

**REPORT OF THE JOINT COMMITTEE ON BUDGET,
FINANCE AND ADMINISTRATION**

INTRODUCTION

1. The Joint WTO/GATT Committee on Budget, Finance and Administration met at the Centre William Rappard, Geneva, on 18 December 1995.
2. The Committee was chaired by Mr. J.-M. Metzger of France. The terms of reference and composition of the Committee are set out in documents L/5964/Rev.9 of 20 March 1995 and WT/L/44 of 23 February 1995.
3. The Agenda for the meeting contained in document WTO/AIR/236 - GATT/AIR/3713 was adopted.

**A. GRANTING OF PERMANENT CONTRACTS TO ICITO STAFF
CRP(95)58**

4. The Chairman recalled that during the informal meeting of 11 December 1995, the Director-General had indicated his intention to lift the suspension of the granting of permanent contracts to ICITO staff which had been imposed in 1992 due to the uncertainty surrounding the Uruguay Round. At the request of the Members, the Director-General's statement and the document CRP(95)58 providing some figures and information concerning the proposal were distributed on 12 December 1995 to all the Members.
5. The Director-General took the floor to address some substantive points related to the issue: (i) the legality of his proposed course of action to grant permanent contracts to staff members who were qualified for such appointments under the existing rules; (ii) the linkage between the transformation of contracts and the tripartite decision on the transition from ICITO/GATT to the WTO, and the package of staff conditions of service; and (iii) the human aspect.
6. Concerning (i), UN Staff Rules 104.12 and 104.13 stipulated that the completion of five years of continuous service on fixed-term appointments and the securing of the highest standards of efficiency, competence and integrity were the main requirements and criteria for the granting of permanent contracts. As stated in the Transfer Agreement, until such time as a complete set of WTO Staff Regulations and Rules had been adopted, the existing Regulations and Rules continued to apply in their entirety. The Director-General said that he would consider granting permanent contracts only to those fixed-term staff who fulfilled the requirements stipulated in these Regulations and Rules. He also stressed that there would be no additional financial obligations for the Members.

7. As to (ii), in the view of the Director-General, a link should not be made between the transformation of contracts and the tripartite decision on the transition from ICITO/GATT to the WTO, and the package of staff conditions of service, because the latter were still under discussion. The granting of permanent contracts to staff members under the existing rules merited consideration on its own. The suspension of the rules-based practice of granting permanent contracts in 1992 had been imposed due to exceptional circumstances. However, those circumstances had changed materially.

8. With regard to (iii) the Director-General stressed the importance of the human aspect of the issue and the need for the contractual situation to provide the staff members concerned with the necessary security to allow them to plan their life and make the best decisions in this respect.

9. The majority of Members thanked the Director-General for taking the initiative to consult with the Committee on the issue and indicated their strong support for his proposed course of action. Other Members showed hesitation about the proposal and preferred to wait until the WTO Staff Regulations and Rules were finalised; alternatively, the WTO Regulations should be adopted now so that the provisions therein regarding regular contracts could be applied. All Members agreed that the Director-General's proposed course of action was entirely within his prerogative under the rules.

10. With regard to enquiries concerning the financial liabilities of termination of posts, the Secretariat indicated that an indemnity was payable only if a contract, fixed-term or permanent, was interrupted. It was the view of the Secretariat that no indemnity was payable to staff members who were offered and accepted WTO contracts after termination of their ICITO contracts as a result of the establishment of WTO Secretariat. Two Members questioned the granting of permanent contracts to so many GS staff at a time when there was concern that there were too many GS staff in relation to P staff. One Member suggested that the Director-General might, at the time of granting a permanent contract, make it a condition that the staff member in question would not seek an indemnity when he/she was offered a WTO contract.

11. In conclusion, the Chairman summarised the discussion as follows: (i) the Committee expressed gratitude for the transparency that the Director-General had manifested on the issue; (ii) no Members contested the Director-General's authority for his proposed course of action and a climate of confidence should be maintained between the Members and the Secretariat; (iii) the Director-General had indicated that no staff member concerned had indicated his/her decision to leave the Organisation at the time that he/she would be offered a WTO contract; (iv) the Secretariat's clarification on the legal obligations of the WTO in regards to indemnities upon termination of contracts was noted; (v) no Members have expressed opposition to the transformation of fixed-term contracts to permanent contracts as proposed; (vi) some Members showed a preference for the transformation of fixed-term to permanent contracts to take place in the framework of the rules of the WTO; and (vii) with the different related elements in mind, and having heard the comments and suggestions of the Members, the Director-General would be in a position to take the appropriate measures.

12. The Committee took note of the declarations of the Director-General as well as those of the Members and of the conclusion drawn by the Chairman.

B. OTHER BUSINESS

13. One Member enquired about the Note for the File dated 25 September 1995 concerning a staff member in the International Trade Centre (ITC). The Secretariat clarified the situation indicating that the staff member in question had left the service in the ITC and it was the proposal of the Executive Director of ITC to issue shortly a vacancy notice for that post.