

Committee on Budget, Finance and Administration

ANNUAL REPORT (1996)

1. In accordance with the procedures for an annual overview of WTO activities and for reporting under the WTO adopted by the General Council on 15 November 1995, a report on the activities of the WTO Committee on Budget, Finance and Administration in 1996 is hereby submitted.

2. It will be recalled that the Committee met on a number of occasions and has presented reports to the General Council on a regular basis.¹ This report will then cover the major areas the Committee has dealt with in the course of the year to date.

I. ON-GOING RESPONSIBILITIES

3. The Committee monitored on a regular basis the financial and budgetary situation of the Organization, the receipt of contributions including the implementation of the related schemes and measures pertaining to receipt of contributions, and examined the Final Position of the 1995 Budget and the Director-General's Financial Report on the 1995 Accounts and Report of the External Auditor. It also dealt with the Director-General's budget proposals for 1997.

II. MAJOR AREAS OF ACTIVITIES

A. External Auditors

4. The Joint WTO/GATT Committee recommended that a call for competitive tenders for the external audit of the accounts of the Organization be made in 1995. After approval of the terms of reference for the competitive bids, the Secretariat sent out a call for tenders the same year. The Committee formed a working group in 1996 with the Secretariat to examine the candidatures of nine national courts of audit. On the basis of a report presented by the working group, the Committee recommended to the General Council to extend the on-going contract with the Austrian Court of Audit for one year to include the audit of the 1996 accounts and to nominate the Netherlands Court of Audit for auditing the WTO accounts effective as from the audit of the 1997 accounts for a three year term.

B. General management of, and overhead costs on, Trust Funds

5. The WTO Committee had, on several occasions, examined the question of general management and overhead costs of Trust Funds. In 1996, in document WT/BFA/21, it recommended to the General Council that a standard overhead rate of 13 per cent on trust fund expenditures be charged. The recommendations on the general management of Trust Funds were contained in document WT/BFA/26.
./.

¹Reports: WT/BFA/20 covering the meeting of 29 January 1996; WT/BFA/21 covering the meeting of 29 February 1996; WT/BFA/22 covering the meeting of 26 March 1996; WT/BFA/24 covering the meeting of 2 May 1996; and WT/BFA/26 covering the meeting of 27 June 1996. In addition, the Committee sent a specific recommendation to the General Council in document WT/BFA/19.

C. Relationship between the International Trade Centre (ITC) and the WTO

6. The Committee monitored the implementation of the decision taken in 1995 to consult with United Nations Headquarters on a new arrangement on budgetary issues related to the functioning of the ITC. In 1996, the Committee examined the proposed 1997 budget for the ITC which for the first time was expressed in Swiss francs and followed the presentation of the WTO budget.

D. New WTO Members

7. In the course of 1996, the Committee formulated recommendations to the General Council on assessments to the budget and advances to the Working Capital Fund upon the accession to the WTO of the following new Members: (i) Angola, (ii) Benin, (iii) Chad, (iv) Ecuador, (v) Fiji, (vi) Gambia, (vii) Grenada, (viii) Haiti, (ix) Papua New Guinea, (x) Qatar, (xi) Rwanda, (xii) Saint Kitts and Nevis, (xiii) Solomon Islands, and (xiv) the United Arab Emirates.

E. Conditions of service of WTO staff

8. While not in the formal framework of the Committee, two working groups under the General Council chaired by the present and former Chairmen of the Committee took up the matter of conditions of service again in 1996. One dealt with salaries and the other with pensions. The result of these discussions and consultations provided the basis for the draft decision providing for the establishment of WTO - specific conditions of service tabled by the Chairman of the General Council in September 1996.