

**Committee on Subsidies
and Countervailing Measures**

**MEMBERS' DIFFICULTIES IN
MAKING SUBSIDY NOTIFICATIONS**

Note from the Chairman on Members' replies submitted to
date to questions in Part C of document G/SCM/W/473 and
budgetary estimates for the planned subsidies notification seminar

I. INTRODUCTION

1. As discussed at the informal session of the 13 March 2002 SCM Committee meeting, this note contains budget estimates relating to various alternative scenarios concerning the budgetary and logistical arrangements for the planned November 2002 subsidies notification seminar for capital based officials. Members will recall that the seminar is now included in the list of technical assistance events in the "Co-ordinated WTO Secretariat Annual Technical Assistance Plan 2002". As such, it forms part of the Doha Development Agenda and will be funded by the Doha Trust Fund.

2. In order for a budget request concerning the seminar to be made, it remains for the Committee to decide on the precise specifications concerning the duration of the seminar, the number of participants in the seminar from each Member and the conditions attached to the funding of designated participants in the seminar. Some guidance on these issues can be derived from the responses submitted to date to the questions in document G/SCM/W/473.

3. With respect to the proposed length of the seminar, no responding delegation indicated that the proposed two-day duration was excessive, and many suggested that a period of 3, 4 or even 5 days might be more conducive to the teaching objective of the seminar. The responding delegations largely endorsed the proposed format and content of the schedule, as indicated in question 4 pertaining to the seminar in document G/SCM/W/473.¹ One delegation was of the view that one session could, in addition, be devoted to the how to estimate the amount of a subsidy and its trade effect.

4. Most responding delegations indicated that, funds permitting, they would intend to send capital-based officials. With respect to the number of officials from each delegation that would attend the seminar, while some of the responding delegations considered that sending one or two officials would suffice, some indicated that they would prefer to send three, four or more officials.

¹ That is: First session: detailed presentation of the basic definitions in Articles 1, 2 and 3 of the SCM Agreement, and presentation of the subsidy notification obligations in the light of these definitions. Second session: Presentations by Members concerning the specific problems they experience in preparing subsidy notifications. Third session: Information-sharing and brainstorming among Members as to possible practical solutions for the identified problems (ways to coordinate and streamline gathering and formatting of subsidy information). Fourth session: Follow-up steps to ensure that information shared and lessons learned would be retained and implemented. (It has been emphasized that to be effective, such follow-up should be immediate and intensive.) Ideas suggested to date have included establishment of informal contacts among capital-based officials, planning of future focused technical assistance activities, etc.

5. With regard to the Members that would receive financial support, in the questionnaire, Members were asked whether they considered that financial sponsorship only of participants from least-developed countries would be appropriate, and whether any other objective criteria for eligibility for financial sponsorship could be developed that might be more appropriate. While certain responding Members were of the view that the financial sponsorship of only least-developing countries might be appropriate (with some signalling flexibility on this matter), numerous Members suggested that consideration should also be given to other Members. Suggestions here ranged from giving consideration for financial sponsorship to small developing nations who are unable to meet the high cost of training, particularly those unable to afford an office in Geneva or to all developing countries, or to all countries which encountered financial difficulties. Another suggestion was that at least one official from each developing country should receive sponsorship. Yet another suggestion was that the support should cover countries having difficulties with meeting the notification requirements. One delegation indicated that it would be willing to self-fund the participation of one representative at the seminar.

6. On the basis of these responses and the discussion at 13 March 2002 meeting, the Secretariat has produced budgetary estimates for three basic scenarios:

- **Scenario A:** Funding for 1 capital-based official from 36 least-developing country Members and Observers to attend a 2-day seminar in Geneva
- **Scenario B:** Funding for 1 capital-based official from all (40) developing and least-developed country Members, listed in G/SCM/37 as not having submitted a subsidies notification, to attend a 2-day seminar in Geneva
- **Scenario C:** Funding for 1 capital-based official from all developing country and least-developed country Members and Observers to attend a 3-day seminar in Geneva

7. These budgetary estimates that the Secretariat has prepared, based on identified assumptions, are attached. Members will note that all the estimates relate to one capital-based official being sent from the identified Member countries. If more than one capital-based official were to be sent under the same conditions, the expenses would necessarily have to be adjusted accordingly. Possibilities of self-funding by certain Members of certain of their own participants might also be explored.

8. I would suggest that these estimates form the basis for informal consultations that I will conduct with Members, with a view to Members deciding upon the precise conditions pertaining to participation in the seminar at the April-May meeting of the Committee.

II. BUDGETARY ESTIMATES²

A. SCENARIO A

Funding for 1 capital-based official from 36 least-developing country Members and Observers to attend a 2-day seminar in Geneva:

Return economy airfare to Geneva:	Sw F 172,725.00
50% terminal expenses (CHF 96 per person) and 100% <i>per diem</i> (CHF 288 per person) for 2 days (2-day seminar, no travel days):	Sw F 24,192.00
Contingencies at 10% (possible increase in airfare or other)	Sw F 19,691.00
Overhead at 13%	Sw F 25,599.00
Total:	Sw F 242,207.00

B. SCENARIO B

Funding for 1 capital-based official from all (40) developing and least-developed country Members, listed in G/SCM/37 as not having submitted a subsidies notification³, to attend a 2-day seminar in Geneva:

Return economy airfare to Geneva:	Sw F 198,850.00
50% terminal expenses (CHF 96 per person) and 100% <i>per diem</i> (CHF 288 per person) for 2 days (2-day seminar, no travel days):	Sw F 26,880.00
Contingencies at 10% (possible increase in airfare or other)	Sw F 22,573.00
Overhead at 13%	Sw F 29,344.00
Total:	Sw F 277,647.00

² Figures relating to airfares, *per diem* rates, etc., as well as the CHF/\$ exchange rate are the ones available for March 2002. Please keep in mind that these budgetary estimates are necessarily approximate and that it will not be possible to make more precise estimates until the dates and duration of the seminar are definitively fixed. In particular, it is likely that the costs of airfares will *decrease* once these factors are specified.

³ These Members are: Albania (08.09.00), Angola, Bangladesh, Barbados, Belize, Central African Republic, Chad, Congo, Croatia (30.11.00), Democratic Republic of Congo, Djibouti, El Salvador, Estonia (13.11.99), Georgia (14.06.00), Grenada (22.02.96), Guinea Bissau, Republic of Guinea, Guyana, Haiti, Kenya, Kuwait, Kyrgyz Republic (20.12.98), Lesotho, Madagascar, Malawi, Maldives, Mauritania, Moldova (27.07.01), Mongolia (29.01.97), Mozambique, Myanmar, Niger, Papua New Guinea (09.06.96), Rwanda, St. Lucia, St. Vincent and Grenadines, Sierra Leone, Solomon Islands (26.07.96), Tanzania, Togo. For those Members that are not original WTO Members, the dates of entry into force are indicated in parentheses. Note that this list includes certain Members that have put forward requests under Article 27.4 under the special procedures adopted at Doha in G/SCM/39 concerning extension of prohibited subsidy transition periods for certain developing country Members and have since made certain subsidies notifications (e.g. Barbados, Belize, El Salvador, Grenada, Papua New Guinea, St. Lucia, St. Vincent and the Grenadines).

C. SCENARIO C

Funding for 1 capital-based official from all developing country and least-developed country Members and Observers to attend a 3-day seminar in Geneva:

Return economy airfare to Geneva:	Sw F 672,377.00
100% terminal expenses (CHF 192 per person) and 100% <i>per diem</i> (CHF 288 per person) for 5 days (3-day seminar, plus two travel days):	Sw F 238,272.00
Contingencies at 10% (possible increase in airfare or other)	Sw F 91,064.90
Overhead at 13%	Sw F 130,222.81
Total:	Sw F 1,131,936.71
