The Joint WTO/GATT Committee on Budget, Finance and Administration met on 29 June 1995 and have the following recommendations to make to the General Council for approval.

1. Additional Posts for 1996

Having examined the Secretariat’s proposals for recruitment for 1996 and having heard the Directors of the Divisions concerned, the Committee recommends that the General Council

a. stress that, while account should be taken of the new subjects arising from the Uruguay Round negotiations, the areas of the WTO’s activities to be given priority in the recruiting of staff for 1996, as decided by the members, are:

   - the Organization’s legal activities
   - accessions
   - technical assistance
   - translation, document processing, and statistics and the information system

b. request the Secretariat consistently to observe the following guidelines in recruiting staff:

   - to identify those appointments which correspond to a fixed-term task;
   - to make use of the entire salary scale, in particular by hiring young graduates at the lower levels of the Professional category;
   - to improve the current General Service/Professional ratio, particularly as regards secretarial staff;
   - to seek a general balance in the composition of the Secretariat; and
   - to rationalize the structure of the Secretariat in order to eliminate overlapping or duplication of tasks between Divisions.
authorize recruitment of staff for 1996 within the limit of a budgetary appropriation of 500,000 Swiss francs for 1995 (pre-recruitment costs) and 7,800,000 Swiss francs for 1996; within these limits, the Secretariat will define how its needs will be met in the light both of the priorities and guidelines set by the General Council and of its proposal (CRP/95/19 and Corr.1) which constitutes the upper limit with regard to posts and distribution between Divisions and staff categories. The funds needed for 1995 will come from:

i. first, any balance from the credit of 300,000 Swiss francs earmarked in the 1995 budget for unforeseen expenditure;

ii. secondly, any overall budgetary savings from the regular budget of 1995;

iii. thirdly, any excess of miscellaneous income over revised estimates of miscellaneous income for 1995;

iv. by withdrawal from the Working Capital Fund, in accordance with paragraph (iii)(b) of the Fund’s rules, in order to cover the balance of these additional costs.

The funds required for 1996 will be placed on the regular budget for this year.

d. request the Secretariat to report on the implementation of this decision to the Committee on Budget and the General Council, and particularly on compliance with the priorities and guidelines, at the latest when the 1996 budget is established, inter alia by submitting a table of staff by grade indicating new appointees and identifying, for all staff, temporary tasks, their duration and the dates of the appointments made to carry them out.

e. consider that the appointments proposed for 1996 constitute the third stage of the adjustment of the WTO Secretariat to take account of the results of the Uruguay Round and the creation of the new organization, the first two stages having led to the consolidation of 45 temporary posts and the creation of 21 new posts, that, consequently, once the new appointments for 1996 have been made there should be a pause in recruitment, and that the situation will not be reviewed until after the Singapore Ministerial Conference due in December 1996.

1Credit for unforeseen expenditure has already been partly used for the salary and additional costs of the new post of Deputy Director-General and the additional temporary assistance requirements for translation and word-processing (WT/BFA/4 - L/7629, paragraphs 9 and 13).
2. **Procedure for decisions having financial implications which may be taken by WTO Bodies**

The Committee recommends that, when considering any decision which may have financial implications for the WTO, WTO Bodies shall, before a decision is taken, so inform the Chairman of the Committee on Budget, Finance and Administration, identifying, in so far as possible, areas in their sphere of competence where compensatory savings could be achieved. The Committee will then examine the financial implications and proposed funding, including the identification of existing WTO activities where savings could be achieved for the first start-up year and for the following on-going year(s), and forward such information to the General Council. With full knowledge of the financial implications and proposed funding, the General Council will then take a final decision.

The Committee further recommends that the Chairman of the General Council so inform the chairpersons of all WTO Bodies.


The Committee recommends that the General Council approve the audited accounts for 1994 and convey to the External Auditor their thanks for the valuable assistance provided in the audit of these accounts.

4. **New basis for the assessment of contributions to the budget of the GATT/WTO**

The Committee recommends that, as from the budget for 1996,

a. the share to be contributed by each contracting party/member to the annual operating budget of the GATT/WTO shall be established on the basis of that country’s (or separate customs territory’s) international trade (imports plus exports) in relation to the total international trade of all GATT contracting parties/WTO members;

b. the figures used shall be those for the last three years for which data are available;

c. the statistics used shall relate to trade in goods, services and intellectual property rights as reported in Balance of Payments statistics from the International Monetary Fund (IMF); with regard to services, the statistics shall relate to the definition of commercial services as applied in the WTO;

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2 excluding gold held as a store of value (deposit money banks)
d. where IMF data deviate from IMF guidelines and include transactions not related to goods, services or intellectual property rights, adjustments provided to the WTO by the Central Bank or the National Statistical Office of a contracting party/member shall be taken into account by the Secretariat when adequately documented and justified;

e. if IMF data are not available, the WTO Secretariat will use estimates based on the best other available sources;

f. a minimum contribution of 0.03 per cent will be applied to those contracting parties/members whose share in the total international trade of all GATT contracting parties/WTO members is less than 0.03 per cent.

The Committee further recommends that a full review of the functioning of the new system shall be undertaken by the WTO Committee on Budget, Finance and Administration three years after its introduction.