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**Committee on Budget, Finance and Administration**

**REPORT OF THE MEETING HELD ON 28 JULY 2000**

1. The WTO Committee on Budget, Finance and Administration met on 28 July 2000 under the chairmanship of Mr. H. Akil. The terms of reference and composition of the Committee are set out in document WT/L/44/Rev.1. The agenda contained in document WTO/AIR/1362 was adopted.

**METHOD OF CALCULATION OF CONTRIBUTIONS TO THE WTO BUDGET**

2. The Chairman recalled that, in the discussions of the proposed budget for 2000 in the autumn of 1999, the contribution of one WTO Member had increased from 0.29 per cent to 0.39 per cent between 1999 and 2000, largely as a result of the years for which trade statistics had been used for the two respective years. He had suggested that the Committee examine this question and see whether it might be possible to minimize large variations in contributions from one year to the next.

3. In 2000, a Working Group had been formed under the chairmanship of Dr. R. Clérismé of Haïti to look into the question. The Chairman of the Committee reported that Dr. Clérismé was absent from Geneva and could therefore not personally present the results of the Working Group's deliberations.

4. On behalf of Dr. Clérismé, the Chairman reported that meetings had taken place on 30 May, 9 and 23 June and 21 July 2000. The Group had had a wide exchange of views and had examined various simulations prepared by the Secretariat. Ultimately, the Working Group had come to the conclusion that the homogeneity of statistical data, that is the years taken into account for the calculation of contributions, was not only important to minimize the problem faced by the WTO Member in 1999 (see paragraph 2 above), but that such homogeneity was also fair.

5. The Chairman made reference to the document WT/BFA/W/50/Rev.1 which had been distributed to delegations and indicated that if the draft recommendation were accepted, the calculation of contributions for 2001 would be made on the statistical data for the same years for 87 per cent of WTO Members above the minimum contribution, which corresponded to 97 per cent of the total trade.

6. In the ensuing discussion of the document and draft recommendation, one Member of the Committee said that her Government considered that the WTO Members' contribution to the WTO budget should be commensurate with their trade shares, and that the most recent data should be taken into consideration. Therefore, the current method would be preferable. Thereafter, Members of the Committee who had participated in the Working Group responded to comments made by other Members. One Member in particular, in supporting the proposed changes, indicated that (i) the draft recommendation made no change whatsoever in the type of statistics which would be used; the principle of assessed contributions on trade share would therefore be maintained; (ii) that the proposed changes would ensure a greater measure of fairness in that statistics for the same years for the greatest number of WTO Members would be used and; (iii) there would be greater predictability with regard to assessed contributions. This predictability would become even greater from 2004 when statistics relative to five years would be used.

7. Another Member of the Committee who had also participated in the Working Group supported the proposal but suggested that the document WT/BFA/W/50/Rev.1 could be revised to provide greater explanations with regard to the reasons for the change in the light of the above-given explanations. Yet another Member of the Committee suggested that the wording of the recommendation, and particularly reference to years for which statistics would be used could be re-phrased.

8. Document WT/BFA/W/50/Rev.2 was subsequently distributed to delegations, taking into account the above-mentioned comments.

9. The Committee, desiring to ensure a greater measure of homogeneity in the years for which statistical data are used for the calculation of contributions to the WTO Budget, and to minimize to the extent possible wide variations in contribution percentages from one year to the next, recommends to the General Council that paragraph (b) of the recommendation of the Committee on Budget, Finance and Administration (paragraph 33, WT/BFA/6) approved by the General Council on 15 November 1995 (WT/GC/M/8) be amended as follows:

(b.1) Calculations of assessed contributions for the years 2001, 2002 and 2003 (which are prepared in the course of the respective previous year) shall be based on international trade statistics for the years 1996-1998, 1997-1999 and 1998-2000, respectively; or, if these statistics are not available, for the last three years for which statistics are available.

(b.2) Calculations of assessed contributions for at least the following ten years, i.e. 2004, 2005, 2006 to 2013, (which are prepared in the course of the respective previous year) shall be based on international trade statistics: for the years 1997-2001, 1998-2002, 1999-2003, etc. respectively; or, if these statistics are not available, for the last five years for which statistics are available.

**POINT FOR DECISION: Paragraph 9**

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