,571,000</u>

SCHEDULE II/ETAT NO II/ESTADO II

SCALE OF CONTRIBUTIONS FOR 1990  
EAREME DES CONTRIBUTIONS POUR 1990  
LSCALA DE CONTRIBUCIONES PARA 1990

(Minimum contribution of 0.03%/  
Contribution minimale de 0,03% / Contribución mínima de 0,03%)

1990		
Contracting parties/Parties contractantes/ Partes contratantes	Contributions/ Contribuciones	
	%	Sw F/FS
Antigua and Barbuda/Antigua et Barbuda.....		
Antigua y Barbuda.....	0.03	22,080
Argentina/Argentine.....	0.29	213,440
Australia/Australie.....	1.31	964,160
Austria/Autriche.....	1.33	978,880
Bangladesh.....	0.09	66,240
Barbados/Barbade.....	0.03	22,080
Belgium/Belgique/Bélgica.....	3.39	2,495,040
Belize/Bélize/Belice.....	0.03	22,080
Benin/Bénin.....	0.03	22,080
Botswana.....	0.05	36,800
Brazil/Brésil/Brasil.....	0.99	728,640
Burkina Faso.....	0.03	22,080
Burundi.....	0.03	22,080
Cameroon/Cameroun/Camerún.....	0.05	36,800
Canada/Canadá.....	4.51	3,319,360
Central African Republic/République centrafricaine/República Centroafricana.....	0.03	22,080
Chad/Tchad.....	0.03	22,080
Chile/Chili.....	0.21	154,560
Colombia/Colombie.....	0.21	154,560
Congo.....	0.04	29,440
Côte d'Ivoire.....	0.12	88,320
Cuba.....	0.33	242,880
Cyprus/Chypre/Chipre.....	0.05	36,800
Czechoslovakia/Tchécoslovaquie/Checoslovaquia...	1.03	758,080
Denmark/Danemark/Dinamarca.....	1.16	853,760
Dominican Republic/République Dominicaine República Dominicana.....	0.06	44,160
Egypt/Egypte/Egipto.....	0.38	279,680
Finland/Finlande/Finlandia.....	0.86	632,960
France/Francia.....	6.98	5,137,280
Gabon/Gabón.....	0.06	44,160
Gambia/Gambie.....	0.03	22,080
Germany (FR) /Allemagne (RF) /Alemania (RF)....	11.56	8,508,160
Ghana.....	0.04	29,440
Greece/Grèce/Grecia.....	0.39	287,040
Guyana.....	0.03	22,080
Haiti/Haïti/Haití.....	0.03	22,080
Hong Kong.....	2.22	1,633,920

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1990		
Contracting parties/Parties contractantes/ Partes contratantes	Contributions/ Contribuciones	
-----		
	Z	Sw F/FS
-----		
Hungary/Hongrie/Hungria.....	0.43	316,480
Iceland/Islande/Islandia.....	0.06	44,160
India/Inde .....	0.65	478,400
Indonesia/Indonésie.....	0.67	493,120
Ireland/Irlande/Irlanda.....	0.67	493,120
Israel/Israël.....	0.49	360,640
Italy/Italie/Italia.....	5.33	3,922,880
Jamaica/Jamaïque.....	0.04	29,440
Japan/Japon/Japón.....	8.85	6,513,600
Kenya.....	0.07	51,520
Korea, Republic of/Corée, République de/..... Corea, República de.....	2.02	1,486,720
Kuwait/Koweït.....	0.30	220,800
Luxembourg/Luxemburgo.....	0.30	220,800
Lesotho.....	0.03	22,080
Madagascar.....	0.03	22,080
Malawi.....	0.03	22,080
Malaysia/Malaisie/Malasia.....	0.70	515,200
Maldives/Maldivas.....	0.03	22,080
Malta/Malte.....	0.04	29,440
Mauritania/Mauritanie.....	0.03	22,080
Mauritius/Maurice/Mauricio.....	0.04	29,440
Mexico/Mexique/México.....	0.77	566,720
Morocco/Maroc/Marruecos.....	0.16	117,760
Myanmar, Union of/Myanmar, Union du/..... Myanmar, Unión de.....	0.03	22,080
Netherlands, Kingdom of/Pays-Bas, Royaume des/ Países Bajos, Reino de los.....	4.16	3,061,760
New Zealand/Nouvelle-Zélande/Nueva Zelandia.....	0.32	235,520
Nicaragua.....	0.03	22,080
Niger/Níger.....	0.03	22,080
Nigeria/Nigéria.....	0.39	287,040
Norway/Norvège/Noruega.....	0.96	706,560
Pakistan/Pakistán.....	0.23	169,280
Peru/Pérou/Perú.....	0.13	95,680
Philippines/Filipinas.....	0.29	213,440
Poland/Pologne/Polonia.....	0.56	412,160
Portugal.....	0.56	412,160
Romania/Roumanie/Rumania.....	0.54	397,440
Rwanda.....	0.03	22,080
Senegal/Sénégal.....	0.03	22,080
Sierra Leone/Sierra Leone.....	0.03	22,080
Singapore/Singapour/Singapur.....	0.95	699,200
South Africa/Afrique du Sud/Sudáfrica.....	0.75	552,000
Spain/Espagne/España.....	1.86	1,368,960
Sri Lanka.....	0.08	58,880
Suriname.....	0.03	22,080
Sweden/Suède/Suecia.....	1.89	1,391,040

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1990		
Contracting parties/Parties contractantes/ Partes contratantes	Contributions/ Contribuciones	
-----		
	%	Sw F/FS
-----		
Switzerland/Suisse/Suiza.....	2.13	1,567,680
Tanzania/Tanzanie/Tanzania.....	0.03	22,080
Thailand/Thaïlande/Tailandia.....	0.60	441,600
Togo.....	0.03	22,080
Trinidad and Tobago/Trinité-et-Tobago/ Trinidad y Tobago.....	0.06	44,160
Turkey/Turquie/Turquia.....	0.52	382,720
Uganda/Ouganda.....	0.03	22,080
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.....	6.47	4,761,920
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América.....	15.64	11,511,040
Uruguay.....	0.05	36,800
Yugoslavia/Yougoslavie.....	0.54	397,440
Zaire/Zaire.....	0.04	29,440
Zambia/Zambie.....	0.03	22,080
Zimbabwe.....	0.05	36,800
 Associated Governments/Gouvernements associés/ Gobiernos asociados:		
Tunisia/Tunisie/Túnez.....	0.12	88,320
	-----	-----
	100.00	73,600,000
	=====	=====
 Democratic Kampuchea/Kampuchea démocratique/ Kampuchea democrática.....		
	0.03	22,080

SCHEDULE III

MISCELLANEOUS INCOME BUDGET ESTIMATES FOR 1990

	<u>Sw F</u>
(a) Sale of publications	200,000
(b) Profit or (loss) on exchange	(30,000)
(c) Savings on previous year's outstanding obligations	20,000
(d) Refund of staff costs for staff employed at Centre William Rappard on behalf of UNHCR	720,000
(e) Overhead on Trust Fund	22,000
(f) Rental of meeting rooms and office space at Centre William Rappard to others	20,000
(g) Miscellaneous	<u>19,000</u>
	971,000
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ANNEX I/ANNEXE I/ANEXO I

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 9 OCTOBER 1989/ETAT DES ARRIERES DE CONTRIBUTION  
AU 9 OCTOBRE 1989/CONTRIBUCIONES PENDIENTES AL 9 DE OCTUBRE DE 1989

Contracting Parties and Associated Governments/ Parties Contractantes et Gouvernements associés/ Partes Contratantes y Gobiernos asociados	Swiss francs/Francs suisses/Francos suizos			Total 1969/1989
	1969/1987	1988	1989	
Antigua and Barbuda/Antigua et Barbuda/ Antigua y Barbuda.....	72,120	72,228	19,137	163,485
Argentina/Argentine.....			197,749	197,749
Austria/Autriche.....			106,512	106,512
Bangladesh.....		108	57,411	57,519
Belize/Bélize/Belice.....	271,091	-	15,365	286,456
Benin/Bénin.....	322,938	72,228	19,137	414,303
Botswana.....	72,120	72,228	31,895	176,243
Burkina Faso.....	314,514	-	-	314,514
Burundi.....	594,395	72,228	19,137	685,760
Cameroon/Cameroun/Camerún.....	63,790	-	-	63,790
Central African Republic/République centrafricaine/República Centroafricana.....	477,900	72,228	19,137	569,265
Chad/Tchad.....	760,481	59,378	19,137	838,996
Chile/Chili(1).....			118,794	118,794
Congo.....	504,227	72,228	25,516	601,971
Côte d'Ivoire.....	118,130	72,028	82,927	273,085
Cuba.....	400,000	-	-	400,000
Czechoslovakia/Tchécoslovaquie/Checoslovaquia.....			708,069	708,069
Dominican Republic/République Dominicaine República Dominicana.....	673,388	-	38,274	711,662
Gabon/Gabón.....	192,480	22,953	38,274	253,707
Gambia/Gambie.....	590,173	72,228	19,137	681,538
Ghana.....	182,296	72,228	25,516	280,040
Guyana.....	329,450	72,228	19,137	420,815
Haiti/Haïti/Haití.....	200,200	-	19,137	219,337
Israel/Israël.....			235,650	235,650
Kenya.....	72,772	72,228	44,653	189,653
Lesotho.....			19,137	19,137
Madagascar.....	188,535	-	-	188,535
Malawi.....	79,947	-	-	79,947



Contracting Parties and Associated Governments/ Parties Contractantes et Gouvernements associés/ Partes Contratantes y Gobiernos asociados	Swiss francs/Francs suisses/Francos suizos			Total 1969/1989
	1969/1987	1988	1989	
Maldives/Maldives.....	72,120	108	19,137	91,365
Mauritania/Mauritanie.....	636,619	72,228	19,137	727,984
Nicaragua.....	412,136	53,353	-	465,489
Niger/Niger.....	276,811	72,228	19,137	368,176
Nigeria/Nigéria.....			274,297	274,297
Peru/Pérou/Perú(1).....	399,086	-	89,306	488,392
Philippines/Filipinas.....	383,089	64,494	184,991	632,574
Romania/Roumanie/Rumania(1).....	759,200	319,007	338,087	1,416,294
Rwanda.....			19,137	19,137
Senegal/Sénégal.....	324,202	-	-	324,202
Sierra Leone/Sierra Leona.....	683,300	72,228	19,137	774,665
Suriname.....	210,360	72,228	19,137	301,725
Tanzania/Tanzanie/Tanzania.....	437,059	27,775	25,516	490,350
Togo.....	128,174	-	-	128,174
Trinidad and Tobago/Trinité-et-Tobago/ Trinidad y Tabago.....			49,352	49,352
Turkey/Turquie/Turquía.....			108	108
Uganda/Ouganda.....	506,778	72,228	19,137	598,143
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América.....	2,953,890	-	10,257,432	13,211,322
Uruguay.....			806	806
Zaire/Zaire.....	430,900	72,228	51,032	554,160
Zambia/Zambia.....	76,530	-	25,516	102,046
	15,171,201	1,774,852	13,329,240	30,275,293
Kampuchea.....			19,137	

(1) Payments announced  
Paiements annoncés  
Pagos comunicados

ANNEX II

REPORT BY N.-E. SCHYBERG, MEMBER REPRESENTING THE CONTRACTING PARTIES  
ON THE ICITO/GATT STAFF PENSION COMMITTEE

The Board of the United Nations Joint Staff Pension Fund met between 12 and 21 July 1989 after a two years interval. The principal questions discussed were the measures to improve the actuarial balance of the Fund and the level of Pensionable Remuneration and consequent pensions.

1. Measures to improve the actuarial balance of the Fund

The General Assembly requested the Pension Board in 1987 and 1988 "to continue studying all possible measures to restore over the long term the actuarial balance of the Fund bearing in mind the desirability of avoiding further increases in the rate of contribution and of reviewing the rate of contribution should be an actuarial surplus in the future". Acting on behalf of the Board, the Standing Committee presented an interim report on the study to the General Assembly in 1988. In that report, the Standing Committee recalled that every benefit provided by the Fund had been exhaustively studied since 1983, resulting in a number of reductions of benefits. It identified the main causes of the continuing actuarial imbalance: increased costs arising from demographic factors; accumulated interest on the past imbalance; economic developments (including inflation and currency fluctuations); a rise in the number of early retirements, and retention of age 60 as the mandatory age of separation even though life expectancy has been increasing steadily. The latest actuarial valuation (as of 31 December 1988) had shown an actuarial imbalance of 3.71 per cent of pensionable remuneration. This means that to bring the Fund into actuarial balance contributions would have to be raised from the current level of 22.5 per cent to around 26 per cent or corresponding reductions made in benefits. After protracted negotiations between the three groups making up the Board a compromise "package" was produced and adopted. Briefly it proposes:

	<u>Actuarial savings</u>
	(%)
- raising the normal retirement age to age 62 (now 60) for new participants;	1.27
- eliminating cost-of-living adjustments for new deferred pensions until the participant reaches 55 (now 50);	0.91
- raising the reduction factor for early retirement to 6 per cent at age levels 55 and 56 - again for new participants; and	0.16
- increasing the contribution rate to 23.7 per cent of pensionable remuneration (7.9 per cent for participants and 15.8 per cent for organizations).	<u>1.20</u>
Total	<u>3.54</u>

In recommending the package the Board wishes to draw the attention of the General Assembly that the proposed overall package, resulted from

carefully balanced negotiations. The Board, therefore, strongly urges the General Assembly to consider the package as a whole and not as separate elements. Furthermore, the Board stressed the fact, as confirmed by the Committee of Actuaries, that any delay in redressing the actuarial imbalance would increase the deficit by some 0.75 per cent of Pensionable Remuneration per biennium, which results from the cumulative effect of the interest on the deficit.

## 2. Pensionable remuneration

(a) The General Assembly had asked the International Civil Service Commission (ICSC), in full co-operation with the Pension Board,

- i) to undertake a comprehensive review of the methodology for the determination of the scale of pensionable remuneration for the Professional and higher categories, and
- ii) to monitor the level of the scale and its adjustments in between the comprehensive review and to present its recommendation thereon to the General Assembly at its forty-fifth session (1990).

## (b) Arrangements for the comprehensive review

The Pension Board at its recent session emphasized the importance of full co-ordination with the ICSC. The Board decided to request that ICSC participate in that working group. It also decided to meet in extraordinary session in February 1990 to review its report to go before the ICSC in March. The Board and the ICSC at their sessions in June/July 1990 would make every effort to arrive at mutually agreed recommendations for submission to the General Assembly in 1990.

## (c) Monitoring of level of pensionable remuneration of staff in the Professional and higher categories

Since the adoption of the adjustment mechanism of pensions in 1987, the pensionable remuneration has been adjusted three times in accordance with the adjustment system of Funds Regulations. During this period, the United States tax laws have changed which no longer justifies the application of a 1.22 multiplicative factor to establish the pensionable remuneration. The necessary correction will be implemented at the next increase due i.e. either on 1 January 1990 or 1 February 1990.

## 3. Review of pensionable remuneration of General Service Staff

The ICSC, which has the primary responsibility for determining pensionable remuneration, will place this matter on its programme of work for 1990.

## 4. Proposal to establish a Pension Purchasing Power Protection Fund (PPPF) for staff in the Professional and higher categories of the ITU

A document, together with the resolution adopted by the ITU Administrative Council, had been transmitted by the Secretary-General of the ITU to the Secretary for submission to the Board. The Board also had before it the resolution on the proposed PPPF subsequently adopted by the ITU Plenipotentiary Conference.

The ITU representatives stated that, the proposed PPPF did not constitute a complementary pension scheme, but rather an insurance scheme for the protection of the purchasing power of pensions. The objective of the scheme was to guarantee equality of treatment for retired ITU staff, regardless of their place of residence, by ensuring that their pensions would not have a lower income replacement value than existed at the base of the system, New York. It was stressed that the ITU had repeatedly urged, since 1982, that measures be taken to ensure that the benefits payable by UNJSPF were such as to ensure equivalence of purchasing power whatever the place of retirement. While some improvements had been introduced, ITU believed that neither equity nor stability had been achieved. The interim floor measure introduced in 1987 to arrest the decline in the local-currency value of pensions at certain locations would only be in effect until the end of 1990. A longer term solution would have to be found which would include appropriate financing arrangements, something that did not exist for the interim floor measure. The ITU proposed scheme specifically addressed the important issue of financing.

The ITU representatives added that, given the technical nature of its activities, ITU required highly skilled staff with extensive professional experience. As a result, the average age of staff recruited was on the high side, which underscored the importance attached to pensions. At the ITU Plenipotentiary Conference, Member States expressed a clear preference for a common system approach to pensions. This was reflected in the resolution adopted at the Conference which urged the Pension Board "to take all the necessary steps to ensure that the proposal for a Pension Purchasing Power Protection Insurance Plan is fully examined as one possible response to the concerns of ITU staff and to insist that an appropriate solution be found to the problem."

Several speakers expressed understanding for the concern which had led the ITU to develop their proposed plan.

The Board concluded its discussion by reaffirming its long standing position that if the pension levels payable by the Fund are believed to be inadequate, then remedies should be sought in the context of UNJSPF.

The problems highlighted by the ITU are identical to those affecting GATT Participants from the Professional and higher categories which were identified by the Informal Advisory Group (Feij Group) (See report of the GATT Informal Advisory Group (Spec(87)10 and minutes of GATT Council meeting (document C/M/207) and report by the Chairman of the Committee on budget, finance and administration (Spec(87)22)).

The Contracting Parties will certainly wish to bear in mind findings and conclusions of the Informal Advisory Group when they consider the results of the 1990 comprehensive review of the UN Pension system.

B. INTERNATIONAL TRADE CENTRE UNCTAD/GATT

## I. INTRODUCTION

56. The Executive Director of the International Trade Centre said that a number of encouraging statements had been made in various fora supporting the trade promotion and export development activities of the ITC and appealing for increased voluntary contributions, notably to enable the ITC to develop its activities related to the marketing and distribution of processed and unprocessed commodities.

57. He hoped that increased contributions by traditional donors as well as efforts made by new ones, including developing countries would enable the ITC to increase further the trust fund contributions which the Centre had so far enjoyed.

58. After two consecutive years at about the same level, the Centre's annual expenditures on technical co-operation activities rose by some 25 per cent to reach US\$26.3 million in 1988. These record levels had been attained as a result of efforts to improve delivery; such efforts were being continued in 1989 for which a delivery target of US\$30 million had been set.

## II. SECOND PERFORMANCE REPORT ON THE PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989 AND GATT CONTRIBUTION TO THE ITC (ITC/BUD/10 and CRP.9(89)6)

59. Turning to the Centre's Second Performance Report on the Programme Budget for the Biennium 1988-1989, the representative of the ITC stated that the revised Programme Budget showed a total decrease of US\$1,632,300 resulting from a negative adjustment of US\$461,600 due to the revised rate of exchange, which was partially offset by an increase of US\$335,800 due to the revised inflation factor; an amount of US\$1,506,500 was also deducted, representing the estimated net savings made over the biennium, under various objects of expenditures.

60. The Committee was informed that the revised GATT contribution amounted to Sw F 9,348,700 in 1989, which represented budgetary savings of Sw F 1,095,000 on the amount originally approved by the Budget Committee.

## III. PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 (A/44/6) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (A/44/7)

61. With regard to the proposed regular programme budget for the biennium 1990-1991, the representative of the ITC briefly reviewed the approval process. The proposals were prepared in late 1988 and were reviewed by the United Nations Secretariat and appeared in document A/44/6 of 14 April 1989. During May 1989 these budget proposals were considered by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Committee for Programme and Coordination (CPC). The report of the ACABQ had been distributed (document A/42/7). Final approval of the ITC budget would be given by the General Assembly later this year.

62. He also pointed out that the 1990-1991 proposed budget represented fundamentally the maintenance of the 1988-1989 budget which had been approved by the Budget Committee in October 1987.

63. The Committee was informed that the parameters for inflation and US\$/Sw F exchange rate would be reviewed and, if necessary, adjusted in the first performance report on the Biennium. It was noted that the ACABQ had recommended the approval of the proposed budget at the level requested and that the GATT contribution of Sw F 11,340,000 was based on adjusted parameters of 4 per cent inflation and an exchange rate of US\$1/Sw F 1.62.

64. The Committee recommends to the Council that the estimates of expenditure for the International Trade Centre UNCTAD/GATT for the biennium 1990-1991 be approved in the amount of US\$31,402,800 (1990: US\$15,552,800; 1991: US\$15,850,000). Miscellaneous income is estimated at US\$601,200 (1990: US\$300,600; 1991 US\$300,600). The net amount to be provided to the Centre from the 1990 GATT budget, equal to the contribution to be made by the United Nations, represents Sw F 11,340,000. The contribution will be paid in Swiss francs in twelve equal monthly instalments.

POINT FOR DECISION: Paragraph 64