

# GENERAL AGREEMENT ON

RESTRICTED

L/6818

1 March 1991

# TARIFFS AND TRADE

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## REPORT OF THE COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

### INTRODUCTION

1. The Committee on Budget, Finance and Administration met on 8 February 1991.

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

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

3. Mexico, the Netherlands, Tanzania, Turkey and Zimbabwe were represented by Observers.

#### I. PROPOSED EXTENSION OF THE DEADLINE OF 31 MARCH 1991 FOR RECOMMENDATION TO THE COUNCIL WITH REGARD TO THE FINAL 1991 BUDGET (Spec(91)6)

4. The Committee noted the comments presented by Mr. C. R. Carlisle, Deputy Director-General, that since the Ministerial Meeting in Brussels did not bring the Uruguay Round negotiations to a successful conclusion, it was not possible to assess the financial implications of the Round by 31 March 1991. Consequently, the Secretariat proposed that this date for the presentation of the 1991 budget be extended to 28 June 1991.

5. The Committee recommends to the Council that the date for the recommendations of the Budget Committee to the Council with regard to a draft resolution on the expenditure of the CONTRACTING PARTIES in 1991 and the ways and means to meet such expenditure be extended to 28 June 1991.

II. PROPOSED EXTENSION OF THE CONTRACTS OF STAFF MEMBERS  
RECRUITED FOR THE URUGUAY ROUND (Spec(91)5)

6. The Committee was addressed by the Deputy Director-General, who introduced document Spec(91)5 on the proposed extension of contracts for staff hired under the Uruguay Round to 31 July 1992.

7. The reasons in support of this one year extension were:

(a) these staff members were still required since the Uruguay Round negotiations were continuing;

(b) the need to provide post Uruguay Round support for the Secretariat;

(c) the need to provide a certain security for Uruguay Round staff so that they would not feel obliged now to seek alternative employment;

(d) to safeguard the Secretariat's investment in high calibre staff.

8. In response to the discussion that ensued, a member of the Secretariat explained that it was primarily in view of the uncertainty surrounding the likely further duration of the Round, and in order to provide the staff concerned with the greatest period of security of employment consistent with that uncertainty, that the date of 31 July 1992 had been chosen. It was hoped in this way to avoid premature departures from the Secretariat, in particular of those for whom an extension of lesser duration would cause acute difficulty in view of their alternatives, e.g. academic employment.

9. The Committee noted the reasons given by the Secretariat and agreed that the human factor should be given due consideration. Some members thought there was a case for a shorter extension, but otherwise there was considerable support for the proposal in the light of the uncertainty as to when the Round might be concluded.

10. Some members requested information regarding the manner in which future permanent posts would be filled, as well as how the Uruguay Round posts had been filled. A member of the Secretariat explained that Professional category posts had been publicly advertised and recruitment had followed normal procedures. There had been, however, four exceptions where, if the normal procedures on recruitment had been applied, it would have considerably delayed the useful deployment of the staff member. The Secretariat circulated a table listing the posts in question, the level of the post, and the date of entry on duty of the incumbent.

11. He further explained that the senior staff who, for reasons relating to the functioning of the pension system, had retired at the end of 1990, and who had been retained under other arrangements, were not included in the proposal to extend contracts of Uruguay Round staff.

12. The Committee took note of the proposal of the Secretariat and agreed that the contracts of staff engaged for the Uruguay Round be extended to 31 July 1992.

### III. MONITORING OF EXPENDITURE IN JANUARY 1991 (CRP(91)1)

13. The Committee examined the expenditure situation as at 31 January 1991 and noted the comments made by a member of the Secretariat.

14. The Committee also noted that the increase in expenditure for January 1991 as compared to January 1990 was mainly attributable to the contractual commitments of GATT, examples of which were the adjustments made to salaries under the International Civil Service Commission (ICSC) recommendations and increases in the rental of premises as adjusted for inflation.

15. In addition, the Committee noted that there were areas such as missions, meetings, installation grants, panels and overtime where there was no or very little expenditure. In other areas, such as reproduction, expenditure was significantly reduced.

16. Several delegates stressed the importance attached to the monitoring of expenditure under the interim 1991 budget period, to avoid the situation where the current year's actual expenditure would dictate the final 1991 budget.

17. The Committee noted the expenditure statement prepared by the Secretariat.

### IV. CONTRIBUTION TO THE GATT BUDGET

#### (a) Costa Rica (L/6772)

18. Consequent to the accession to the GATT of Costa Rica (documents L/6626 and L/6734), the Committee recommends that a contribution to the 1990 budget amounting to Sw F 4,476 be assessed on this Government. This assessment, calculated as from 24 November 1990, is based on an annual contribution of 0.06 per cent, taking into account Costa Rica's foreign trade figures for the years 1986-1988. Further, on the basis of the level of the Working Capital Fund of Sw F 4,224,221 on 24 November 1990, the Committee recommends to the Council to assess an amount of Sw F 21,121 on the Government of Costa Rica as an advance to the Fund.

#### (b) Macau (L/6808)

19. Consequent to Macau's being deemed a contracting party to the GATT (document L/6806), the Committee recommends that a contribution to the 1991 interim budget amounting to Sw F 35,691 be assessed on this Government. This assessment, calculated as from 11 January 1991, is based on an annual contribution of 0.05 per cent, taking into account Macau's foreign trade figures for the years 1986-1988. Further, on the basis of the level of the Working Capital Fund of Sw F 4,589,850 on 11 January 1991, the Committee recommends to the Council to assess an amount of Sw F 22,949 on the Government of Macau as an advance to the Fund.

V. ACTIVITIES OF THE COMMON SYSTEM BODIES IN 1991 (Spec(91)2)

20. The Committee noted the summary made by a member of the Secretariat on the following activities of the Common System Bodies:

(a) since the UN pension scheme is denominated in US dollars, and to provide equivalents of the dollar pensions in strong currencies, the General Assembly had accepted that pensions in strong currencies be paid at an exchange rate higher than the rate normally used. Those retiring between 1 January 1991 and 31 March 1992 were assured of receiving a pension in local currency at least equal to what would have been due to them on 31 December 1990;

(b) the United Nations Joint Staff Pension Board (UNJSPB) had concluded its comprehensive review of pensionable remuneration for the Professional and higher category staff and recommended that the existing methodology remain unchanged;

(c) the UNJSPB had commenced its comprehensive review of the pensionable remuneration of the General Service category in 1991;

(d) the International Civil Service Commission (ICSC) had concluded its comprehensive review of pay and conditions of service of staff in the Professional and higher categories and had dealt with the outstanding issue, deciding to continue to treat housing costs as an element of post adjustment;

(e) the ICSC's findings on the survey conducted last year showed that the Post Adjustment Index was 0.2 per cent higher than the actual cost of living index in Geneva. The Commission had recommended that no action be taken for this minor difference.

21. The Committee took note of the Report

VI. OTHER BUSINESS

22. The Committee was reminded that Belgium and the Netherlands regularly alternated as members of the Committee.

(a) Withdrawal of Belgium

The Committee was informed that Belgium has formally requested to withdraw from membership of the Committee.

(b) Request from the Netherlands

The Committee was informed that the Netherlands has formally submitted its request to become a member of the Committee.

23. The Committee noted that both these requests will be taken up at the next session of the Council.

24. Review of Conditions of Service in the Secretariat

The Committee was informed of the statement made by the Chairman of the Council that he would be conducting consultations on this subject as a follow-up of the statement made by the Chairman of the 46th Session of the CONTRACTING PARTIES (Document W.46/10).