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GENERAL AGREEMENT ON TARIFFS AND TRADE

CONTRACTING PARTIES
Twenty-Third Session
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ADMINISTRATIVE AND FINANCIAL QUESTIONS

Report by the Chairman of the Committee on Budget, Finance and Administration

1. The Committee on Budget, Finance and Administration met on 14 March 1966 under the chairmanship of Mr. A. Schnebli of Switzerland to examine the financial implications of the recommendations referred to in the Report of the Expert Group on Trade Information and Trade Promotion Advisory Services, presented in the Director-General's note of 8 March 1966 (document L/2582 - appended to this document).

2. The Committee noted that the total expenditure involved for 1966 amounted to $85,000 resulting from staff increases in the Market Information Service, the Publications Service and the Training Programme, together with costs relating to printing, distribution, staff travel, etc., plus another $28,350 concerning the Trade Promotion Advisory Service.

3. The Committee further noted that, even if it should prove possible to finance part of the additional expenditure through savings ($20,000) and a further withdrawal from the Working Capital Fund (maximum $50,000) as indicated in paragraph 8 of the Director-General's note referred to above, a balance of $43,350 would remain uncovered.

4. The Committee considered that, while it might prove possible to effect some savings without prejudicing the work programme established by the CONTRACTING PARTIES, further sizeable withdrawals from the Working Capital Fund would probably give rise to serious difficulties later in the year, particularly as other calls on the Working Capital Fund, pending receipt of contributions, were by no means excluded.

5. The Committee therefore believes that, in the interest of sound financial management, the most appropriate way of financing the supplementary expenditure would be through the assessment of additional contributions to

the 1966 budget. In arriving at this conclusion the Committee is aware of the fact that up to the present the GATT has succeeded in avoiding supplementary assessments. Therefore the Committee wishes to make it clear that its recommendation on this occasion is dictated only by the need for dealing with a special situation created by the CONTRACTING PARTIES' desire rapidly to expand the activities of the Trade Centre and should not be taken as a precedent. Welcoming the early indication of the Centre's expenditure estimates for 1967, it stressed the importance of ensuring that the Centre's future requirements would be fully anticipated and reflected in the regular budget estimates submitted annually to the Committee at its autumn session.

6. The Committee realizes that because of national budgetary procedures some governments may be unable to pay the additional contribution during the current year. However, the Committee expresses the hope that governments will make a special effort to do so and also urges contracting parties which have not yet paid their regular 1966 contributions or those of previous years to do so without delay.

7. The Committee considered that in the light of the receipt both of regular and additional contributions to the 1966 budget and the position of the Working Capital Fund the Director-General should determine the rate at which the Trade Centre could be expanded during 1966 without endangering the organization's financial position.

8. The Committee recommends to the CONTRACTING PARTIES that the supplementary expenditure referred to in paragraph 2 above and amounting to $113,350 be financed through savings of $20,000 within the 1966 budget and through the assessment on contracting parties of additional contributions amounting to $93,350 in accordance with the scale of contributions annexed to this document.

9. The Committee further recommends to the CONTRACTING PARTIES that the original budget appropriations be increased as follows:

		US dollars
PART II	Section 1 - Salaries and wages and official travel (allowing for $20,000 to be absorbed out of savings or transfers from other items)	42,310
	Section 2 - Common staff costs	24,550
	Section 3 - Common services	11,170
	Section 4 - Printing	12,320
	Section 6 - Permanent equipment	3,000
		93,350

10. Some members of the Committee, whilst not disagreeing with the method of financing proposed in paragraph 8 above, reserved their position as they had not yet received instructions from their governments.

11. The Committee also considered the presentation of the expenditure concerning the Trade Centre in future budgets and proposed that henceforward such expenditure be shown in a separate chapter of the budget where it should be identified as far as technically feasible.

12. Finally, some members suggest that in order to meet future contingencies and to avoid further recourse to the method of supplementary appropriations and undue withdrawals from the Working Capital Fund, the Committee may wish to re-examine the possibility of including in future budgets an item for unforeseen expenditure as first suggested by the secretariat in 1959.

Points for decision: Paragraph 8
Paragraph 9

ANNEX A

Scale of Additional Contributions for 1966

Country	Contributions (US dollars)
Contracting parties:	
Australia	1,910
Austria	1,030
Belgium	3,170
Brazil	940
Burma	470
Burundi	-
Cameroon	-
Canada	4,730
Central African Republic	-
Ceylon	470
Chad	-
Chile	470
Congo (Brazzaville)	-
Cuba	470
Cyprus	-
Czechoslovakia	1,650
Dahomey	-
Denmark	1,430
Dominican Republic	470
Finland	850
France	5,950
Gabon	-
Gambia	-
Germany, Federal Republic	9,550
Ghana	470
Greece	470
Haiti	-
India	1,370
Indonesia	470

Country	Contributions (US dollars)
Contracting parties (cont'd):	
Israel	470
Italy	4,160
Ivory Coast	470
Jamaica	470
Japan	4,240
Kenya	470
Kuwait	480
Luxemburg	470
Madagascar	-
Malawi	-
Malaysia	720
Malta	-
Mauritania	-
Netherlands, Kingdom of the	4,360
New Zealand	610
Nicaragua	-
Niger	-
Nigeria, Federation of	470
Norway	1,000
Pakistan	470
Peru	470
Portugal	600
Rhodesia	470
Rwanda	-
Senegal	-
Sierra Leone	-
South Africa	1,140
Spain	930
Sweden	2,290
Tanzania	470
Togo	-
Trinidad and Tobago	470

Country	Contributions (US dollars)
Contracting parties (cont'd):	
Turkey	470
Uganda	-
United Kingdom of Great Britain and Northern Ireland	10,080
United States of America	14,580
Upper Volta	-
Uruguay	470
Associated Governments:	
Argentina	840
Cambodia	-
Iceland	-
Poland	1,350
Switzerland	1,940
Tunisia	470
United Arab Republic	470
Yugoslavia	640
Total	93,350

Note: Based on the country's share in total trade of the contracting parties and participating governments in 1962-1964.

ANNEX B

Supplementary Estimates - GATT International Trade Centre

Note by the Director-General

1. The Director-General hereby submits to the Committee on Budget, Finance and Administration information on the financial implications of the recommendations referred to in the report of the Expert Group on Trade Information and Trade Promotion Advisory Services (document L/2574).

2. The Committee will note that the additional cost of staff increases on the Market Information Service, the Publications Service and the Training Programme together with costs relating to printing, distribution, staff travel, etc. would be approximately $85,000 in 1966. Details are fully set out in the main body of this paper and in the manning table.

3. As regards the Trade Promotion Advisory Service, details of which are contained in Annex I, additional cost to the 1966 budget would amount to $28,350 based on six man-months of field activity and $46,745 based on twelve man-months of field activity in 1967.

4. The posts of one reviser, one translator and two stenographers would be part of the Languages Division and Administrative and Financial Division respectively. However, as the incumbents would work mainly for the Centre, these posts are included in the present supplementary estimates.

5. The additional expenditure for 1966 estimated at US$85,000 mentioned in paragraph 2 concerns the following items of the budget:

Part II: Secretariat

Section 1 - Salaries and wages and official travel

(i) Established posts - US$37,270

New estimates US$158,000
Old estimates US$120,730

The additional amount requested is to cover payment of salaries and post adjustments to the incumbents of five new professional posts and four new general service posts, including one reviser, one translator and two stenographers, to be assigned to the Languages Division and Administrative and Financial Division respectively in order to cope with the additional translation work resulting from the Centre's activities.

The new estimate provides for a retardation factor of five months from 1 January 1966 to be applied to the recruitment of new staff.

(ii) Travel on official business US$1,900

This estimate provides for the travel expenses of market research officers travelling in Europe in connexion with the operation of the Market Information Service.

Section 2 - Common staff costs

	New estimates US$	Old estimates US$	Net increase US$
(i) Installation grants	6,300	900	5,400
(ii) Travel and removal expenses of staff and their dependants	6,350	750	5,600
(iv) Contributions to the United Nations Joint Staff Pension Fund	14,000	9,800	4,200
(vi) Travel on home leave	4,700	4,700	---
(vii) Family allowances, education grant and related travel	15,780	11,900	3,880
(ix) Other common staff costs	2,310	1,550	760
	49,440	29,600	19,840

The net increase in the estimates for common staff costs is due to the creation of the nine proposed new posts - the amounts of US$6,300 (installation grants) and US$6,350 (travel and removal expenses) are non-recurring charges.

Section 3 - Common services

		New estimates US$	Old estimates US$	Net increase US$
(i)	Cables and international telephone communications	700	700	---
(iii)	Books and information material	3,000	3,000	---
(v)	Postal services	5,000	3,000	2,000
(vi)	Stationery and office supplies	8,000	8,000	---
(vii)	Reproduction and distribution of documents	13,870	5,200	8,670
		30,570	19,900	10,670

The requested amount of US$10,670 covers the reproduction costs of additional roneoed pamphlets, as well as higher distribution costs resulting from a wider circulation of the Centre's publications.

Section 4 - Printing - US$12,320

New estimates US$34,820
Old estimates US$22,500

The requested additional amount covers the higher costs of printing due to an increase in the number of pages and of copies of publications.

Section 6 - Permanent equipment - US$3,000

New estimates US$3,000
Old estimates US$ ---

This estimate provides for the purchase of furniture and equipment needed for the new staff, which would be a non-recurring charge.

6. The programme of work for 1967 envisages the recruitment of three professional officers (a training officer, an editor and one translator) and six general service staff. As a larger part of the publications programme will reach the printing stage in 1967, an additional amount will be requested under the printing item of the budget. Placing the 1966 recruitment on a full year basis and adding the cost of the further staff requested for 1967, the net increase of the 1967 budget over the approved 1966 budget will amount to $200,490 plus another $46,745 for the Trade Promotion Advisory Service (see Annex I) making a total increase of $247,235.

7. The financing of the proposed additional expenditure presents certain problems. As will be seen from the attached statement on the position of the Working Capital Fund, the latter will probably show a balance of $55,200 by the end of this year, the exact amount depending on the actual receipt of outstanding advances. The approximate book value including advances outstanding would amount to $85,200.

8. The Director-General has carefully considered the situation and has reached the conclusion that the additional expenditure can be met to some extent without seeking additional contributions from contracting parties. He would expect to be able to make some savings in the 1966 budget without prejudicing the work programme established by the CONTRACTING PARTIES. Such savings, which arise in the main from the shorter session now scheduled for 1966, could amount to some $20,000. The Director-General considers that withdrawals from the Working Capital Fund, if proved necessary, should not exceed $50,000.

9. The Director-General would hope that, to avoid reducing the Working Capital Fund to what would be a dangerously low level, the funds needed to carry out the recommendations of the Group in respect of expanding existing Centre services and the establishment of the Trade Promotion Advisory Service could be met, as far as possible, by either ad hoc financial grants from developed countries or by the assignment of qualified personnel at the expense of such countries. It would be hoped that ad hoc grants would also be forthcoming in 1967 and it would of course greatly assist the Committee in its work during its autumn meeting if early advice could be given of such grants.

10. An estimate of additional expenditure in 1967 as mentioned in paragraph 6 above has been set out in Annex II.

INTERNATIONAL TRADE CENTRE

Proposed Manning Table for 1966

General

1	Director of Centre	D1	
1	Deputy Director of Centre	P5	
1	Clerk	G4	

Market Information Service

1	Economic Affairs Officer	P3	
1	Economic Affairs Officer	P3	
2	Economic Affairs Officers	P3	New posts
1	Trade Information Officer	P2	
1	Statistical Assistant	G5/G6	New post
1	Clerk-Bibliographer	G5	
1	Secretary	G4	
1	Secretary	G4	New post
1	Clerk-Typist	G3	

Publications Service

1	Counsellor	P4	
1	Economic Affairs Officer	P3	
1	Economic Affairs Officer (Editorial)	P3	New post
1	Trade Promotion Officer	P1/P2	
1	Administrative Assistant (Editorial)	G6	
1	Clerk-Stenographer (bilingual)	G4	
1	Circulation Clerk	G3	

Training Programme

1	Counsellor	P4[1]	
1	Clerk-Stenographer	G3	

Administrative and Financial Division

2	Stenographers	G3	New posts

Languages Division

1	Reviser	P4	New post
1	Translator	P3	New post

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[1] This post is temporarily on loan from another GATT division.

ANNEX I

INTERNATIONAL TRADE CENTRE

TRADE PROMOTION ADVISORY SERVICE

Budget Estimates

	1 July-31 December 1966	1967
	US dollars	US dollars
Salaries and common staff costs	14,550	22,845
Temporary assistance	6,000	12,000
Travel on official business	7,300	10,900
Common services	500	1,000
	28,350	46,745

Explanatory notes

Salaries and common staff costs: This estimate is based on the cost of one trade promotion advisor, one secretary and one additional clerk assigned to administration and finance.

Temporary assistance: This estimate covers the salaries of four field advisors for six weeks each in 1966 and three months each in 1967.

Travel on official business: This estimate covers travel expenses and subsistence allowance relating to missions of the field advisors to the developing continents.

Common services: The estimate covers the cost of office space, cables, telephone calls, stationery and office supplies, etc.

ANNEX II

INTERNATIONAL TRADE CENTRE
(in US dollars)

Item of the budget	Provision already included in the 1966 budget	Net increase of the 1966 budget	Net increase of the 1967 budget over approved 1966 budget
Section 1 - Salaries and wages and official travel			
(i) Established posts	120,730	37,270	128,950
(ii) Travel on official business	---	1,900	6,900
Section 2 - Common staff costs			
(i) Installation grants	900	5,400	2,250
(ii) Travel and removal expenses of staff and their dependants	750	5,600	2,300
(iv) Contribution to the United Nations Joint Staff Pension Fund	9,800	4,200	11,000
(vi) Travel on home leave	4,700	---	---
(vii) Family allowances, education grant and related travel	11,900	3,880	8,700
(ix) Other common staff costs	1,550	760	2,400
Section 3 - Common services			
(i) Cables and international telephone communications	700	---	---
(iii) Books and information material	3,000	---	---
(v) Postal services	3,000	2,000	2,800
(vi) Stationery and office supplies	8,000	---	---
(vii) Reproduction and distribution of documents	5,200	8,670	10,870
Section 4 - Printing	22,500	12,320	19,320
Section 6 - Permanent equipment	---	3,000	5,000
	192,730	85,000	200,490
Trade Promotion Advisory Service (in accordance with Annex I)	---	28,350	46,745
	192,730	113,350	247,235

ANNEX III

WORKING CAPITAL FUND

Principal of Fund on 1 January 1966		$350,000
Withdrawals made:		
Second Annex	$ 60,000	
Financing 1965 Budget	$129,800	
Withdrawals authorized:		
Professional salary scales 1.1.66	$ 75,000	$264,800
Position on 31 December 1966		$ 85,200
Estimated outstanding advances on 31 December 1966		$ 30,000
		$ 55,200

Reimbursement to the Working Capital Fund in 1967:		
Second Annex	$ 60,000	
Financing 1965 Budget	$129,800	$189,800
		$245,000