

## CBFA Meeting on 22 October 2020

### Agenda: Other Business (On India's suggestion for a voluntary cut in the WTO Budget 2021/22.)

#### Statement of India

Thank you Chair.

2. At the recent General Council Meeting India had proposed that WTO Secretariat considers a voluntary short term cut in its annual budget for 2021 or 2022, in solidarity with members who are battling a grave economic situation brought about by COVID-19.

3. We wish to explain the rationale for that suggestion:

- (i) The global economy is battling a significant recession and WTO members across the developed and developing world are experiencing significant budgetary constraints. This is exactly the kind of circumstances where everyone - national governments or international organisations – apply economy measures. Our suggestion stems from our firm belief that austerity begins at home and for us WTO is our home.
- (ii) Though it appears that member contributions have remained the same over the years due to WTO's zero nominal growth budget, the currency depreciation has in fact increased the nominal contributions for many members.
- (iii) It may also be noted that the WTO budget is by and large the budget of the Secretariat. Major chunk of the budgetary expenditure is on the salaries of the staff and establishment charges. The budget does not constitute any significant program related expenditures for welfare or developmental projects, as in case of many UN bodies. Therefore, \$200 million budget, more or less just to run the secretariat needs considerable justification, especially during the times of economic hardship and austerity. We firmly believe that there is scope for rationalisation.
- (iv) Developing countries and LDC's need not fear that the TA programmes are going to be impacted by the suggested measure. That is not our intention or interest. Further, the savings resulting from the COVID-19 pandemic, for instance, as detailed in the Third Quarterly Expenditure Report (Q3) should be reallocated in such a way that TA programmes continue to receive funding they deserve. We believe there is enough scope for achieving that.
- (v) Finally, our recommendation, at this stage, is only a suggestion to the Secretariat. We look forward to their response and constructive engagement with Members on this matter.

4. I thank you Chair

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