

**Statement by the Representative of Indonesia on behalf of the Group of 77 and China, on the issue of administrative arrangements for the International Trade Centre UNCTAD/WTO before the Fifth Committee at the 53<sup>rd</sup> session of the United Nations General Assembly**

**New York, 7 October 1998**

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Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on the agenda item on the administrative arrangements for the International Trade Centre UNCTAD/WTO.
2. We would like to thank the Chairman of the Advisory on Administrative and Budgetary Questions for introducing the ACABQ report A/53/7/Add.3. We also thank the Controller for his introduction of the Secretary-General's reports A/C.5/52/25 and A/C.5/52/45.

Mr. Chairman,

3. The General Assembly in its resolution 2297 (XXII) of 12 December 1967 approved the accord between the United Nations Conference on Trade and Development (UNCTAD) and the General Agreement on Tariffs and Trade (GATT) on the establishment of International Trade Centre (ITC), to be operated jointly by UNCTAD and GATT on a continuing basis and in equal partnership.
4. The current administrative and budgetary arrangements contained in documents A/C.5/1533 of 12 October 1973 and A/C.5/1604 of 16 September 1974 were approved by the General Assembly in its decision adopted at 2325th meeting on 18 December 1974. The current arrangements can only be changed by the General Assembly if it decides to do so. The Group of 77 and China does not concur with the understanding of the United Nations Secretariat referred to in paragraph 9 of document A/C.5/52/25 that the revisions of budgetary arrangements called for by the General Council of the World Trade Organization (WTO) could be implemented through a series of administrative and technical measures.

Mr. Chairman,

5. The Group of 77 and China notes with concern that the Secretary-General of the United Nations, through an exchange of letters on 29 September 1995, reached an understanding with the Director-General of WTO to recommend to the responsible intergovernmental organs to confirm and renew the present arrangements concerning the status of ITC, subject to revised budgetary arrangement as called for by the General Council of WTO. In this regard we would like to underline the role of UNCTAD in operating the Centre.
6. We are also concerned at the delay in bringing this matter to the attention of the General Assembly.
7. We are of the view that the budgetary arrangement proposed by the General Council of WTO would not be in conformity with the Financial Regulations and Rules of the United Nations. ITC is a section of the Regular Budget of the Organization. Therefore, it should be subject to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, and Financial Regulations and Rules of the United Nations.

Mr. Chairman,

8. The Advisory Committee in paragraph 11 (f) of its report has recommended that the activities of the Centre would continue to be subject to internal audit and oversight by the Office of Internal Oversight Services. The

Group of 77 and China would like to state that the activities of the ITC are approved by Member States and only competent legislative organs of the United Nations can subject the Centre's activities to any change. In this regard, the OIOS is not mandated to modify legislative mandates approved by the Member States. The Group would like to emphasize that in accordance with resolution 48/218B, the OIOS is mandated to examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates.

Mr. Chairman,

9. The Group of 77 and China re-affirms the mandate of the International Trade Centre and stresses the restoration of its current budgetary and administrative arrangement and emphasizes the role of UNCTAD in this regard. The Ministers of Foreign Affairs of the Group of 77 and China have recently reiterated this principled position.

Thank you.