report of the meeting held on 17 MARCH 2022

The Committee on Budget, Finance and Administration (CBFA) met on 17 March 2022. Her Excellency Ambassador Bettina Waldmann, German Ambassador to the WTO, welcomed Members to the meeting.

# adOPTION OF THE AGENDA

The Chair noted that the agenda for the meeting had been released on 7March, with the reference WTO/AIR/BFA/50, together with the annotated agenda bearing the reference JOB/BFA/59.

The agenda, as set out in document WTO/AIR/BFA/50, was adopted.

# ORAL REPORT FROM THE CHAIR ON ONGOING WORK

The Chair recalled that an informal CBFA meeting had been held on 11 February, during which the Director-General provided delegations with a summary of findings, recommendations, and proposed actions resulting from the structural review diagnostic. The Chair added that Deputy Director-General Angela Ellard would provide a further update under the relevant agenda item of the meeting.

The Chair observed that the Working Group on Trust Funds has finalized a document summarizing its discussions and conclusions. The document includes principles that Members want to see in the management and administration of voluntary contributions as well as recommendations to the CBFA. She added that the Working Group on Trust Funds would convene soon after receiving final comments from Members.

The Chair said that, in relation to the topics that she had mentioned and other issues on the Committee's agenda, she will be using CBFA meetings to ensure transparency with respect to developments across the CBFA Work Plan for 2022.

# 2022 DRAFT WORK PLAN FOR THE COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION – WT/BFA/W/583

The Chair noted that the Secretariat had, as in previous years, prepared a draft work plan for the year for consideration by the Committee.

Several Members requested that updates on the structural review be a permanent item on the agenda of all regular CBFA meetings in 2022.

Several Members welcomed the inclusion of long-term liabilities on the work plan, noting that these financial commitments are a major issue.

A Member expressed support of the inclusion of regular discussions on amending Financial Regulation 10 of the WTO Financial Regulations, adding that this is an important Financial Regulation which would enable the WTO to continue to carry out its activities.

A Member said that it is important for the Committee to use the work plan to plan for and make progress in its work. The Member stated that Members look at the full calendar and begin to reach out to others who share similar interests well in advance of the date for which a specific item is scheduled so that Members can participate in CBFA meetings more effectively. The Member stated that he would be interested in participating in consultations with other Members on relevant CBFA topics. Noting that Financial Regulation 10 is on the work plan for three sessions, he said he had some questions about the utility of spending so much time on an issue that was exhausted in 2021. He added that he would be open to continuing to engage on this topic and would be interested in what new ideas Members were considering to advance the work. The Member thanked the Secretariat for having included the topic of Output Reporting on the agenda.

A Member expressed support for the work plan. She called for focussed discussions of topics that have regularly been on the agenda of previous meetings, such as Output Reporting, to avoid future discussions coming up in the budget approval session.

The Member recalled that her delegation as well as others had previously raised questions concerning the IT budget and transparency in procurement. She added that her delegation had suggested the introduction of Artificial Intelligence in translation in the WTO three years ago, and that the only presentation on this issue had been presented to the Committee in late 2019. In this regard, the Member asked that the CBFA be updated on IT issues and Artificial Intelligence in 2022.

A Member said her delegation is keen to understand whether and how the structural review relates to other elements of the work plan, including in relation to the very important topics of ongoing learning and development as well as diversity in the Secretariat.

A Member thanked the Director-General and the Secretariat for the information provided in the informal CBFA last month and said that this is a good first step for ensuring transparency and, where necessary and appropriate, involvement of Members. The Member said his delegation would like to particularly highlight the importance of the conclusion of the discussions on revisions to Financial Regulations 19 and 10.

DDG Ellard thanked Members for their positive comments about the work plan. She said the Secretariat had tried very hard to take into account the views that had been expressed throughout last year to make sure that the work plan reflects what the Members would like to discuss during the course of the year. In this context, she noted that the Secretariat had included the topic of long-term liabilities, which is a very important discussion that Members and the Secretariat are committed to having.

She acknowledged Members' comments about having regular briefings on the transformation exercise and having this topic as a regular item on the agenda of CBFA meetings. She said the Secretariat is deeply committed to ensuring transparency on this matter and that the Director-General's meeting with the Committee in February was a demonstration of that commitment. She added that the CBFA would be regularly updated on the process, and that Members will have an opportunity to pose questions and raise any concerns. She said that she would be providing an update specifically on the transformation exercise later during the meeting.

In response to the question concerning the IT budget, DDG Ellard said the Secretariat would be pleased to provide information on AI and automation in translation, and to give Members an opportunity to express views.

The Chair thanked DDG Ellard for her responses and suggested that the Secretariat circulate an updated work plan. She encouraged Members to arrange exchanges among themselves to see if there are further developments regarding Financial Regulation 10. She offered her help to Members in this process.

A Member said, as a point of clarification, that in the communication from his delegation (the United States) and Mexico in WT/BFA/W/555 there was assertion that Financial Regulations cannot override the Marrakesh Agreement. He said that if the Secretariat has views on that or does not agree with that position, it would be helpful for the Committee to know. He added that this is an important question for his and Mexico's delegations.

Throughout this portion of the meeting, several Members made statements condemning Russia's actions in Ukraine, which they considered breached the territorial integrity of a sovereign state and the rule of law.

*The Committee took note of the work plan and comments made.*

# 2022 wto salary survey and DEPENDENCY ALLOWANCES – wt/bfa/w/580

An Official of the Secretariat introduced document WT/BFA/W/580 informing the Committee regarding the 2022 Salary Survey and the Dependency Allowances. In accordance with the Salary Adjustment Methodology, the salary survey for 2022 had been carried out comparing WTO salaries with those of the market comparators, the United Nations, and the Coordinated Organizations, weighted at 70% and 30% respectively.

UN Professional salaries in Geneva have increased by +0.92% on a no gain, no loss adjustment basis, resulting in no change of net salary levels. Salaries in the UN General Support category increased by 0.2%, while the salaries in the Coordinated Organizations have increased by 3.7% as of 2022. Overall, the salary survey indicated that a 0.9% increase should be made to the WTO salary scale. As a result, two existing frozen salary scales would be overtaken and therefore removed.

The Secretariat informed the Committee that, with the new methodology to adjust the Dependency Allowances introduced in 2018, the allowances are adjusted in line with the cumulative movement of the WTO salary scale every three years, subject to a 2% threshold being reached. Following the 0.9% adjustment to the salary scale in 2022, the cumulative movement of the salary scale for the period 2018 to 2022 stands at +1.5%. The 2% threshold is currently not reached, and an adjustment of the dependency allowances is therefore not indicated at this stage.

A Member asked to what extent, and if, the cost of the salary increase had been factored into the overall net salary budget for 2022. The Secretariat confirmed that this was the case.

*The Committee took note of the 2022 salary survey report.*

# UPDATE ON THE REPLACEMENT OF DOCUMENTS ONLINE – WT/BFA/W/581

An Official of the Secretariat introduced document WT/BFA/W/581 informing the Committee regarding the update on the replacement of Documents Online (DOL).

DOL is the Secretariat's online document repository for WTO official document consultation. Delegates use it on a daily basis to prepare for their committee work. The current system is outdated and no longer meets the needs of its users.

At the CBFA meeting in July 2020, Members requested a revamp of DOL to make it a more intuitive search and self-service application that enables users to find documents easily. Since then, the Secretariat has been working towards developing an authoritative, secure, well-designed, and intuitive application. The first update was provided to the CBFA on 20 November 2020, and the second update on 21 May 2021.

DOL contains more than 180,000 documents covering more than 48 trade topics, and has a wide range of stakeholders, including Members, the Secretariat, and the public at large. The selection of the right technology platform must therefore be rigorous and forward-looking.

Between July 2020 and January 2021, focus group meetings and individual interviews were conducted with Members and the Secretariat to define requirements to the prospective system. The feedback received showed that the current search features do not meet the needs of stakeholders. In particular, the current search features rely mainly on symbols, are not intuitive, and require manual work to find documents within the search results. Members expressed the need for a natural language search (search-engine-like) with intuitive self-service search refinement adding context and meaning to search results. This provided the Secretariat with a clear roadmap for the revamp of DOL. One key component that is fundamental to addressing the intuitive search and information discovery needs is the development of a common business vocabulary (thesaurus, ontology, and knowledge graph, also known as semantic assets).

In July 2021, the Secretariat initiated brainstorming with stakeholders to collect the questions that end-users expect the future DOL to answer. Based on this, semantic assets are being developed to facilitate information discovery. This part of the project is expected to be completed by end of March 2022.

The Official of the Secretariat then described the next steps of the project and emphasized that because Members are the main users of DOL, their input is essential. He said that the Secretariat will be organizing a second round of focus group meetings in April to better understand the searches Members would like to have. In this regard, he said the Secretariat will be sending an invitation to Members.

A Member expressed full support for the Secretariat's initiative and expressed appreciation for the seriousness with which the Secretariat has approached bringing DOL up to date and in line with improvements in other areas, such as notifications. The Member also confirmed his delegation's participation in the focus group meetings and encouraged the Secretariat to keep up the difficult technical work.

A Member reiterated support for the project and thanked the Secretariat for the work done to enhance this very important and helpful tool. The Member stressed the importance of improving access to documentation to overcome difficulties in the current system.

The Official of the Secretariat thanked Members for their support and encouraging words.

*The Committee took note of the update and the comments made.*

# status of THE implementation of external audit recommendations – WT/BFA/W/579

An Official of the Secretariat introduced the agenda item by stating that the aim is to update Members on the status of implementation of recommendations from the External Auditors. He added that this first update in 2022 is based on all external audits conducted in the last three years, including the latest two reports of the *Cour des Comptes* that were presented to the CBFA in June and September 2021.

The Official of the Secretariat said that the Secretariat had accepted all the 55 recommendations issued for 2019-2021. Out of these, 30 were closed; 14 have been implemented and will be proposed for closure during the audit exercise in May 2022; and 11 were still ongoing.

He stated that during its first audit exercise in 2021, the *Cour des Comptes* had issued 13 recommendations: 10 recommendations related to the financial matters, IT and internal controls areas; and 3 related to crisis management. These are part of the 55 recommendations referred to in paragraph 6.2 above.

A Member thanked the Secretariat for the report and for the progress made on many issues. The Member said his delegation looks forward to the implementation of quantitative measures and KPIs to monitor and measure the performance of the Organization, as requested by the Auditors.

The Member further expressed appreciation for the engagement of the Secretariat in the area of Trust Funds. In this context, the Member thanked the Chair of the Working Group on Trust Funds for her tireless efforts and said he is confident that the work done will pave the way to revamping the management of trust funds.

A Member noted that many of the recommendations preceded the pandemic. He said the lockdown and working from home had a significant impact on the Secretariat; on its interaction with Members; and, more generally, on the Organization's various audiences. The Member asked the extent to which these events had impacted the implementation of the recommendations relating to human resources and trust funds. He added that it would be essential to see what lessons could be learnt from this experience.

Referring to Item 73 of the recommendations, a Member asked for clarification of the response. He noted that the answer that was provided in February 2022 did not fully explain the status of the recommendation, which dated back to 2018. The Member asked for a better update because solving this issue seems to be problematic. The Member acknowledged that many recommendations were to be closed and thanked the Secretariat for its work.

In response, an Official of the Secretariat said that although the pandemic had affected everyone's work, Auditors and Auditees included, recommendations pertaining to human resources, which preceded the pandemic, concerned technical aspects and would be addressed by the second phase of the Human Resources Information System implementation. He added that, despite the pandemic, the Secretariat had achieved a good ratio of implementation of recommendations and was doing its best to implement the Auditors' recommendations.

On Item 73 of the recommendations, the Official of the Secretariat said policy changes had been submitted to, and are under consideration by, the internal Joint Advisory Committee (JAC). He said that the JAC receives multiple documents from all over the Organization, not only related to Audit Recommendations, and thus needs more time to provide its comments.

*The Committee took note of the update and the comments made.*

# review of outstanding contributions from members and observers – wt/bfa/w/578

An Official of the Secretariat presented the situation of outstanding contributions of Members and Observers as at 31 December 2021 and an update as at 17 March 2022. She explained that total contributions received in 2021 amounted to CHF 198 million and that this was slightly higher than in 2020.The difference was mainly due to several Members having paid their 2020 contributions in early 2021.

Contributions received from Observers were slightly lower than in 2020.

There were 16 Members under Administrative Measures as at 31 December 2021, with a total outstanding amount of CHF 10 million and eight Observers with a total outstanding amount of CHF 0.8 million.

At the request of the Chair, the Official of the Secretariat outlined the follow up steps taken by the Secretariat to manage outstanding contributions. These include reminder letters sent by the Director-General and the Secretariat as well as meetings organized with inactive Members.

The Official of the Secretariat further informed the Committee of a workshop that had been organized by the Secretariat to present budget and finance matters to LDCs.

A Member stated that its economy is under stress because of the Russian invasion and noted that it would do its best to remain current in payment of its dues.

Several Members underlined the need to implement all Administrative Measures and highlighted that this also applied to the General Council.

A Member pointed out that good budgetary discipline should start at the outset of accession processes of Observers.

The Chairman concluded by reading out the following recommendation to be made to the General Council, which the Committee endorsed:

**The Committee invites the General Council to urge Members and Observers under Administrative Measures to liquidate their arrears.**

# WTO PENSION plan 2020 full actuarial valuation - WT/BFA/W/577

The WTOPP Chair recalled that, in his last report to the Committee, he drew attention to unprecedentedly low (and even negative) interest rates and to shifting staff demographics, trends that were likely to lead to a projected actuarial imbalance. Since then, the WTOPP's Consulting Actuary issued a Full Actuarial Valuation based on 2020 data, which was approved by the WTOPP Management Board in February and was being presented to the Committee.

The WTOPP Chair offered three observations. First, while the WTOPP has been sailing under favourable winds in recent years, it must change course to avoid hitting troubled waters; the design of the WTOPP is robust - the latest financial returns are above expectations; and pensions are being paid. However, it faces a significant long term actuarial deficit. Expressed in terms of contribution rates, the actuarial gap is 10.5%.This gap will need to be addressed for the WTOPP to be sustainable and continue to deliver benefits to the organization and staff over the long term.

Second, the environment that the WTOPP is facing is not different from that faced by other pension plans. The main drivers of the long-term actuarial deficit of the WTOPP are the increase in life expectancy and depressed interest rates that can negatively affect financial performances. Other pension plans – including those of other International Organisations - are also affected by these trends. They have already adjusted or are in the process of doing so.

Third, while questions about how the actuarial gap will be addressed are very legitimate, the WTOPP Management Board is not able to provide detailed answers to these kinds of questions yet. Working on the reforms to address the actuarial gap is its priority, but assessing the different options and understanding how they interact and/or can be combined will take some time. Therefore, the WTOPP Management Board requires time and space to work before coming back to the CBFA to formally submit a reform proposal that is meaningful and viable. He assured the Committee that the WTOPP Management Board will be using multiple channels to stay in touch with the different stakeholders.

He then turned to the Board's Lead Actuary, Dr David Schiess from C-alm, to present the key findings of the Actuarial Report.

The presentation included introductory information on the actuarial model and the concepts behind the long-term actuarial valuation. The Actuary then explained the intuitive cashflow approach to understanding the situation. He emphasized that contributions to the WTOPP are not sufficient to finance future benefit promises. Therefore, the WTOPP has started to consume investment income. If left unaddressed, two pivotal points will develop. First, it is projected that the WTOPP will need to begin liquidating assets to pay benefits in 2033. Second, the assets of the WTOPP would become exhausted in 2061, and it would no longer be able to fulfil its obligations.

Next, the Actuary provided specific details on the components of the valuation. He identified two sources as responsible for the bulk of the projected gap. First, low interest rates have led to reducing assumptions about future returns on the WTOPP's assets. Second, longer life expectancy means that benefits will be paid for longer periods to current retirees, current staff, and future staff. Combined with some other demographic and technical adjustments in assumptions, this will lead to an overall gap of 10.5% in the required contribution rate.

The Actuary reiterated the point of the WTOPP Chair: that these challenges are not unique to the WTO and are being faced by many other organizations and governments around the world. To address the gap, contributions can be increased through various means and/or benefits can be reduced in various ways. He recommended that the Organization act in a timely way to close the gap through an appropriate combination of the two approaches.

Several Members took the floor to express appreciation for the clear report and to convey their understanding of the seriousness of the situation. They reiterated the need for the Committee to closely follow the issue as part of its anticipated review of long-term liabilities, as foreseen in the Committee's work plan. A few Members offered preliminary thoughts on potential specific measures to consider, including possible review of the current mandatory retirement age.

One Member asked for a clarification on how the current contributions are shared between staff and the Organization. The WTOPP Management Board Chair responded that contributions are one-third from participants and two-thirds from the Organization. Currently those shares, as a percentage of gross pensionable salary are 7.9% by staff and 15.8% by the Organization.

A Member asked what steps were being taken to communicate the situation to other stakeholders, such as staff and retirees. The WTOPP Management Board Chair confirmed that the same report and information would be presented in a staff and retirees' Town Hall Meeting on the following day.

The Chair of the CBFA asked if there was a timeline for when specific reform proposals might be brought back the Committee. The WTOPP Management Board Chair indicated that it was premature to commit to specific timing and reiterated the need for the WTOPP Management Board to have time to develop proposals while continuing to consult with all stakeholders.

*The Committee took note of the information and the comments.*

# update on WTO MEDICAL INSURANCE PLAN AND ashi LIABILITIES – WT/BFA/W/582

An Official of the Secretariat presented a report on After Service Health Insurance (ASHI) and the WTO Medical Plan. He clarified that most of the data reflects an analysis of 2021 information and, in some instances, 2020 data.

He mentioned that the report contains general background information because the financial and actuarial aspects of a medical plan are not immediately intuitive for non-specialists. He proceeded to highlight a few key elements in the report.

First, the WTO Medical Plan is a pay-as-you-go plan. That is, both staff and the WTO contribute to its costs as they arise because there is no systematic mechanism for financing the liabilities as they accrue. Instead, the WTO Medical Plan's financing is managed on a cash flow basis.

The Official of the Secretariat explained the relationship between premiums and reimbursements and their correlation over time. Higher claims in a given year lead to higher premiums in the following years. Recently, reimbursements have been less than premiums. This is likely related to the COVID-19 situation, which has had the effect of supressing demand for elective medical services over the past couple of years.

Next, he mentioned two additional points about the WTO Medical Plan in general. First, its costs are shared between its participants and the WTO budget – 60% is to be covered by the WTO budget and 40% by participants. Therefore, both sets of stakeholders have an interest in controlling costs. Second, demographics are an important driver of its costs. While the population of active staff is relatively stable, the number of retirees is growing each year. This means that, on average, the population of plan participants is getting older.

The Official of the Secretariat then turned to ASHI aspects, clarifying that these refer to the portion of costs borne by the WTO budget and that are attributable to retired staff. The most directly visible aspect of ASHI is the liability that must be reported each year in the financial statements of the WTO, in accordance with IPSAS reporting requirements. This is an estimate of the future costs of paying for ASHI benefits for current staff and retirees. Due to an aging population and medical inflation that is higher than general inflation, the liability estimate is forecast to grow steadily over the coming 40-50 years. Most of that growth will come from future participants. The cost of current participants has largely been factored into the already reported liability. As current staff retire and use up their benefits under the WTO Medical Plan, the liability associated with them diminishes and is replaced by benefits earned by new staff.

While the full ASHI liability is an important accounting concept and cannot be ignored, the pay-as-you go structure of the Plan means that it is the annual cash flow projections that are the most relevant to budgeting. The long-term cost implications for the budget require an actuarial study which is not undertaken every year. However, this was revised in 2021 based on 2020 data. The revised estimate foresees higher costs than estimated in 2017, but comparable to what had been previously estimated in 2014.

The Official of the Secretariat said that fluctuations in estimated costs illustrate the sensitivity to changes in assumptions. For example, a change of 1 year in life expectancy increases the ASHI costs by about 4%. Conversely, a reduction in medical inflation of 1% (from 3% to 2%) would reduce the costs by almost 25%.

Finally, the Official of the Secretariat reminded Members that while the WTO Medical Plan is still officially a pay-as-you-go plan, the CBFA has taken steps in recent years to anticipate these increasing costs. In 2017, a Special Reserve Account was established to absorb any surplus derived from the budget for the WTO Medical Plan. This could help manage future ASHI costs. As at the end of 2021, the accumulated balance resulting in this Special Reserve Account was CHF 6.5 million. In addition, CHF 1.6 million was incorporated from extra budgetary funded staff.

A Member said that, in her delegation's view, paragraph 8.1 of the Actuarial Report is incorrect in saying that Members had taken a decision to remain on a pay-as-you-go approach. She said that Members were unable to reach a consensus to move away from the pay-as-you-go approach. She said that the absence of consensus is not a decision.

Several Members expressed appreciation for the work done on the report.

A Member asked for comparisons to how other International Organizations are managing their ASHI.

A Member pointed out the potential risks from increases in inflation, given some of the signs in the economy.

*The Committee took note of the report*.

# ENHancing output reporting – continuing the conversation – communication by the united states – JOB/BFA/58

A Member introduced the topic of Output Reporting and said that his delegation's objective is to get a better understanding of the outputs in the budget process. He emphasized that he does not want this to be an agenda item at this stage.

Some Members highlighted that outputs should be examined in line with the structural review and asked for further information in order to get a better understanding of the Output Reporting process.

A Member said that Output Reporting did not seem to be reflected anywhere for 2019 and asked in which documents such reporting is contained.

An Official of the Secretariat replied that Output Reporting is included in each Financial Performance Report and that a projection on the Outputs is also included in each Budget Proposal.

A Member said his delegation supports the calls for improved and enhanced Output Reporting by the WTO Secretariat to ensure that Members have a complete picture of how the Organization spends Members' contributions. He noted that the discussion of this topic started in 2019, but due to various reasons, could not move forward. He said that his delegation had regularly expressed concerns regarding the utilization of WTO resources, paid from Members' contributions, on matters for which Members have not given a mandate to the Organization to address, such as Joint Statement Initiatives.

The Member said his delegation requests that the agenda of enhanced Output Reporting be included as a standing agenda item in the work plan of the CBFA, and that his delegation looks forward to engaging constructively with Members on this issue in the course of the year.

# ORAL UPDATE on the structural review

The Chair recalled that the Director-General, DDG Ellard, and Nthisana Phillips had been providing information and updates to Members regarding the structural review of the Secretariat starting in June 2021. She added that the Committee held an informal meeting in February 2022, where the Director-General had updated Members on this subject.

DDG Ellard acknowledged that many Members are interested in this topic and welcomed that interest. She said the Director-General had established the Transformation Office at the beginning of February to drive forward the implementation of the recommendations made in the diagnostic phase, which had been led by the external consultants in the summer of 2021.

DDG Ellard informed the Committee that the Transformation Office is led by a long time Secretariat staff member, Victoria Donaldson, and that, as of 28 March 2022, she will be joined by another professional and an assistant. All three had expressed interest and were selected following a competitive process open to all WTO staff.

DDG Ellard noted that the transformation exercise is now called "Strengthening our Secretariat, Preparing for the Future". She said that, during the diagnostic phase, the exercise was known as the structural review. She added that the diagnostic is completed and that the current work relates to design and assessment.

She said that the Director-General and the Transformation Office wish to highlight the opportunities that this transformation process presents to make positive changes that will strengthen the Secretariat, embed modern and best practices, and prepare the Secretariat to serve Members even better in the future.

DDG Ellard informed the Committee that extensive work is already underway at a fast pace. The first part of the work focuses on two main themes: talent management and ways of working. Within each of these streams, there are several discrete initiatives that are the subject of work in short sprints of three to six weeks.

The first three initiatives, which were launched during the week of 21 February, concern staff rewards outside promotions, risk management, and procurement processes.

This week, three more initiatives were launched: career pathways, recruitment, and mobility.

Work on the third stream, related to data, technology, and innovation, is scheduled to begin in May 2022.

DDG Ellard elaborated that the proposals for change in each subject are generated by a small group of staff working with the Transformation Office and the external consultants, and then shared more widely for evaluation by volunteer staff stakeholders as well as with the Transformation Advisory Committee made up of all Directors. After further refinement, proposals are then sent to the Steering Committee, which is made of the Director-General, the four Deputy Directors-General, and the Chief of Staff. Detailed implementation of approved proposals will be led by the Transformation Office, working with relevant Divisions, on the basis of implementation and action plans developed by the design groups. Where implementation will involve changes to policies or rules and regulations, the usual procedures to enact such changes will be followed.

DDG Ellard recalled that Members were involved during the diagnostic phase. Their input and views were a valuable part of the exercise and were taken into account by the external consultants when developing their assessment of the strengths of the Secretariat, as well as identifying areas for improvement.

She referred to Article 6 of the Marrakesh Agreement, which provides that, as the Head of the Secretariat, the Director-General has responsibility for the appointment of the members of the staff of the Secretariat and the determination of their duties and conditions of service. The current transformation work on talent management and ways of working reflects the seriousness with which the Director-General takes these responsibilities and her desire to ensure that all stakeholders benefit from a stronger Secretariat that is ready to update itself and embrace positive change, always mindful of the need to protect and cultivate the professionalism and expertise for which it is known.

A Member welcomed the update and reinforced an earlier statement that such updates are of utmost importance and should be a permanent item on the agenda of CBFA meetings in 2022.

A Member encouraged the Secretariat to share, when appropriate, written updates in advance of CBFA meetings.

The Member noted that one vacancy notice has been published to date for the senior positions that are to become vacant. He asked for an update on the status of the recruitment process for vacant senior positions.

The Member further asked if there were any specific updates pertaining to changes or plans that have already been implemented with respect to staff incentives and whether there have been any developments regarding the envisaged changes to procurement rules.

A Member said that, going forward, it would be good for the Committee to reflect on the overlap between some of the changes that are ongoing and what falls clearly within the realm of the Secretariat to make changes. He noted that several of the identified areas, including HR policies, salaries, and benefits, are audited and thus are subject to oversight by Members. In this regard, he added that it would be helpful for the Committee to know how it can provide input and ensure that the conversations that it had had, particularly over the last decade, on the salary structure and the inverted pyramid, and all of the work former DDG Brauner put in making sure that the Secretariat structure reflected what Members needed, were taken into account. He said that any changes to these at the very least warranted a conversation beforehand.

A Member noted that the new working title for the exercise includes preparing for the future. He said this is another term for strategic planning. He added that it is a bit disappointing that there is no provision within the various exercises for at least a consideration of a strategic planning exercise, maybe even a strategic planning office, to make use of the talent in the Secretariat. He said a lot of focus is on individuals, individual talent, and mobility but not much on managing the exercise across the Organization. He asked whether, in future updates, the Committee could get some indication of whether strategic planning is part of the agenda.

A Member welcomed the consultative approach to implementing the recommendations and said that, bearing in mind the issue raised regarding long-term liabilities, it is important for Members to do everything possible to continue having motivated and productive staff in the future.

DDG Ellard thanked Members for their comments and support of the process. She assured Members that the Secretariat is very committed to providing regular updates as requested by Members. She added that written updates would be provided, when appropriate. She stated that progress was very fast, and that the term for the implementation of various aspects of the exercise is, quite literally, "sprints". This fast pace could render some documents that would have been circulated well in advance of Committee meetings outdated when the meetings actually take place. She emphasized that Members would be kept fully informed.

Responding to a question on procurement and staff rewards, DDG Ellard said these are in progress. She informed the Committee that work on non-monetary staff rewards is the most advanced.

Regarding the comments that were made on strategic planning, DDG Ellard said this aspect was included in the slides that were provided to Members during the informal meeting of the CBFA in February. She said the Director-General is very interested in instituting some type of strategic planning and that a possibility of creating a strategic planning unit or a function within the Secretariat is being considered.

In response to the question on vacancy notices for senior positions, DDG Ellard said the current vacancies are for Director posts for LDSD, CTNC, and HRD, and the upcoming ones are for IERD and ERSD. She said all the vacancy notices will be publicised through the usual channels that the Human Resources Division uses, which are the WTO website, LinkedIn, and Impact Pool. She added that the vacancy notice for LDSD was publicised in 2021 and had closed in December, and that the selection process is well under way. The CTNC Notice was published in mid-March 2022 and is open to internal and external applicants. DDG Ellard said she expects that the HRD notice will soon be posted and that other notices will be posted in due time as the dates for the incumbents' retirement approach. She said head-hunters will be used to help identify candidates for some of the posts.

The Chair said this agenda item will continue to be part of ongoing dialogue involving the active participation of the Committee.

# appointment of the chair of the cbfa

The Chair introduced this agenda item by recalling that the General Council had recently approved the appointment of the new Chairpersons for the different WTO standing bodies, in accordance with the established guidelines.

She said it was a privilege for her to serve as the Chair of this important Committee in 2021.

She then stated that the General Council envisages her reappointment as Chair of the CBFA for 2022. Accordingly, she expressed her happiness to continue in this capacity and proposed that the CBFA move forward on this basis.

*The Committee adopted the appointment of its new Chair, by acclamation*.

The Chair thanked Members for the trust and confidence they had shown in her.

*The meeting was closed.*

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