

UNRESTRICTED

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ORIGINAL: ENGLISH

INTERIM COMMISSION OF THE INTERNATIONAL TRADE ORGANIZATION

REPORT OF THE WORKING PARTY ON BUDGET AND SECRETARIAT PROPOSALS

The Working Party met at 6.00 p.m. on Monday, March 22, and agreed on the following proposals regarding the structure of the Secretariat:

1. Executive Secretary
2. Deputy Executive Secretary
3. Special Assistant
 - (a) Research Assistant
 - (b) Research Assistant
 - (c) Research Assistant
 - (d) Administrative Assistant
4. Legal Adviser [including organization - to be borrowed as required from the United Nations]
5. Commercial Policy Adviser
6. Economic Development Adviser
 - (a) Assistant
7. Commodity Adviser - to be borrowed as required from the United Nations
8. Stenographic up to 8

The posts enumerated above are the estimated maxima up to which the Executive Secretary is authorized to recruit. The extent to which the posts required are to be filled the Working Party feels should be left to the discretion of the Executive Secretary subject to the overriding consideration of the maximum of economy consistent with the provision of an effective Secretariat. The Working Party also consider that the budget should be reviewed at the Second Session of the Executive Committee.

The Working Party considered that the major part of the work of the Secretariat during the initial period would be concerned with the matters covered by paragraph 2 (c), (d), (e), (f) and (g) of the terms of reference of the Commission. They considered that substantial research would be required into the question of economic development in accordance with the relevant Conference Resolution and this consideration lead them to provide for a full-time adviser and one assistant on this question. The Working Party
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considered that perhaps the best choice to fill this post would be a man chosen not necessarily from an under-developed country, but from a country which has devoted special attention to problems of economic development and Sweden was cited as an example. If such an appointment were made, the assistant should be a national of an under-developed country. The Working Party thought that the Executive Committee might like to consider this matter and make a recommendation to the Executive Secretary. The matters to be dealt with in the first stage of the Secretariat's work appeared to fall mainly within the scope of the Special Assistant, and the Working Party, therefore, recommended that provision be made for adequate assistance to this officer to enable him to draft the necessary reports.

The Working Party reviewed the various functions of the Commission and came to the following conclusions:

Paragraph 2 (b)

In the main, these questions would be dealt with following the Second Session of the Executive Committee rather than before it. At that time, the Executive Committee might wish to set up sub-committees or working parties and, in particular, a Site Committee.

Paragraphs 2 (c), (d), (e) and (f)

The Secretariat might forthwith proceed with the preparation of documents for consideration by the Second Session of the Executive Committee but without entering into formal consultations. At the Second Session, the Executive Committee might wish to establish suitable sub-committees for consultation with the United Nations and other agencies concerned.

Paragraph 2 (g)

The views of the Working Party on economic development are set out above. In addition the Working Party thought the Executive Committee might establish a panel of countries represented on the Executive Committee each of whom would nominate a representative with whom the Executive Secretary might consult in preparing his report to the Second Session of the Executive Committee.

As regards the consultations with the International Court of Justice, the Working Party considered that the Secretariat might make contact with the Registrar of the Court in order to ascertain the facts bearing on the contemplated consultations with the Court and the method and timing of such discussions. At the Second Session, the Executive Committee might establish a small sub-committee to carry out the consultations.

On the Swiss proposal, it was the understanding of the Working Party that the Swiss Government would wish to consult directly with the

/Executive Committee,

Executive Committee, probably at its Second Session. In the meantime, the Secretariat should confine itself to assembling such data as might assist the Executive Committee in these consultations.

The Secretariat should proceed forthwith with the preparation of the texts of the Charter in Spanish, Russian and Chinese in accordance with the procedures approved by the General Committee of the Conference.

Paragraph 2 (h)

The Working Party considered that the Executive Committee should give instructions to the Executive Secretary as to the line he should take in discussions with the Secretary General of the United Nations.

With regard of Paragraph 5 of the terms of reference, the Working Party considered that the Secretariat of the ICCICA should be provided by the Secretariat of the United Nations but that the Executive Secretary should try to make arrangements whereby the services of the commodity officers of the United Nations could be made available as required to the Interim Commission.

The Working Party did not enter into any detailed discussion of the financial provisions necessary to give effect to its recommendations, but agreed to recommend the Executive Committee to accept provisionally and subject to review at the Second Session, estimates to be put forward to the Executive Committee by the Executive Secretary based upon the financial regulations and practice of the United Nations.

Budget estimates on this basis are attached to this report.

Attachment.

~~/PROPOSED~~

PROPOSED BUDGET FOR THE INTERIM COMMISSION FOR ONE YEAR

Based upon the assumption that the organization could efficiently operate with a permanent staff of 20 people, as shown previously, the following budget is submitted for consideration.

No provision has been made for emoluments which accrue to staff members who possess contracts for one year or more.

	<u>Estimated Requirements</u>
<u>Salaries, Wages and Other Pay Items</u>	
Established Posts	\$ 122,600.00
Experts and Consultants	2,500.00
Temporary Assistance	2,000.00
Overtime	1,000.00
<u>Staff Expenses</u>	
Travel on Official Business	10,000.00
Hospitality	1,000.00
<u>Other Expenses (Direct Charges)</u>	
Communications	2,500.00
Air Freight	5,000.00
Contractual Printing	4,000.00
<u>Common Staff Costs</u>	
Travel of Staff Members on Initial Recruitment	7,200.00
Transfer from Lake Success to Geneva	41,250.00
Daily Living Allowance	6,600.00
Termination Pay and Commutation of Annual Leave	1,500.00
Travel and Removal Costs of Terminated Staff	2,000.00
Reimbursement for National Income Taxation	4,000.00
Rental Allowances	4,200.00
Medical and Hospitalization Insurance	1,000.00
Childrens Allowances	2,400.00
Education Grants and Related Travel	1,100.00
Group Insurance	500.00
Ex Gratia Payments	500.00
Compassionate Payments	1,000.00
Workmen's Compensation Insurance	125.00
<u>Common Services</u>	23,300.00
	<u>\$ 247,275.00</u>
Unforeseen Expenses (10%)	<u>24,725.00</u>
	<u>\$ 272,000.00</u>

BUDGETARY JUSTIFICATIONS

Salaries, Wages and Other Pay Items

Established Posts

<u>No. of Posts</u>	<u>Grade</u>	<u>Salary Range</u>	<u>Approximate Base Salary per Annum</u>
1	Director	\$10,000 - \$11,000 plus \$2,500 Rep. Allow.	\$ 13,000.00
1	18	9,200 - 10,900	10,000.00
1	17	8,300 - 10,900	9,600.00
4	16	7,450 - 10,300	35,600.00
4	13	5,450 - 7,450	25,800.00
1	8	3,210 - 4,410	3,800.00
2	7	2,890 - 3,970	6,800.00
5	6	2,610 - 3,570	15,500.00
1	4	2,130 - 2,890	2,500.00
20			<u>\$ 122,600.00</u>

Experts and Consultants - \$2,500.00

Consultants may be necessary in order to carry out efficiently the functions of the Interim Commission.

Temporary Assistance - \$2,000.00

It will be necessary to recruit personnel on a temporary basis to provide for the replacement of staff on annual and sick leave, and for possible clerical assistance during peak periods.

Overtime - \$1,000.00

It is anticipated that it will be impossible to completely eliminate overtime work. Therefore, it is estimated on the basis of 26 overtime periods of 4 hours each for 9 entitled posts.

Staff Expenses

Travel on Official Business - \$10,000.00

This is to provide for estimated travel costs of Interim Commission Secretariat Members for one year.

Hospitality - \$1,000.00

The amount shown is based upon the expectation that senior members of the staff will be required to consult with Governments and other specialized agencies. In many cases, discussions are held in informal meetings with various specialists which require hospitality.

/Other Departmental

Other Departmental Expenses

Communications - \$2,500.00

This will provide for expenditures in connection with cables, telegraph wireless communication and long distance telephone.

Air Freight - \$5,000.00

Estimated at nominal figure.

Contractual Printing - \$4,000.00

This is based on contractual printing of 100 text pages in English and French (1500 copies each) at an average cost of approximately \$1.30 per copy.

Common Staff Costs

Travel of Staff Members on Initial Recruitment - \$7,200.00

Actual travel expenses and a travel allowance are payable to all staff members upon appointment to the organization or upon transfer from one area to another. The travel of applicants requested to report for interview is also payable. It is estimated that 12 staff members will be travelling from areas adjacent to their headquarters at an average cost of \$50.00 each, and that 8 staff members will be travelling from more distant areas at an average cost of \$500.00 each. In addition, it is estimated that the cost of travel of applicants called in for interview will be approximately \$2,600.00.

Transfer from Lake Success to Geneva - \$41,250.00

The contemplated transfer of the organization from Lake Success to Geneva will entail expenditures in connection with the travel of the staff members, their dependents, removal of staff members effects, and freight and cartage on property and documents of the Interim Commission. The above costs are estimated as follows:

20 staff members	@ \$350.00 each	\$ 7,000.00
10 adult dependents	@ 350.00 each	3,500.00
10 minor dependents	@ 175.00 each	1,750.00
Removal of staff members effects	-\$1,200 ea	24,000.00
Freight and cartage - I.T.O. property		<u>5,000.00</u>
		\$ 41,250.00

Daily Living Allowance - \$6,600.00

A daily living allowance to compensate for initial extraordinary living expenses is payable to staff members for the first sixty days after they report to duty. It is assumed that 14 members will be entitled to this allowance. On the bases of rates now in effect at the United Nations,

/the following

the following calculation is made:

Grades 15 - 19	6 members @ \$7.00 per day for 60 days	\$ 2,520.00
Grades 12 - 14	3 members @ \$6.00 per day for 60 days	1,080.00
Grades 5 - 11	5 members @ \$5.00 per day for 60 days	1,500.00
Dependents of the above staff members estimated at		<u>1,500.00</u>
		\$ 6,600.00

Termination Pay and Commutation of Annual Leave - \$1,500.00

Staff members terminated by the organization receive, under certain conditions, from one to nine months termination pay. Payment is made for accrued annual leave regardless of the circumstances of the separation.

Travel and Removal Costs of Staff and Dependents upon Termination - \$2,000.00

The organization pays the cost of return of staff members and their dependents to their homes upon termination under certain conditions.

Reimbursement for National Income Taxation - \$4,000.00

This item is included in the event that the organization decides to reimburse staff members for income taxation levied by their respective governments.

Rental Allowances - \$4,200.00

Rental allowance is payable to staff members who are recruited outside the headquarters area, excluding senior officers who receive a representation allowance; or to staff members who incur extra rental costs resulting from the necessity to contract for accommodations on a temporary high-cost basis, or in new housing developments where construction costs and rentals are higher than the norm for the area. It is estimated that fourteen staff members will fall in this category at an estimated cost of \$300.00 each.

Medical and Hospitalization Insurance Contributions - \$1,000.00

Children's Allowances - \$2,400.00

Children's allowances are payable to all staff members with dependent children, except senior officials who receive a representation allowance, and certain temporary staff, during the first ninety days of service. The rate of allowance has been set at \$200.00 per annum per child (rather than \$144.00) due to a recommendation that the allowance be raised at the United Nations.

Education Grants and Related Travel - \$1,100.00

Group Insurance - \$500.00

Workmen's Compensation Insurance - \$125.00

/(This item

(This item not applicable to Geneva.)

Ex Gratia Payments - \$500.00

Compassionate Payments - \$1,000.00

Common Services

Based upon a ratio of $12\frac{1}{2}\%$ of common services to salaries and wages at Lake Success, it is estimated that the organization's share will be \$18,000.00 per annum. At Geneva, the ratio is somewhat higher ($18\frac{1}{2}\%$) and the proportionate share of the organization would be \$26,000 per annum. On the assumption that the organization will be at Lake Success for 4 months and at Geneva for 8 months, the following calculation ensues:

1/3 year @ \$18,000.00	\$ 6,000.00
2/3 year @ \$26,000.00	<u>17,300.00</u>
	<u>\$ 23,300.00</u>