



Seventy-sixth session
Dakar, Senegal, 26 November 2005
Provisional agenda item 5(b)

ADMINISTRATIVE AND FINANCIAL MATTERS

(b) Report of the Committee on Budget and Finance

Note by the Secretary-General

In the following document, the Secretary-General transmits to the Executive Council the Report of the Committee on Budget and Finance on the administrative and financial matters referred to it for examination at its forty-fifth meeting, held at Dakar, Senegal, on 25 November 2005.

ADMINISTRATIVE AND FINANCIAL MATTERS

b) Report of the Committee on Budget and Finance

1. The Committee on Budget and Finance held at its forty-fifth meeting at Dakar (Senegal), on 25 November 2005, under the chairmanship of Argentina, represented by Mr. Alejandro Varela. Delegations of the following States participated in this meeting of the Committee: Brazil, Lebanon, Mexico, Pakistan, Slovakia, South Africa and Thailand. The delegations of the following States participated as observers: Iraq, Lesotho, República Democrática Popular Lao, Sri Lanka and Swaziland as well as the Affiliate Member Civil Aviation Authority from Uganda.
2. The WTO Secretariat was represented by the Secretary-General, the Deputy Secretary-General and the Director of the Administration Division. A list of participants is attached to this report (Annex I).
3. The Committee adopted the provisional agenda CBF/45/1 Prov. And and proceeded to consider the following documents, which will be submitted to the Executive Council at its seventy-sixth session (26 November 2005).

Documents

ADOPTION OF THE AGENDA

CBF/45/1 prov.

ADMINISTRATIVE, FINANCIAL AND STATUTORY MATTERS:

- | | |
|--|------------------------------------|
| - Report of the Secretary-General on the financial situation | A/16/14(a)
A/16/14(a) Add.1 |
| - Suspension of membership in accordance with Article 34 of the Statutes | |
| - Requests for temporary exemption from the application of paragraph 13 of the Financial Rules | A/16/5(b)(c)
A/16/5(b)(c) Add.1 |

Assessment of Members' contributions for the period 2006-2007 and adjustment to the budget for the same period

A/16/15

Place and dates of the forty-sixth meeting of the Committee on Budget and Finance

REPORT OF THE SECRETARY-GENERAL ON THE FINANCIAL SITUATION
(DOCUMENTS A/16/14(a) AND A/16/14(a) Add.1)

4. The Committee took note of document A/16/14(a) Add.1), which updates to 20 November 2005 the information as at 31 August 2005 contained in the main document A/16/14(a). It was also informed of the latest payments received. The Committee noted with satisfaction that at this date, the level of contributions collected for the current year had risen to EUR8,375,766. This represents 85 per cent of the total amount of contributions payable by Members in 2005.

5. The Committee noted that the contributions received for the current year would enable the Secretary-General to finalize implementation of the expenditure plan proposed for 2005 and maintain a balance between income and expenditure in accordance with the mandate entrusted to him by the General Assembly in resolution 396(XIII).

6. The Committee expressed its gratification at the excellent budgetary situation of the Organization and the surplus expected for the present financial year.

7. The Committee noted with satisfaction that arrears of Members' contributions collected so far in 2005 were 220% of the forecast amount, already exceeding 1.5 million euros. The Committee therefore considered it compatible with the Organizations financial situation to set aside an amount of 600,000 euros to be employed during 2006-2007 for the following purposes proposed by the Secretary-General:

	EUR
- Strengthening of the Crisis Response team at WTO headquarters and liaison with WHO Geneva to monitor consequences for tourism of the predicted Avian Flu pandemic.....	250,000
- Reinforcement of Security at Headquarters in conformity with U.N. standards.....	200,000
- Renewal of audio system for Headquarters Conference room	<u>150,000</u>
	<u>600,000</u>
	=====

8. The Committee recommends the Executive Council to take note of the favourable development of the financial situation of the Organization and to authorize the Secretary-General's proposal to make a provision of 600,000 euros charged against the present financial year to cover the foreseen expenses due to asset renewal and other activities indicated in paragraph 7 above. It also recommends the Executive Council to urge the Members in arrears with the payment of their contributions to discharge their debts as soon as possible.

SUSPENSION OF MEMBERSHIP IN ACCORDANCE WITH ARTICLE 34 OF THE STATUTES

REQUESTS FOR TEMPORARY EXEMPTION FROM THE APPLICATION OF PARAGRAPH 13 OF THE FINANCING RULES (DOCUMENTS A/16/5(b)(c), A/16/5(b)(c) Add.1))

9. The Committee examined the above documents concerning the application of the provisions of paragraph 13 of the Financing Rules and/or Article 34 of the Statutes, and noted the requests for temporary exemption through payment plans received to date from Guinea Bissau, Mongolia and Peru.

It noted with satisfaction that the Full Members Nicaragua, Lao People's Democratic Republic, and Uruguay had each submitted a payment plan to the Executive Council at its 73rd and 75th sessions, and that both Nicaragua and Uruguay have rigorously complied with the terms proposed in their plans. The Committee recommends the Executive Council to propose to the General Assembly that it grant Iraq an extension until the 78th session of the Executive Council for this Member to present a payment plan to settle its arrears.

10. The Committee took note of the information contained in documents A/16/5(b)(c) and A/16/5(b)(c) Add.1 and was informed that Gabon, Haiti and Venezuela are no longer subject to the provisions of Article 34 of the Statutes and paragraph 13 of the Financing Rules respectively, since they have paid all of their arrears.

11. The Committee also noted that the provisions of Article 34 of the Statutes will be applicable within a period of one year to the Full Member Cape Verde if by that time it has failed to cancel its arrears or to agree with the Secretary-General on a payment plan to settle its arrears in instalments.

12. The Committee welcomed the fact that Costa Rica is complying scrupulously with the terms established in its payment plan approved by the fourteenth General Assembly, and that it has reduced the sum to an amount lower than its contributions for the past two years, thus continuing to be free from the application of the provisions of paragraph 13.

13. It also welcomed the fact that El Salvador, Kazakhstan, Mali, and Rwanda have complied with the terms established in their respective payment plans for the two-year period 2004-2005.

In view of the above, the Committee recommends the Executive Council:

- to propose to the General Assembly that it renew the temporary exemption from the provisions of paragraph 13 of the Financing Rules to the Full Members Costa Rica, El Salvador, Kazakhstan, Mali and Rwanda.

- to propose, in the case of the Members Bolivia, Georgia, Guinea, Democratic Republic of the Congo, Sudan and Yemen, that it renew the temporary exemption from the provisions of paragraph 13, albeit making it clear that these provisions will once again be applied to these Members if they are not up to date in their payment plans by 1 April 2006,

14. It recalls that pursuant to resolution A/RES/452(XV) of the General Assembly at its fifteenth session, the provisions of paragraph 13 of the Financing Rules were once again applied to Members Burkina Faso, Cambodia, Ghana, Peru and Sierra Leone effective 1 January 2004, since they were not up to date in their payment plans. However, the Committee noted that Ghana had made the necessary arrangements to pay part of its arrears by the end of 2005.

15. It recommends the Executive Council to propose to the General Assembly that it grant a temporary exemption from the provisions of paragraph 13 of the Financing Rules to Full Members Nicaragua, Lao People's Democratic Republic, Guinea Bissau, Mongolia, Peru and Uruguay.

16. Within the framework of an exchange of letters between the Secretary General, dated 17 October 2005, and the Prime Minister of the Republic of Moldova, dated 9 November 2005, it was agreed that from the standpoint of international law, the true date of this Member's accession to WTO was 1 January 2002. Therefore, the Committee agreed that Moldova's contribution arrears amounting to 331,415.10 Euros for the period 1994 to 2001 should be cancelled accordingly.

17. Likewise, the Committee noted that the General Assembly at its fifteenth session had decided in resolution A/RES/452(XV) to grant temporary exemption from the provisions of paragraph 13 to Burundi until a legal decision has been adopted regarding this Member's request for the temporary suspension of its full membership. The Committee was informed that this question would be discussed at the Assembly under item A/16/5(a) "New membership".

ASSESSMENT OF MEMBERS' CONTRIBUTIONS FOR THE PERIOD 2006-2007 AND ADJUSTMENT TO THE BUDGET FOR THE SAME PERIOD (DOCUMENT A/16/15)

18. The Committee recalled that the draft budget for the period 2006-2007, which it considered at its forty-fourth meeting, had been established in euros on the basis of the 2004-2005 budget.

19. The Committee noted the fact that, in accordance with the established formula for calculating the contributions of the Member States, in order to establish the capacity of each country to contribute, data provided by the United Nations regarding Gross National Product and population for the period 1996-2001 were used, which were the same figures used by the United Nations to calculate the contributions of its Members.

20. The same period was used for the data corresponding to international tourism receipts.

21. The Committee also noted that, in accordance with the recommendation of the Assembly in its resolution 404(XIII), contribution increases have been limited to 7.5 per cent per year, in the case of those Members that, due to a change in group, would have had their contribution increased by more than this percentage. Contribution decreases due to a change in group were also limited, in order to balance contribution income. During this biennium six new Members have been included in the scale, bringing the total to 150 Full Members.

22. The Committee noted that the contribution of the seven Associate Members was estimated in accordance with the measures established at the thirteenth General Assembly, i.e. on the basis that the percentage share of each Member should be 10 per cent lower than the minimum percentage share of the Full Members. The Committee recommended the Council to approve the contribution scale of the Full and Associate Members proposed for 2006-2007.

23. The Committee recommended the Council to approve the Secretary-General's proposal to maintain the contribution of the Affiliate Members at the same level as in the period 2004-2005, i.e. at 2,000 euros per year, of which 1,500 euros would be allocated as a contribution to the Organization's budget and 500 euros assigned to their own activities.

PLACE AND DATE OF THE NEXT MEETING OF THE COMMITTEE ON BUDGET AND FINANCE

24. It was decided to hold the 46th meeting of the Committee on Budget and Finance at the Organization's Headquarters in the Spring of 2006 following to the Programme Committee's meeting and prior to the 78th session of the Executive Council.

ANNEX I

CBF/45/LIST.PART.DEF.
Dakar, 25/11/2005

**COMITÉ DU BUDGET ET DES FINANCES
COMMITTEE ON BUDGET AND FINANCE
COMITÉ DE PRESUPUESTO Y FINANZAS**

Quarante-cinquième réunion / Forty-fifth meeting / Cuadragésima-quinta reunión

**LISTE DES PARTICIPANTS
LIST OF PARTICIPANTS
LISTA DE PARTICIPANTES**

I. PRÉSIDENT / CHAIRMAN / PRESIDENTE

ARGENTINE
ARGENTINA

Sr. D. Alejandro Varela
Coordinador de Relaciones Multilaterales
Presidencia de la Nación
Secretaría de Turismo

II. MEMBRES / MEMBERS / MIEMBROS

BRÉSIL
BRAZIL
BRASIL

Mr. João Solano Carneiro Da Cunha
Head of International Advisory
Ministry of Tourism

Mr. Pedro Gabriel Wendler
Chief of International Relations Dpt.
Ministry of Tourism

SLOVAQUIE
SLOVAKIA
ESLOVAQUIA

H.E. Mrs. Eva Simkova
State Secretary for Tourism
Ministry of Economy

LIBAN
LEBANON
LÍBANO

S.E.M. Michel Haddad
Ambassadeur du Liban en Sénégal
Ambassade du Liban à Dakar

MEXIQUE
MÉXICO

Srta. Jacqueline Esperanza Meza Urías
Asesor del Subsecretario de Operación
Turística
Secretaria de Turismo

PAKISTAN
PAKISTÁN

H.E. Dr. Syad Ghazi Gulab Jamal
Minister of Tourism
Ministry of Tourism

H.E. Mr. Abdul Malic Abdullah
Ambassador of Pakistan to Senegal
Embassy of Pakistan to Senegal

AFRIQUE DU SUD
SOUTH AFRICA
SUDÁFRICA

Dr. Patrick Matlou
Deputy Director-General
Dept.of Environmental Affairs & Tourism

Ms. Patience Molokoza
Director International Tourism Relations
Dept.of Environmental Affairs & Tourism

Ms. Anthea Joubert
Diplomat
Department of Foreign Affairs

THAÏLANDE
THAILAND
TAILANDIA

Mrs. Sasithara Pichaichannarong
Deputy Permanent Secretary
Ministry of Tourism and Sports

Mr. Prapa Tantasuparuk
Tourism Development Officer
Office of Tourism Development
Ministry of Tourism and Sports

Mr. Pradech Phayakvichien
Advisor
Tourism Authority of Thailand

Mr. Ubolwan Pradabsook
Administrative Official
Tourism Authority of Thailand

III. OBSERVATEURS NON MEMBRES/
OBSERVERS NON MEMBERS/
OBSERVADORES NO MIEMBROS

IRAQ

Mr. Bahaa Mayah
Prime Minister Advisor
Prime Minister Office

LESOTHO

Mr. Julios Tebello Metsing
Principal Secretary
Ministry of Tourism, Environment and Culture

RÉPUBLIQUE DÉMOCRATIQUE
POPULAIRE LAO /
LAO PEOPLE'S DEMOCRATIC REPUBLIC/
REPÚBLICA DEMOCRÁTICA POPULAR
LAO

Mr. Vang Rattanavong
Vice-Chairman
National Tourism Administration

SRI LANKA

Mr. K.A.D. George Michael
Additional Secretary
Ministry of Tourism

Mr. Kalaiselvam Seenivasagam
Director General
Sri Lanka Tourism Board

SWAZILAND
SWAZILANDIA

Ms. Gcebile Dlamini
Undersecretary
Ministry of Tourism, Environment and
Communications

Mr. Musa F. Mdluli
Señor Tourism Officer
Ministry of Tourism, Environment and
Communications

IV. MEMBRES AFFILIÉS/
AFFILIATE MEMBERS/
MIEMBROS FILIADOS

Dr. Wenceslaus Rama Makuza
Civil Aviation Authority
Uganda

ANNEX II

LIST OF FULL AND AFFILIATE MEMBERS SUBJECT TO THE PROVISIONS OF ARTICLE 34 OF THE STATUTES AND PARAGRAPH 13 OF THE FINANCING RULES, ATTACHED TO THE STATUTES

FULL MEMBERS

1. AFGHANISTAN ^(*)
2. BURKINA FASO ^(*)
3. CAMBODIA ^(*)
4. CAPE VERDE
5. CHAD ^(*)
6. CONGO ^(*)
7. DJIBOUTI
8. GAMBIA ^(*)
9. GHANA ^(*)
10. GUINEA-BISSAU ^(*)
11. KYRGYSTAN ^(*)
12. MALAWI ^(*)
13. MAURITANIA ^(*)
14. MONGOLIA ^(*)
15. NÍGER ^(*)
16. PERU ^(*)
17. SAO TOME AND PRINCIPE ^(*)
18. SIERRA LEONE ^(*)
19. TOGO ^(*)
20. TURKMENISTAN ^(*)
21. UGANDA ^(*)
22. ZIMBABWE ^(*)

ASSOCIATE MEMBERS

1. NETHERLANDS ANTILLES ^(*)

AFFILIATE MEMBERS

1. AFRICA TRAVEL ASSOCIATION (USA)
2. AMIN TOUR AND TRAVEL (Islamic Republic of Iran)
3. ARTHUR ANDERSEN (United Kingdom)
4. ASOCIACION ECUATORIANA DE AG. DE VIAJES (ASECUT)
5. ASOCIACION MEXICANA DE AG. DE VIAJES (AMAV)
6. ASSOCIAZIONE MAITRES ITALIANI RISTORANTI E ALBERGHI – A.M.I.R.A (Italy)
7. ATI MARKEFIN SL – (Spain)
8. CENCAP – ESCUELA INTERNACIONAL DE HOTELERIA Y TURISMO (Argentina)
9. COMMITTEE FOR TOURISM & DEVELOPMENT OF RESORTS OF ST. PETERSBURG GOVERNMENT (Russian Federation)
10. CONSEJO NACIONAL EMPRESARIAL TURISTICO (CNET)(Mexico)
11. DCDM CONSULTING (Mauritius)

^(*) Miembros a los que se aplican las disposiciones del Artículo 34 de los Estatutos

12. EL MEJABAAT EL KOUBRA TOURS (Mauritania)
13. ENTREPRISE TOURISTIQUE DE KABYLIE (Algeria)
14. FEDERATION NAT. DE L'INDUS. HÔTELIÈR (Morocco)
15. GABON CONTACTS (Gabon)
16. INST. OF TRAINING, RESEARCH & OPERATIONAL CONSULTANCY (INSTROCT) (Islamic Republic of Iran)
17. INTERVAL INTERNATIONAL (USA)
18. KERALA TOURISM DEVELOPMENT CORP. LTD. (KTDC) (India)
19. MASYARAKAT PARIWISATA INDONESIA
20. ORGANISATION DU TOURISME EURO-MEDITERRANEEN (OTEM) (France)
21. ROYAL AIR MAROC (Morocco)
22. ROYAL OLYMPIC CRUISES (Greece)
23. SGS GROUP MANAGEMENT LTD (Switzerland)
24. TRAVEL DEVELOPMENT CENTER (Finland)
25. UNIVERSITY OF GUAM – INT. TOURISM PROGRAM (USA)
26. UNIVERSITY OF VESZPREM (Hungary)
27. WINZRIK TOURISM SERVICES CO. (Libyan Arab Jamahiriya)