

**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION**

RESTRICTED

PC/BFA/M/2

23 September 1994

(94-1915)

**SUB-COMMITTEE ON BUDGET, FINANCE
AND ADMINISTRATION**

MINUTES OF THE MEETING

held in the Centre William Rappard
on 16 September 1994

Chairman: H.E. Mr. A. Szepesi (Hungary)

1. The Agenda distributed in PC/AIR/24 contained the following items:
 - A. Overview of the Sub-Committee's work programme for the autumn
 - B. Composition of the negotiating team for the WTO Headquarters Agreement
 - C. Preparation for the policy debate on conceptual issues scheduled for the second half of September 1994
2. The Chairman said that he would take item C second and item B last.

Overview of the Sub-Committee's work programme for the autumn

3. The Chairman recalled that before the summer break the Sub-Committee agreed: (i) that in principle Geneva be chosen as the seat for the WTO, (ii) to the creation of 21 posts (1D, 16P and 4G) as a result of a first examination of the organizational structure and staffing requirements of the Secretariat; the GATT Budget Committee would shortly consider their financing for 1994, (iii) on guidelines for the assessment of contributions on WTO Members, (iv) that Deloitte and Touche be selected as Consultants for the Management Review.
4. The Chairman outlined the work programme for the autumn. In addition to the negotiation of the Headquarters Agreement, the interviews of Members by the Consultants and the regular contacts with the Consultants at the Sub-Committee level, it would encompass the examination of the following issues: (i) basis for assessment of contributions on WTO Members from 1996 onwards, (ii) WTO contracts of employment policy, (iii) salaries and pensions, (iv) relations between WTO and the International Trade Centre (ITC), (v) budget estimates for 1995, and (vi) transfer of assets and liabilities from ICITO/GATT to WTO.
5. When appropriate some of these issues would be first considered in a working group chaired by Mr. P. Gosselin, Chairman of the GATT Committee on Budget, Finance and Administration. The composition of this working group would basically correspond to the GATT Budget Committee.

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Preparation for the policy debate on conceptual issues scheduled for the second half of September 1994

6. The Chairman recalled that this policy debate was intended to be a contribution to the Management Review. According to a decision taken by the Sub-Committee, it should concern three areas: (i) Economic research and analysis, (ii) Technical co-operation, and (iii) Accessions. In addition during informal consultations, it was proposed to include two additional issues: (i) In-house expertise as against services of other competent organization, and (ii) Media relations. Considering that the work programme of the GATT Council of Representatives included a review of the accession process, it was agreed to set aside this issue.

7. On each of these topics the Secretariat was requested to produce an "Issue paper" which should be short and merely identify points for consideration. During the discussions Senior Secretariat officials would be able to develop their views. These "Issue papers" were to be circulated by the middle of the week commencing on 19 September 1994.

8. The Sub-Committee agreed that the Consultants should attend the policy debate but without participating in the discussion.

9. With regard to the Management Review, the Sub-Committee agreed on the following procedure: (i) interviews of Members and of the Secretariat staff would be conducted in parallel, (ii) the Consultants would have a weekly meeting with the Chairman of the Sub-Committee and the Chairman of the GATT Committee on Budget, Finance and Administration, (iii) they would report orally to the Sub-Committee at the end of September, mid-October and end of October, and (iv) they would present to the Sub-Committee a draft report by mid-November and the final report mid-December.

Composition of the negotiating team for the WTO Headquarters Agreement

10. As a result of informal consultations, the Sub-Committee agreed on the following composition: its Chairman, the Chairman of the GATT Committee on Budget, Finance and Administration, representatives of Members: Argentina, France, Indonesia, Japan, Morocco, Pakistan, Trinidad and Tobago, and Zambia as well as four Secretariat staff members: MM. R. O'Toole, J.E. Chabert, F. Roessler and P. Rolian. In addition the GATT Staff Council could appoint an observer.

11. The negotiating team would report regularly to the Sub-Committee minus Switzerland and would seek advice and instructions from the Sub-Committee. If needed, the team could call for additional expertise.

12. Negotiations with the Swiss Authorities should start by the end of September or early October with a view to complete them by the end of October or early November. These were only target dates as a satisfactory result was more important than a deadline.