



ANNUAL REPORT FOR 2022 OF THE COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

1.1. In accordance with the procedures for an annual overview of World Trade Organization (WTO) activities, adopted by the General Council on 15 November 1995 (WT/GC/M/8, item 11), a report on the activities of the Committee on Budget, Finance and Administration (CBFA) in 2022 is hereby submitted.

1.2. In 2022, the CBFA held eight formal meetings and submitted eight reports¹ to the General Council.

1.3. The list of CBFA documents issued in 2022 is contained in Annex 1.

1.1 Financial Regulations

1.4. The CBFA discussed and endorsed the Proposed Changes to the text of Financial Regulation 19. The CBFA endorsed a full set of revised Financial Regulations of the WTO (WT/BFA/W/610) and submitted it to the General Council for approval.

1.2 Pension Plan

1.5. The CBFA took note of the 2021 WTO Pension Plan Audited Financial Statements and the External Auditor's Report. The recommendation for the approval of the Audited Financial Statements, to the General Council, is under the mandate of the WTO Pension Plan Management Board.

1.6. The Chair of the WTO Pension Plan Management Board presented a Draft Reform Proposal for Addressing the Pension Plan's Funding Gap (WT/BFA/W/613).

1.3 Establishment of the Fisheries Funding Mechanism Trust Fund

1.7. The CBFA took note of the establishment of the Fisheries Funding Mechanism as a new trust fund under Financial Regulation 19. The Fund will assist developing and LDC Members that have capacity constraints to implement their new obligations under the Agreement on Fisheries Subsidies. The Fund will be subject to regular external auditing and review and will report regularly on its activities to the Committee.

1.4 Transformation Exercise

1.8. Regular updates on the WTO Secretariat Transformation Exercise were provided at each CBFA meeting by Deputy Director-General Angela Ellard. Furthermore, an informal meeting with the Transformation Office was organised at which Members had an opportunity to ask questions and seek clarifications regarding the ongoing transformation exercise.

¹ WT/BFA/202 covering the meeting held on 17 March 2022; WT/BFA/203 covering the meeting of 5 May 2022; WT/BFA/204 covering the meeting of 24 May 2022; WT/BFA/205 covering the meeting of 15 July 2022; WT/BFA/206 covering the meeting of 22 September 2022; WT/BFA/207 covering the meeting of 5 October 2022; WT/BFA/208 covering the meeting of 8 November 2022; and WT/BFA/209 covering the meetings of 1 and 5 December 2022.

1.5 Regular items

1.9. The CBFA reviewed and took note of regular items, such as:

- a. the quarterly reports on the financial and extra-budgetary situation of the Organization (WT/BFA/W/589 and WT/BFA/W/589/Rev.1; WT/BFA/W/611; WT/BFA/W/601; WT/BFA/W/592; WT/BFA/W/600; and WT/BFA/W/608);
- b. the 2022 WTO Salary Survey and Dependency Allowances (WT/BFA/W/580);
- c. updates from the Chairperson of the WTO Pension Plan Management Board;
- d. WTO Pension Plan actuarial valuation for 2020 (WT/BFA/W/577) and interim actuarial valuation for 2021 (WT/BFA/W/594);
- e. the Reports on the follow-up and status of implementation of the internal and external audit recommendations (WT/BFA/W/579; WT/BFA/W/586; and WT/BFA/W/602);
- f. an update on the WTO Medical Insurance Plan and ASHI (WT/BFA/W/582);
- g. the Annual Strategic Facilities Plan (WT/BFA/W/587);
- h. the WTO Secretariat staff's Learning and Development Programme for 2021 (WT/BFA/W/590);
- i. the Annual Report on Diversity in the WTO Secretariat for 2020 and 2021 (WT/BFA/W/605 and WT/BFA/W/605/Corr.1);
- j. the Annual Report on Grading Structure in the WTO Secretariat for 2020 and 2021 (WT/BFA/W/606); and
- k. the Annual Report of the activities of the Office of Internal Oversight for 2020-2021 (WT/BFA/W/586).

1.6 Working Group on Trust Funds

1.10. The CBFA reviewed and endorsed the recommendations of the Working Group on Coherence in the Establishment and Management of WTO Trust Funds.

1.7 External Audit

1.11. The CBFA reviewed the 2021 WTO Audited Financial Statements and the External Auditor's Report and recommended that the General Council approve the 2021 WTO Audited Financial Statements. In addition, the CBFA proposed that the General Council approve transfers between budgetary sections as outlined in the 2021 WTO Financial Performance Report.

1.8 Outstanding Contributions from Members and Observers

1.12. The CBFA took note of outstanding contributions from Members and Observers (WT/BFA/W/578) and invited the General Council to urge Members and Observers under administrative measures to liquidate their arrears. Furthermore, the Chairperson of the CBFA read out the list of Members and Observers under administrative measures at every General Council meeting.

1.9 Utilization of the 2021 Budgetary Surplus

1.13. The Director-General submitted a Proposal for the Utilization of the 2021 Budgetary Surplus to the CBFA pursuant to Financial Regulation 23. Having considered Table 1 contained in document WT/BFA/W/614 and acknowledging the ongoing exchange of information, the CBFA recommended

to the General Council that the WTO Budgetary Surplus as at 31 December 2021, amounting to CHF 6 million, be exclusively utilized to cover mandatory and unavoidable expenses.

1.10 2022-2023 Mid-Term Budget Review

1.14. The Director-General presented the WTO 2022-2023 Mid-Term Budget Review to the Committee on 5 October, and the Committee discussed it extensively. The Committee deferred a decision on this item and instead will continue its discussion in the context of the 2024-2025 biennial budget process.

1.15. Noting that the approved budget for 2023 amounting to CHF 197,203,900 will remain unchanged and that the assessed contributions from Members for the 2023 budget, totalling CHF 195,000,000, will be based on the updated trade statistics as foreseen in Financial Regulation 12, the CBFA recommended to the General Council to approve the 2023 scale of assessed contributions contained in Table 1 of the document WT/BFA/W/616.

1.11 Other items

1.16. Other topics discussed and noted by the CBFA were a communication by the United States on Enhancing Output Reporting; the issue of long-term liabilities; the planned update of the Documents Online platform; the use of AI-Based Translation tools at the WTO; and the amendment to Staff Rules 106.14 (h) and 106.15 (h).

ANNEX 1

LIST OF CBFA DOCUMENTS ISSUED IN 2022

Symbol	Title of the document
WT/BFA/W/564/Rev.1	Proposed changes to the text of Financial Regulation 19 that was agreed in June 2019 - By India & the United States – Revision 1
WT/BFA/W/564/Rev.2	Proposed changes to the text of Financial Regulation 19 that was agreed in June 2019 by India & the United States – Revision 2
WT/BFA/W/564/Rev.2/Corr.1	Proposed changes to the text of Financial Regulation 19 that was agreed in June 2019 by India & the United States – Revision 2 – Corrigendum 1
WT/BFA/W/577	WTO Pension Plan 2020 Full Actuarial Valuation
WT/BFA/W/578	Outstanding Contributions from Members and Observers as at 31 December 2021
WT/BFA/W/579	Status of the Implementation of External Audit Recommendations
WT/BFA/W/580	2022 WTO Salary Survey and Dependency Allowances: Cumulative Movement of the WTO Salary Scale in 2018 - 2022
WT/BFA/W/581	Update on the Replacement of Documents Online (DOL)
WT/BFA/W/582	Update on WTO Medical Insurance Plan and ASHI Liabilities
WT/BFA/W/583	2022 Draft Work Plan for the Committee on Budget, Finance and Administration
WT/BFA/W/583/Rev.1	2022 Draft Work Plan for the Committee on Budget, Finance and Administration – Revision 1
WT/BFA/W/584	Summary Report by Chair of the Working Group concerning Coherence in the Management and Administration of Voluntary Contributions
WT/BFA/W/585	WTO Long term Liabilities
WT/BFA/W/586	Office of Internal Oversight (OIO) - Status of Internal Audit Recommendations (March 2022)
WT/BFA/W/587	Strategic Facilities Plan
WT/BFA/W/588	2021 Financial Performance Report
WT/BFA/W/588/Rev.1	2021 Financial Performance Report – Revision 1
WT/BFA/W/589	WTO Budget and Finance Report – 1 st Quarter 2022
WT/BFA/W/589/Rev.1	WTO Budget and Finance Report – 1 st Quarter 2022 – Revision 1
WT/BFA/W/590	WTO Secretariat's Staff Learning and Development Programme 2021
WT/BFA/W/591	AI-Based Translation Tools at the WTO: an Update
WT/BFA/W/592	Quarter 1 2022 Extra Budgetary Funds Report
WT/BFA/W/593	WTO Secretariat Transformation Exercise as of 9 May 2022
WT/BFA/W/594	WTO Pension Plan 2021 Interim Actuarial Valuation

Symbol	Title of the document
WT/BFA/W/595	WTO Secretariat Transformation Exercise as of 1 July 2022
WT/BFA/W/596 – WT/L/1149	WTO Pension Plan 2021 - Report of the Independent External Auditor on the Audit of the Financial Statements of the World Trade Organization Pension Plan for the Financial Year ended 31 December 2021
WT/BFA/W/597 – WT/L/1150	WTO Pension Plan - Annual Report and Financial Statements for the Year ending 31 December 2021
WT/BFA/W/598	Report of the Independent External Auditor on the Audit of the Financial Statements of the World Trade Organization for the Financial Year ended 31 December 2021
WT/BFA/W/599	Report of the Independent External Auditor on Follow-up to the Recommendations of The External Auditors
WT/BFA/W/600	Quarter 2 2022 Extra Budgetary Funds Report
WT/BFA/W/601	WTO Budget and Finance Report – 2 nd Quarter 2022
WT/BFA/W/602	Secretariat's Responses to External Auditor's Recommendations on the Audit of the Financial Statements of the World Trade Organization for the Financial Year ended 31 December 2021
WT/BFA/W/603	Secretariat's Responses to the Follow-up to Outstanding Recommendations of the External Auditors
WT/BFA/W/604	WTO Secretariat Transformation Exercise as of 1 September 2022
WT/BFA/W/605	2020 and 2021 Annual Report on Diversity in the WTO Secretariat
WT/BFA/W/605/Corr.1	2020 and 2021 Annual Report on Diversity in the WTO Secretariat – Corrigendum 1
WT/BFA/W/606	2020 and 2021 Annual Report on Grading Structure in the WTO Secretariat
WT/BFA/W/607	WTO 2022-2023 Mid-Term Budget Review
WT/BFA/W/608	Quarter 3 Extra Budgetary Funds Report
WT/BFA/W/609	Amendment to Staff Rules 106.14 (b) and 106.15 (h)
WT/BFA/W/610	Complete Set of Revised Financial Regulations of the World Trade Organization
WT/BFA/W/611	WTO Budget and Finance Report – 3 rd Quarter 2022
WT/BFA/W/612	Annual Report on the Activities of the Office of Internal Oversight (OIO) 2021-2022
WT/BFA/W/613	Draft Reform Proposal for Addressing the Pension Plan's Funding Gap
WT/BFA/W/614	Proposed utilization of the 2021 Budgetary Surplus
WT/BFA/W/615	Draft Annual Report for 2022 of the Committee on Budget, Finance and Administration
WT/BFA/W/616	2023 Scale of Contributions
WT/BFA/W/617	Textual Proposal and Request for Information – By Sri Lanka

Symbol	Title of the document
WT/BFA/INF/15	Notification of the Establishment of a Fisheries Funding Mechanism Trust Fund
WT/BFA/INF/16	Responses to Questions Raised by Members during Director-General's Presentation of the Mid-Term Budget to the Committee on Budget, Finance and Administration on 5 October 2022
WT/BFA/INF/17	Responses to Questions Raised by Members on the Proposed Utilization of the Budgetary Surplus
WT/BFA/INF/17/Corr.1	Responses to Questions Raised by Members on the Proposed Utilization of the Budgetary Surplus – Corrigendum 1

Symbol	Title of the document
JOB/BFA/58	Enhancing Output Reporting – Continuing the conversation - Communication by the United States
JOB/BFA/67	Statement of the Director-General to CBFA - WTO 2022-2023 Mid-Term Budget Review - 5 October 2022
JOB/BFA/68	DDG Ellard's Update on the Secretariat's Transformation Exercise - CBFA Meeting - 8 November 2022
JOB/BFA/69	Remarks of Clarisse Morgan (Director of the Rules Division) on the Fisheries Funding Mechanism Trust Fund - CBFA Meeting - 8 November 2022
JOB/BFA/70	DDG Ellard's Update on the Secretariat's Transformation Exercise - CBFA Meeting - 1 December 2022
JOB/BFA/71	Letter from the Independent External Auditor
JOB/BFA/72	External Auditor's Engagement Letter