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1 ARTICLE VII

1.1 Text of Article VII

Article VII

Budget and Contributions

1. The Director-General shall present to the Committee on Budget, Finance and Administration the annual budget estimate and financial statement of the WTO. The Committee on Budget, Finance and Administration shall review the annual budget estimate and the financial statement presented by the Director-General and make recommendations thereon to the General Council. The annual budget estimate shall be subject to approval by the General Council.
 2. The Committee on Budget, Finance and Administration shall propose to the General Council financial regulations which shall include provisions setting out:
 - (a) the scale of contributions apportioning the expenses of the WTO among its Members; and
 - (b) the measures to be taken in respect of Members in arrears.
- The financial regulations shall be based, as far as practicable, on the regulations and practices of GATT 1947.
3. The General Council shall adopt the financial regulations and the annual budget estimate by a two-thirds majority comprising more than half of the Members of the WTO.
 4. Each Member shall promptly contribute to the WTO its share in the expenses of the WTO in accordance with the financial regulations adopted by the General Council.

1.2 Article VII:1

1.2.1 "The Director-General shall present to the Committee on Budget, Finance and Administration the annual budget estimate and financial statement of the WTO" and "the Committee ... shall ... make recommendations thereon to the General Council"

1. The Director-General submits biannually a budget proposal and annually a financial performance report to the BFA Committee that includes budgetary estimates and financial statements of the Organization.
2. The BFA Committee makes regular recommendations to the General Council on the Director-General's budget estimates and the financial statements. These recommendations embody

a compromise among the members of the BFA Committee and are presented to the General Council for adoption.

Document References	Document title	Date of Issuance
WT/BFA/W/666	WTO 2023 Financial Performance Report	17/06/2024
WT/BFA/W/632/Rev.1	WTO 2022 Financial Performance Report	04/07/2023
WT/BFA/W/588/Rev.1	WTO 2021 Financial Performance Report	04/10/2022
WT/BFA/W/560/Rev.1	WTO 2020 Financial Performance Report	17/08/2021
WT/BFA/W/560	WTO 2020 Financial Performance Report	28/06/2021
WT/BFA/W/527	WTO 2019 Financial Performance Report	07/09/2020
WT/BFA/W/482	WTO 2018 Financial Performance Report	07/06/2019
WT/BFA/W/450	WTO 2017 Financial Performance Report	14/06/2018
WT/BFA/W/419	WTO 2016 Financial Performance Report	12/06/2017
WT/BFA/W/392	WTO 2015 Financial Performance Report	10/06/2016
WT/BFA/W/365	WTO 2014 Financial Performance Report	15/06/2015
WT/BFA/W/334	WTO 2013 Financial Performance Report	08/09/2014
WT/BFA/W/304	WTO 2012 Financial Performance Report	25/06/2013
WT/BFA/W/280	WTO 2011 Financial Performance Report	06/08/2012
WT/BFA/W/236	WTO 2010 Financial Performance Report	24/06/2011
WT/BFA/W/215	WTO 2009 Financial Performance Report	08/10/2010
WT/BFA/W/181	DG's budgetary and financial report for 2008	28/09/2009
WT/BFA/W/168	DG's Budgetary and Financial Report for 2007 and Report of the External Auditor Thereon	16/09/2008
WT/BFA/W/157	DG's Budgetary and Financial Report for 2006 and Report of the External Auditor Thereon	19/09/2007
WT/BFA/W/142	DG's Budgetary and Financial Report for 2005 and Report of the External Auditor Thereon	29/11/2006
WT/BFA/W/128	DG's Budgetary and Financial Report for 2004 and Report of the External Auditor Thereon	06/09/2005
WT/BFA/W/114	DG's Budgetary and Financial Report for 2003 and Report of the External Auditor Thereon	16/08/2004
WT/BFA/W/97	DG's Budgetary and Financial Report for 2002 and Report of the External Auditor Thereon	10/07/2003
WT/BFA/W/72	DG's Budgetary and Financial Report for 2001 and Report of the External Auditor Thereon	16/10/2002
WT/BFA/W/57	DG's Budgetary and Financial Report for 2000 and Report of the External Auditor Thereon	21/08/2001
WT/BFA/W/42	DG's Budgetary and Financial Report for 1999 and Report of the External Auditor Thereon	05/10/2000
WT/BFA/W/34	DG's Financial Report on the 1998 Accounts of the WTO and Report of the External Auditor Thereon	30/08/1999
WT/BFA/W/33	Final Position of the 1998 Budget	04/06/1999
WT/BFA/W/26	DG's Financial Report on the 1997 Accounts of the WTO and Report of the External Auditor Thereon	09/09/1998
WT/BFA/W/25	Final Position of the 1997 Budget	05/06/1998

1.3 Article VII:2

1.3.1 "The Committee on Budget, Finance and Administration shall propose to the General Council financial regulations"

3. At its meeting of 15 November 1995, the General Council adopted the WTO Financial Regulations and Financial Rules on the basis of the recommendation of the Joint WTO/GATT Committee on Budget, Finance and Administration.¹ The following WTO Financial Rules and Regulations have been approved by the General Council:

Document References	Document title	Date of Issuance
WT/L/157/Rev.2	Financial Rules of the WTO - Revision	22/02/2017
WT/L/156/Rev.4	Financial Regulations of the WTO - Revision	02/02/2024
WT/L/156/Rev.3	Financial Regulations of the WTO - Revision	27/02/2015
WT/L/156/Rev.2	Financial Regulations of the WTO - Revision	21/05/2007
WT/L/157/Rev.1	Financial Rules of the WTO - Revision	21/05/2007
WT/L/156/Rev.1	Financial Regulations of the WTO - Revision	21/11/2003
WT/L/156	Financial Regulations of the WTO	05/08/1996
WT/L/157	Financial Rules of the WTO	05/08/1996

1.3.2 "[P]rovisions setting out the scale of contributions"

4. Under the GATT 1947, the contributions of the contracting parties to the GATT budget for each year to come were assessed on the basis of the estimated volume of foreign trade in goods for that year. As of 1994, each share was estimated on the basis of the contracting party's share in the total trade in goods of all contracting parties and associated governments, computed on the basis of trade figures for the last three available year, with a minimum percentage contribution of 0.03 per cent for countries with a share of under 0.03 per cent of the total.² In 1994, the Sub-Committee on Budget, Finance and Administration of the WTO Preparatory Committee agreed that the assessment of contributions to the WTO budget should reflect shares in international trade in goods, services and intellectual property.³

5. On 15 November 1995, the General Council approved⁴ the following recommendation of the Joint WTO/GATT Committee on Budget, Finance and Administration for a methodology to apply this principle to the calculation of the assessment of Members' contributions to the WTO budget, starting with the calculation of contributions to the 1996 budget:

- "(a) The share to be contributed by each Contracting Party/Member to the annual operating budget of the GATT/WTO shall be established on the basis of that country's (or separate customs territory's) international trade (imports plus exports) in relation to the total international trade of all GATT Contracting Parties/WTO Members;
- (b) The figures used shall be those for the last three years for which data are available;
- (c) The statistics used shall relate to trade in goods, services and intellectual property rights as reported in balance-of-payments statistics from the

¹ [WT/BFA/13](#) – [L/7649](#), Section VII.

² GATT Analytical Index, p. 1126-1127.

³ [PC/BFA/M/1](#), Annex II.

⁴ [WT/GC/M/8](#), item 7(a).

International Monetary Fund (IMF); with regard to services, the statistics shall relate to the definition of commercial services as applied in the WTO;

- (d) Where IMF data deviate from IMF guidelines and include transactions not related to goods, services or intellectual property rights, adjustments provided to the WTO by the Central Bank or the National Statistical Office of a Contracting Party/Member shall be taken into account by the Secretariat when adequately documented and justified;
- (e) If IMF data are not available, the WTO Secretariat will use estimates based on the best other available sources;
- (f) A minimum contribution of 0.03 per cent will be applied to those contracting parties/members whose share in the total international trade of all GATT Contracting Parties/WTO Members is less than 0.03 per cent."⁵

6. On 17 December 1999, the General Council approved a recommendation by the Committee that the minimum percentage contribution be changed to 0.015 per cent, starting with the 2000 budget. The contribution of observers was held at 0.015 per cent.⁶

7. At its meeting of 10 October 2000, the General Council approved an amendment of paragraph (b) of the calculation methodology as follows, to ensure greater homogeneity in years for which data are used and minimize variability of contribution percentages from one year to the next:

"(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."⁷

8. At its meeting on 20 February 2015, the General Council approved an additional amendment of paragraph (b) in order to update the reference years and the statistics to the International Monetary Fund's methodology as defined in the 6th edition of the Balance of Payments Manual:

"Financial Regulation 12

The draft scale of contributions to be assessed to Members is established on the basis of each Member's international trade (imports plus exports) in relation to the total international trade of all WTO Members.

Calculations of assessed contributions for a given year shall be based on international trade statistics over a five year period. E.g. the calculations of assessed contributions for 2015 shall be based on international trade statistics for the years 2008 to 2012; or if these statistics are not available, for the last five years for which statistics are available.

The statistics used refer to trade in goods and commercial services, including intellectual property rights payments, derived from the balance of payments statistics of the International Monetary Fund (IMF). Data are based on the IMF's methodology as defined

⁵ [WT/BFA/6](#).

⁶ [WT/BFA/44](#), approved in [WT/GC/M/52](#).

⁷ Recommendation in [WT/BFA/49](#), approved in [WT/GC/M/58](#).

in its 5th edition of the Balance of Payments Manual (BPM5) up to 2010 and as defined in the 6th edition of the Balance of Payments Manual (BPM6) as of 2011.

Where IMF data deviate from IMF guidelines and include transactions not related to goods, services or intellectual property rights, adjustments provided to the WTO by the Central Bank or the National Statistical Office of a Member shall be taken into account by the Secretariat when adequately documented and justified.

If IMF data are not available, the WTO Secretariat shall use estimates based on the best other available sources.

A minimum contribution of 0.015 per cent of the total assessed contributions to all Members shall be applied to those Members whose share in the total international trade of all WTO Members is less than 0.015 percent.

The same minimum contribution shall also be assessed to Observers.

The contributions shall be assessed and paid in CHF."⁸

1.3.3 "[M]easures to be taken in respect of Members in arrears"

9. The BFA Committee regularly reviews the status of contributions assessed to the Members and adopted Administrative Measures in respect of Members in arrears.⁹ At its meeting of 15 May 2006 the General Council approved revised Administrative Measures responding to the continued problem of accumulation of arrears, which had implications for all Members in the annual final accounts of the organization.¹⁰ The Administrative Measures apply to Members in Categories I – IV, depending on how many years' assessed contributions remain outstanding. Members in Category IV are designated as Inactive Members. Administrative Measures are suspended for Inactive Members which agree to, and abide by, a defined schedule of instalment payments aimed at liquidating all arrears.¹¹

10. The CBFA Committee had received the conclusions and the recommendations of its Working Group on Administrative Measures, which had held a number of meetings and extensive consultations with Members, Observers and regional groups over the past three years. It had concluded its work by reaching a consensus on 11 September 2012. The Committee had reviewed the report of the Working Group and recommended to the General Council that the revised Administrative Measures appearing in Annex 1 of its report in WT/BFA/132 be implemented as from 1 January 2013. The proposed amendments to the Administrative Measures focussed on the following: maintaining globally the basis of the existing system of Administrative Measures while simplifying some elements; reinforcing the role of the Director-General; reducing the number of categories from IV to III; extending Administrative Measures to Observers; and providing a gradual set of measures applicable to Members and Observers. At its meeting on 3 October 2012¹², the General Council approved the further revised Administrative Measures. Doha Development Agenda Global Trust Fund

11. Following the guidelines set by the Doha Ministerial Conference¹³, the BFA Committee developed a plan to ensure long-term funding for WTO technical assistance at an overall level no lower than that of the year 2001. The General Council approved the plan at its meeting of 15-16 December 2003.¹⁴ The BFA Committee reviews and approves a biannual Technical Assistance plan.

⁸ Recommendation in [WT/BFA/147](#), approved in [WT/GC/M/156](#).

⁹ [PC/7](#), "Measures To Deal With Members in Category IV of the Administrative Arrangements on Arrears".

¹⁰ [WT/GC/M/102](#), item 7.

¹¹ [WT/BFA/86](#), paras. 14-16. See also [WT/BFA/W/141](#).

¹² [WT/GC/M/138](#), para. 101. See also [WT/BFA/W/274](#) and [WT/BFA/132](#).

¹³ [WT/MIN\(01\)/DEC/1](#), para. 40.

¹⁴ [WT/GC/M/84](#); [WT/BFA/70](#). See also [WT/BFA/W/107](#).

Recommendations made to the General Council¹⁵:

- a. The target level of resources in the Doha Development Agenda Global Trust Fund (DDAGTF) be set at CHF 24 million for 2004;
- b. The purpose of the DDAGTF be in 2004 to finance the implementation of the Technical Assistance and Training Plan (WT/COMTD/W/119/Rev.2 and its addendum), as authorised by the CTD; a table presenting the estimated cost of the Plan is attached in Annex A for Members' information¹⁶;
- c. Members be reminded that, according to the terms of reference of the DDAGTF approved by the General Council on 19-20 December 2001, actual contributions equivalent to 25% of the target amount (i.e. CHF 6 million) should be received in the WTO bank account by 31 December 2003;
- d. In this context, Members be informed that, in the absence of new contributions before the year end, it is now anticipated that the DDAGTF will show a balance at the end of 2003 of approximately CHF 7 million; as regional activities have to be planned and organised at least two months in advance, this will allow the Secretariat to start early in 2004 implementing the technical assistance and training activities included in the Plan;
- e. Members be urged to pledge additional contributions to the DDAGTF up to the 2004 target level in order to ensure a stable and solid financial basis for WTO technical assistance and training; Members be also informed that existing pledges in the DDAGTF for 2004 stood on 30 November 2003 at CHF 4.4 million (a table presenting existing pledges for 2004 is attached in Annex B for Members' information);
- f. Governments be urged to make financial contributions in a manner which would preserve the global nature of the programme and facilitate the management and reporting with a view to greater transparency (i.e. making un-earmarked contributions and limiting the degree of constraints in earmarked contributions).

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¹⁵ [WT/BFA/W/107](#).

¹⁶ Annex A follows the presentation of the Plan in document [WT/COMTD/W/119/Rev.1](#). In its meeting on 27 November 2003, the CTD requested that the Regional Trade Policy Courses (currently in chapter II.A) and the Outreach activities (currently in chapter II.E) be presented in separate addenda. These changes are cost neutral. A second revision of the Plan will be issued as a result, but is not yet available whilst this document is being finalised.