

# WORLD TRADE ORGANIZATION

RESTRICTED

**WT/BFA/52**  
2 February 2001

(01-0499)

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## Committee on Budget, Finance and Administration

### REPORT OF THE MEETING HELD ON 26 JANUARY 2001

1. The WTO Committee on Budget, Finance and Administration met on 26 January 2001 under the chairmanship of Mr. Akil of Turkey. The terms of reference and composition of the Committee are set out in document WT/L/44/Rev.1. The agenda contained in document WTO/AIR/1470 was adopted with two additional points under item "Other Business": (i) appointment of an expert on human resources deployment, and (ii) translation of documents.

#### **I. INACTIVE MEMBERS**

2. The Chairman introduced the document WT/BFA/W/54. Thereafter, a member of the Secretariat informed the Committee that the cash situation at the end of the year 2000 was greatly improved since September 2000. The funds available as at 31 December 2000 stood at CHF 22,687,644 and the contributions received from the Members for the 2000 assessments amounted to CHF 119,312,018, which represented 94.16% of the total assessment.

3. Following the recommendation of the Preparatory Committee of the World Trade Organization on the issue of Members in category IV of the administrative measures, the Secretariat prepared a list of Members which have accumulated, as at 15 January 2001, three or more years of arrears up to and including the financial year of 2000.

4. Consequently, in accordance with paragraph 7(b) of document PC/7, L/7578, **the Committee recommends to the General Council that the following Members be urged to liquidate their arrears:**

Antigua and Barbuda	Guinea
Burkina Faso	Guinea-Bissau
Burundi	Malawi
Central African Republic	Mali
Chad	Mauritania
Congo	Niger
Democratic Republic of the Congo	Rwanda
Djibouti	Sierra Leone
Dominican Republic	Togo
Gambia	Zambia

#### **II. PERFORMANCE AWARD PROGRAMME**

5. The Chairman recalled that at the last meeting in 2000, a Member felt that further clarifications on the Performance Award Programme were required, and it had been agreed that the Committee would meet again in January 2001 to resume the discussion on the subject. In the meantime, the Secretariat had provided the additional clarifications and on that basis a consensus had been reached.

6. The Representative concerned said that Members should be provided, at the appropriate time upon introduction of the programme and at the end of the year or early in the subsequent year, with a report or a list specifying, in particular, the bonus payments for excellent performance by number of cases and the amount of reward in relation to the regular salary paid to the recipients. It should furthermore be shown how many staff members did not have a salary increase at the end of their reference year owing to less than satisfactory performance.

**7. The Committee recommends that, in application of Staff Regulation 6.5, the General Council approve the Performance Award Programme, to take effect on 1 January 2002, as outlined in document WT/BFA/W/48/Rev.1, together with the consequent amendments to Staff Rules 106.3, 106.4, 106.13 and Annex 1 thereof.**

### **III. SELECTION OF EXTERNAL AUDITORS<sup>1</sup>**

8. A Member of the Secretariat introduced the document WT/BFA/W/55, and informed that the draft letter calling for tender for the appointment of external auditor was based on the previous one sent in 1995. As noted by the Committee in the previous meeting, sufficient time should be given to the launching of the next call for tenders so as to ensure a smooth transition. He then briefly recalled that a Working Group was formed last time to study the various offers and to make a recommendation to the Committee on the selection of the external auditor.

9. At the suggestions of a few Members, the Committee noted that it should be specified in the letter (i) the auditors should terminate the reporting by the month of July; and (ii) the auditing should include the WTO Pension Plan accounts.

10. The Committee requested the Secretariat to send out the draft letter including the suggestions made by the Members.

### **IV. ITC 2002 BUDGET OUTLINE**

11. The Deputy Executive Director introduced the documents ITC/BUD/37 and 38, and indicated that the purpose of the meeting was to have informal consultations on the level of the ITC's outline for 2002 and 2003. In accordance with the current administrative arrangements, the submission of the outline to both the UN and the WTO budgetary review organs in May would continue to be the time for formal consideration, and the detailed programme budget presentation would continue to be made in early fall, for final approval.

12. He further indicated that the 2002 budget proposed by the ITC showed a real growth of less than 1 per cent, an overall net increase of CHF 294,000. As background information for the Members of the Committee, he advised that in conformity with the priorities endorsed in the Medium Term Plan, the United Nations General Assembly endorsed a budget outline for the biennium 2002-2003, reflecting a 2.7 per cent real growth for the Section International Co-operation for Development, part of the UN budget which comprised their contribution to the ITC.

13. He also indicated that new programme areas proposed included an annual meeting of the Executive Forum which was designed to strengthen the capacities of developing and transition economies to formulate and manage national export strategies. ITC also needed to strengthen its expertise in electronic trade, which was becoming an increasingly critical factor in any national export development strategy. In addition, resources were required to support the introduction of IMIS at ITC, and to cover additional, unavoidable information technology requirements. Minor increases were foreseen to improve building security coverage and to cover for the regrading of six posts, on the

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<sup>1</sup> Subsequent to the meeting and after checking the Financial Regulations and Rules of the WTO, it appears that only "the Auditor-General (or officer holding the equivalent title)" is eligible.

basis of approved job classifications. The Committee was advised that the increases were to be primarily offset by reductions in statutory costs which ITC expected to realise, mainly due to a reduction in the anticipated costs for separations and therefore, appointments of new staff.

14. In reply to queries, the ITC provided the following information:

- (i) On regradings, as ITC is a relatively small organization with a small number of posts, redeployment of posts has serious limitations. It was also pointed out that some of the posts involved were last reviewed more than 10 years ago.
- (ii) On the issue of the format of the submission, ITC advised that it would like to avoid having to present two separate documents which are formatted differently to both the UN and WTO. Its aim is to have a single document format that can be presented to both parents thus saving time and resources.
- (iii) On the question of the sustainability of the savings under statutory costs, ITC advised that the current projections indicated that there would be a lower number of retirements in the biennia to come.
- (iv) On the timing of the approval of the budget, ITC advised that a more detailed outline will be presented in May with a detailed programme budget presentation in early fall, at which time there will be opportunities for further review.

15. The Committee heard the ITC 2002 outline and noted that formal authorization of the 2002 budget would be at the same time as that of the WTO 2002 budget.

## **V. OTHER BUSINESS**

16. A Member recalled that it had made a proposal, at the last meeting of 2000, for the appointment of an expert in human resources deployment to advise the Secretariat. Members were informed by the Secretariat that preliminary steps had been undertaken in this regard and that the Committee would be kept informed.

17. A Member requested that translation of documents for the Committee on Trade and Development should be speeded up. The Secretariat took note of the comment.

**POINTS FOR DECISION: Paragraphs 4 and 7**

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