

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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19 September 1974

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Revised Budget Estimates for the International Trade Centre UNCTAD/GATT for the Financial Years 1974 and 1975

Note by the Director-General

1. The Director-General submits herewith revised budget estimates for the International Trade Centre UNCTAD/GATT for 1974 and 1975 in order to permit consideration by the Committee on Budget, Finance and Administration of the consequently increased GATT contributions to the Centre budget. The estimates which have been prepared by the Director (Programmes) of the Centre under the overall policy guidance of the Secretary-General of UNCTAD and the Director-General of GATT will be submitted by UNCTAD through the Secretary-General of the United Nations to the General Assembly.

1974 Budget

2. The CONTRACTING PARTIES approved a contribution of \$1,492,000 to the total regular Centre budget of \$3,022,000 on the understanding that the United Nations would pay an equal amount. The GATT 1974 budget therefore includes a provision of SwF 4,820,000 for this purpose. This amount has been calculated at the rate of SwF 3.23 to one dollar (documents L/3881 and L/3944).

3. The United Nations General Assembly approved a contribution of \$1,419,000 to the total regular Centre budget of \$2,876,000. This figure has been based on a rate of SwF 3.41 to one dollar. At the time of approval it was noted that the Secretary-General would submit revised estimates to reflect currency shifts since the preparation of the budget.

4. The revised regular Centre budget estimates for 1974 amounts to \$3,204,000. The GATT share of the Centre's budget is \$1,583,000.

5. As of today the GATT contributed SwF 3,253,175.75 representing \$1,064,250. The balance on the 1974 GATT budget (Part V) still available for the Centre is SwF 1,566,824.25. On the assumption that the dollar rate remains at approximately SwF 3.00 to one dollar until the end of the financial year the Swiss franc balance still available would be adequate to cover a total revised contribution towards the 1974 Centre budget of \$1,583,000.

1975 Budget

6. The 1975 GATT budget estimates (document L/4040) include a provision of SwF 5,235,000 to cover the GATT contribution to the 1975 Centre budget. The figure was based on the ITC biennial budget

1974-1975 contained in document L/3881 and represents \$1,620,000 at the accounting rate of SwF 3.23 to one dollar. The 1975 Centre budget has already been approved by the United Nations General Assembly. However, the approved United Nations contribution amounts to \$1,546,000 since the accounting rate used by the United Nations was SwF 3.41 to one dollar.

7. It was indicated in document L/4040 (page 40) that it could be expected that the Centre would submit supplementary estimates for 1975. As detailed in the attached document the total expenses of the Centre in 1975 are now estimated at \$4,316,000. After deducting miscellaneous income in an estimated amount of \$28,000 and contributions of \$610,000 to be received towards overhead costs relating to extra-budgetary projects, the net amount to be provided for equally in the budgets of GATT and the United Nations is \$3,678,000. The accounting rate applied for the preparation of the revised estimates was SwF 2.98 to one dollar.

8. It is proposed to increase the provision made in the GATT budget for 1975 (document L/4040) under Part V from SwF 5,235,000 to SwF 5,517,000. This amount would be adequate to cover a contribution of \$1,839,000 to the Centre budget on the assumption that the dollar rate remains throughout 1975 at the present level of approximately SwF 3.00 to one dollar.

INTERNATIONAL TRADE CENTRE

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



GENERAL AGREEMENT
ON TARIFFS AND TRADE

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ITC/OD/INF/39
September 1974

Revision of the Programme Budget for the Biennium 1974-1975

The Director (Programmes) submits herewith the revision of the programme budget for the biennium 1974-1975 for consideration by the budgetary organs of UNCTAD and GATT.

The revised 1974 programme budget shows a total increase of \$328,000, or 11.4 per cent, in the assessed budget over the approved appropriation of \$2,876,000. An increase of \$206,000, or 7.1 per cent is due to the effect of inflation, which affects all the posts in the budget, and - to a larger extent - the cost of rental of premises and purchase of office supplies. The increase due to the difference in the exchange rate of the US dollar to the Swiss franc from SFr 3.41 per dollar to SFr 2.98 per dollar represents an increase of \$299,000, or 10.4 per cent, over the 1974 appropriation. These increases are, however, reduced by savings on salaries and common staff costs amounting to \$177,000, or 6.1 per cent, due to an unexpected turnover of staff.

In 1975 the total increase is \$586,000, or 18.8 per cent, over the original estimates. The effect of inflation is estimated at \$270,000, or 8.7 per cent, the most severe effects of inflation falling, as in 1974, on the cost of rent and of office supplies. The increase due to the difference in the exchange rate from SFr 3.41 to SFr 2.98 per dollar amounts to \$402,000, or 12.9 per cent. A third increase factor of \$30,000, or 0.9 per cent, over original estimates, is the consequence of the urgent need for the Centre to acquire additional office space. The above amount represents the cost of 40 offices in the UN premises at Petit-Saconnex to be vacated by ILO at the beginning of 1975. These increases are reduced by anticipated savings on staff of \$116,000, or 3.7 per cent.

It should be noted that these revisions of budget estimates have been prepared in the absence of accounts reflecting the 1974 expenditures to date and, therefore, contain a certain imprecision.

INTERNATIONAL TRADE CENTRE UNCTAD/GATT

SUMMARY OF REQUIREMENTS BY PROGRAMME COMPONENT AS WELL AS
BY OBJECT OF EXPENDITURE AND SOURCE OF FUNDS

(in thousands of US dollars)

| | | <u>Regular Budget</u> | | | | | | | <u>Other extra-budgetary resources</u> | | | | | | |
|----------------------------|------------------------|-----------------------|-----------------|-----------------------------------|---------------|-----------------|--------------|--------------|--|-----------------------------------|---------------|-----------------|--------------|--------------|--|
| | | <u>Year</u> | <u>Salaries</u> | <u>Common staff costs</u> | <u>Travel</u> | <u>Printing</u> | <u>Other</u> | <u>Total</u> | <u>Salaries</u> | <u>Common staff costs</u> | <u>Travel</u> | <u>Printing</u> | <u>Other</u> | <u>Total</u> | |
| I. Executive Direction | original ^{1/} | 1974 | 184 | 47 | 45 | - | 1 | 277 | - | - | 60 | - | - | 60 | |
| | original ^{1/} | 1975 | 197 | 50 | 45 | - | 1 | 293 | - | - | 60 | - | - | 60 | |
| | adjusted ^{2/} | 1974 | 164 | 42 | 43 | - | 1 | 250 | - | - | 60 | - | - | 60 | |
| | adjusted ^{2/} | 1975 | 176 | 46 | 43 | - | 1 | 266 | - | - | 60 | - | - | 60 | |
| | revised | 1974 | 178 | 45 | 50 | - | 1 | 274 | - | - | 60 | - | - | 60 | |
| | revised | 1975 | 202 | 53 | 55 | - | 1 | 311 | - | - | 60 | - | - | 60 | |
| II. Substantive activities | original ^{1/} | 1974 | 1,131 | 287 | - | 86 | 48 | 1,552 | 296 | 79 | - | - | - | 375 | |
| | original ^{1/} | 1975 | 1,256 | 323 | - | 91 | 53 | 1,723 | 317 | 84 | - | - | - | 401 | |
| | adjusted ^{2/} | 1974 | 995 | 259 | - | 82 | 45 | 1,381 | 263 | 70 | - | - | - | 333 | |
| | adjusted ^{2/} | 1975 | 1,108 | 292 | - | 87 | 49 | 1,536 | 279 | 74 | - | - | - | 353 | |
| | revised | 1974 | 1,083 | 276 | - | 106 | 48 | 1,513 | 263 | 70 | - | - | - | 333 | |
| | revised | 1975 | 1,269 | 334 | - | 114 | 54 | 1,771 | 279 | 74 | - | - | - | 353 | |
| III. Support services | original ^{1/} | 1974 | 674 | 148 | - | - | 371 | 1,193 | 100 | 25 | - | - | 20 | 145 | |
| | original ^{1/} | 1975 | 718 | 159 | - | - | 375 | 1,252 | 103 | 26 | - | - | 20 | 149 | |
| | adjusted ^{2/} | 1974 | 729 | 167 | - | - | 349 | 1,245 | 133 | 34 | - | - | 20 | 187 | |
| | adjusted ^{2/} | 1975 | 782 | 181 | - | - | 355 | 1,318 | 141 | 36 | - | - | 20 | 197 | |
| | revised | 1974 | 793 | 178 | - | - | 446 | 1,417 | 133 | 34 | - | - | 20 | 187 | |
| | revised | 1975 | 896 | 206 | - | - | 522 | 1,624 | 141 | 36 | - | - | 20 | 197 | |
| Total | original ^{1/} | 1974 | 1,989 | 482 | 45 | 86 | 420 | 3,022 | 396 | 104 | 60 | - | 20 | 580 | |
| | original ^{1/} | 1975 | 2,171 | 532 | 45 | 91 | 429 | 3,268 | 420 | 110 | 60 | - | 20 | 610 | |
| | adjusted ^{2/} | 1974 | 1,888 | 468 | 43 | 82 | 395 | 2,876 | 396 | 104 | 60 | - | 20 | 580 | |
| | adjusted ^{2/} | 1975 | 2,066 | 519 | 43 | 87 | 405 | 3,120 | 420 | 110 | 60 | - | 20 | 610 | |
| | revised | 1974 | 2,054 | 499 | 50 | 106 | 495 | 3,204 | 396 | 104 | 60 | - | 20 | 580 | |
| | revised | 1975 | 2,367 | 593 | 55 | 114 | 577 | 3,706 | 420 | 110 | 60 | - | 20 | 610 | |

1/ As shown in documents A/C.5/1520 (United Nations) and L/3881 (GATT), estimates calculated at the rate of SFr.3.23 per US dollar.

2/ Adjusted to reflect the new internal organization of the Centre; estimates adjusted to the rate of SFr.3.41 per US dollar.

INTERNATIONAL TRADE CENTRE UNCTAD/GATT
ANALYSIS OF 1974 INCREASES (OR DECREASES) BY OBJECT OF EXPENDITURE
 (Amounts in US dollars)

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| | 1974 appropri- ations | Inflation | Exchange rate | Increases due to Programme increase (or saving) | Total |
|---------------------------------------|-----------------------------|----------------|------------------|---|------------------|
| <u>PART I: SECRETARIAT</u> | | | | | |
| <u>Salaries and Wages</u> | | | | | |
| (i) Established posts | 1,785,000 | 107,000 | 183,000 | (140,000) | 1,935,000 |
| (ii) Temporary assistance | 96,000 | 2,000 | 14,000 | - | 112,000 |
| (iii) Overtime and night differential | 7,000 | - | 1,000 | (1,000) | 7,000 |
| Total | <u>1,888,000</u> | <u>109,000</u> | <u>198,000</u> | <u>(141,000)</u> | <u>2,054,000</u> |
| <u>Common Staff Costs</u> | <u>468,000</u> | <u>37,000</u> | <u>30,000</u> | <u>(36,000)</u> | <u>499,000</u> |
| <u>Travel on Official Business</u> | <u>43,000</u> | <u>1,000</u> | <u>6,000</u> | <u>-</u> | <u>50,000</u> |
| <u>Hospitality</u> | <u>2,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,000</u> |
| <u>Permanent Equipment</u> | <u>30,000</u> | <u>2,000</u> | <u>4,000</u> | <u>-</u> | <u>36,000</u> |

| | 1974 appropri- ations | <u>Increases due to</u> | | | <u>Total</u> |
|---|-----------------------------|-------------------------|--------------------------|---|--------------|
| | | <u>Inflation</u> | <u>Exchange rate</u> | Programme increase (or saving) | |
| <u>General Expenses</u> | | | | | |
| (i) Rental of premises and related expenses | 207,000 | 27,000 | 34,000 | - | 268,000 |
| (ii) Maintenance of equipment and cars | 11,000 | 1,000 | 2,000 | - | 14,000 |
| (iii) Cables and long-distance calls | 15,000 | 1,000 | 2,000 | - | 18,000 |
| (iv) Telephone (rental and local calls) | 12,000 | - | 2,000 | - | 14,000 |
| (v) Postage and freight | 60,000 | - | - | - | 60,000 |
| (vi) Stationery and office supplies | 25,000 | 10,000 | 5,000 | - | 40,000 |
| (vii) Books and information material | 18,000 | 1,000 | 2,000 | - | 21,000 |
| (viii) Insurance premiums | 1,000 | - | - | - | 1,000 |
| (ix) External audit | 4,000 | 3,000 | - | - | 7,000 |
| (x) Miscellaneous supplies and services | 10,000 | 2,000 | 2,000 | - | 14,000 |
| Total | 363,000 | 45,000 | 49,000 | - | 457,000 |
| <u>Printing</u> | 82,000 | 12,000 | 12,000 | - | 106,000 |
| Total PART I | 2,876,000 | 206,000 | 299,000 | (177,000) | 3,204,000 |
| PART II: <u>OVERHEAD COSTS RELATING TO EXTRA-BUDGETARY PROJECTS</u> | | | | | |
| <u>Salaries and Wages</u> | 500,000 | - | - | - | 500,000 |
| <u>Travel on Official Business</u> | 60,000 | - | - | - | 60,000 |
| <u>General Expenses</u> | 20,000 | - | - | - | 20,000 |
| Total PART II | 580,000 | - | - | - | 580,000 |
| GRAND TOTAL | 3,456,000 | 206,000 | 299,000 | (177,000) | 3,784,000 |

INTERNATIONAL TRADE CENTRE UNCTAD/GATT
ANALYSIS OF 1975 INCREASES (OR DECREASES) BY OBJECT OF EXPENDITURE
(Amounts in US dollars)

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| | <u>Increases due to</u> | | | | |
|---------------------------------------|--|------------------|--------------------------------|---|------------------|
| | <u>1975</u> <u>original</u> <u>estimates</u> | <u>Inflation</u> | <u>Exchange</u> <u>rate</u> | <u>Programme</u> <u>increase</u> <u>(or</u> <u>anticipated</u> <u>saving)</u> | <u>Total</u> |
| PART I: <u>SECRETARIAT</u> | | | | | |
| <u>Salaries and Wages</u> | | | | | |
| (i) Established posts | 1,957,000 | 113,000 | 265,000 | (100,000) | 2,235,000 |
| (ii) Temporary assistance | 102,000 | 8,000 | 14,000 | - | 124,000 |
| (iii) Overtime and night differential | 7,000 | - | 1,000 | - | 8,000 |
| Total | <u>2,066,000</u> | <u>121,000</u> | <u>280,000</u> | <u>(100,000)</u> | <u>2,367,000</u> |
| <u>Common Staff Costs</u> | <u>519,000</u> | <u>53,000</u> | <u>37,000</u> | <u>(16,000)</u> | <u>593,000</u> |
| <u>Travel on Official Business</u> | <u>43,000</u> | <u>5,000</u> | <u>7,000</u> | <u>-</u> | <u>55,000</u> |
| <u>Hospitality</u> | <u>2,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,000</u> |
| <u>Permanent Equipment</u> | <u>17,000</u> | <u>2,000</u> | <u>2,000</u> | <u>-</u> | <u>21,000</u> |

| | | <u>Increases due to</u> | | | |
|---|--|-------------------------|--------------------------|---|--------------|
| | <u>1975 original estimates</u> | <u>Inflation</u> | <u>Exchange rate</u> | <u>Programme increase (or anticipated saving)</u> | <u>Total</u> |
| <u>General Expenses</u> | | | | | |
| (i) Rental of premises and related expenses | 217,000 | 55,000 | 40,000 | 30,000 | 342,000 |
| (ii) Maintenance of equipment and cars | 12,000 | 1,000 | 2,000 | - | 15,000 |
| (iii) Cables and long-distance calls | 16,000 | 1,000 | 2,000 | - | 19,000 |
| (iv) Telephone (rental and local calls) | 13,000 | - | 2,000 | - | 15,000 |
| (v) Postage and freight | 64,000 | - | 6,000 | - | 70,000 |
| (vi) Stationery and office supplies | 27,000 | 14,000 | 6,000 | - | 47,000 |
| (vii) Books and information material | 20,000 | 1,000 | 2,000 | - | 23,000 |
| (viii) Insurance premiums | 1,000 | - | - | - | 1,000 |
| (ix) External audit | 5,000 | 2,000 | - | - | 7,000 |
| (x) Miscellaneous supplies and services | 11,000 | 2,000 | 2,000 | - | 15,000 |
| Total | 386,000 | 76,000 | 62,000 | 30,000 | 554,000 |
| <u>Printing</u> | 87,000 | 13,000 | 14,000 | - | 114,000 |
| Total PART I | 3,120,000 | 270,000 | 402,000 | (86,000) | 3,706,000 |
| PART II: <u>OVERHEAD COSTS RELATING TO</u> <u>EXTRA-BUDGETARY PROJECTS</u> | | | | | |
| <u>Salaries and Wages</u> | 530,000 | - | - | - | 530,000 |
| <u>Travel on Official Business</u> | 60,000 | - | - | - | 60,000 |
| <u>General Expenses</u> | 20,000 | - | - | - | 20,000 |
| Total PART II | 610,000 | - | - | - | 610,000 |
| GRAND TOTAL | 3,730,000 | 270,000 | 402,000 | (86,000) | 4,316,000 |

INTERNATIONAL TRADE CENTRE UNCTAD/GATT

ESTIMATES OF INCOME
(in thousands of US dollars)

| <u>Source of funds</u> | <u>1974 adjusted</u> | | | <u>1975 adjusted</u> | | | <u>1974 revised</u> | | | <u>1975 revised</u> | | |
|----------------------------------|---|--|---------------------------|---|--|---------------------------|---|--|---------------------------|---|--|---------------------------|
| | <u>Oper- ational pro- grammes</u> | <u>Other budgetary resources</u> | <u>Regular Budget</u> | <u>Oper- ational pro- grammes</u> | <u>Other budgetary resources</u> | <u>Regular Budget</u> | <u>Oper- ational pro- grammes</u> | <u>Other budgetary resources</u> | <u>Regular Budget</u> | <u>Oper- ational pro- grammes</u> | <u>Other budgetary resources</u> | <u>Regular Budget</u> |
| UNCTAD share | | | 1,419 | | | 1,546 | | | 1,583 | | | 1,839 |
| GATT share | | | 1,419 | | | 1,546 | | | 1,583 | | | 1,839 |
| UNDP projects | 2,800 | 280 | | 3,100 | 310 | | 2,800 | 280 | | 3,100 | 310 | |
| Trust Funds | 2,700 | 300 | | 2,700 | 300 | | 2,700 | 300 | | 2,700 | 300 | |
| Transfer from surplus account | | | 11 | | | - | | | 11 | | | - |
| Miscellaneous income | | | 27 | | | 28 | | | 27 | | | 28 |
| Total | <u>5,500</u> | <u>580</u> | <u>2,876</u> | <u>5,800</u> | <u>610</u> | <u>3,120</u> | <u>5,500</u> | <u>580</u> | <u>3,204</u> | <u>5,800</u> | <u>610</u> | <u>3,706</u> |