

GENERAL AGREEMENT ON

TARIFFS AND TRADE

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OFFICE ACCOMMODATION AT CENTRE WILLIAM RAPPARD AND NEW CONFERENCE ROOM FACILITIES

Note by the Director-General to the Committee on Budget, Finance and Administration

1. This paper describes the current office and conference room facilities available to the GATT Secretariat, anticipated future requirements and outlines the Director-General's plans to meet future needs.
2. The paper also outlines certain consequential problems for car parking.

Current accommodation facilities

3. Most of the GATT Secretariat is accommodated at the Centre William Rappard (CWR), a building which is shared with two other tenants; the United Nations High Commissioner for Refugees (UNHCR) and the Graduate Institute of International Studies (GIIS). GATT occupies roughly 55 per cent of the building, UNHCR 33 per cent and GIIS 12 per cent. Accommodation currently occupied by GATT in the CWR consists of 254 offices, eight conference rooms and 10 stock rooms. The building is rented from Fondation des Immeubles pour les Organisations Internationales (FIPOI), a public, non-profit making foundation representing the Swiss Confederation and the Canton of Geneva. FIPOI owns the CWR and other buildings occupied by international organisations in Geneva. The rent is, in effect, subsidised at a preferential rate (some Sw F 130 per m² per annum) which is far below that prevailing generally on the Geneva market (some Sw F 680 per m² per annum).

4. In 1986, GATT was obliged to rent offices outside the CWR as a result of the increased staffing levels caused by the Uruguay Round. At that time, office space in close proximity to the CWR was found at 2, Chemin des Mines consisting of 17 offices where 18 staff were accommodated and four rooms were used for EDP training purposes. At the end of 1987 the office space at Chemin des Mines proved to be insufficient and GATT was obliged to rent, on a temporary basis, office space at Villa La Pelouse on the premises of the Palais des Nations. Pressure on accommodation continued to increase in 1988 and as no more space was available at 2, Chemin des Mines, the Secretariat had to look elsewhere.

5. Suitable accommodation was found at 80, rue de Lausanne consisting of 23 offices where 46 staff members of the typing pool could be accommodated. In exchange, 17 offices at 2, Chemin des Mines were then given up and only the four rooms used for training purposes were retained with the result that all staff outside the CWR were then located under one roof at 80, rue de Lausanne. However, it should be noted that the 1989 budget includes a provision of Sw F 142,000 for an extra 11 offices in respect of additional temporary assistance staff for the Uruguay Round. As yet no suitable accommodation has been found and, in the meantime, offices in the CWR are over-crowded. Moreover, more offices will have to be found for additional staff for the Trade Policy Review Mechanism.

Evaluation of future accommodation needs

FIPOI has examined GATT's accommodation needs in the context of the overall requirements of the Geneva based international organisations. For example, the UN is scheduled to vacate offices currently occupied at Petit-Saconnex and requires alternative facilities. Similarly, UNHCR which has staff located at the CWR and Avenue de la Paix also has accommodation difficulties. Mindful of these problems FIPOI has decided to construct an office building in the Montbrillant area of Geneva with some 750 offices to be occupied by UN staff from Petit-Saconnex and the UNHCR. It is intended that UNHCR will vacate the CWR in 1993/1994 and, as a result, two of the three floors it occupies in the CWR, representing about 100 additional offices, will become available to GATT. It is not possible, at this stage, to make realistic predictions of GATT's future staffing and accommodation requirements. Such an exercise would have to await the outcome of the Uruguay Round. As already reported to the Council in July 1987, however, the Director-General has acquired an option on these additional offices because (a) there would be a much lower rent than that available in the Geneva commercial property market and (b) all GATT staff could be brought back into the CWR, thus increasing efficiency and cost effectiveness.

7. The Director-General was able to acquire this option because FIPOI has given GATT first priority in getting additional accommodation in the CWR when UNHCR moves to offices in the new Montbrillant building. Any of the newly acquired offices surplus to GATT's requirements could, of course, be sub-let.

8. On the basis of expected cost in 1994, the rent for 100 offices at the Centre William Rappard would amount to some Sw F 636,000 bringing the total rent for the Centre William Rappard to about Sw F 2.7 million. All outside offices then would be given up.

Conference room facilities

9. The Director-General also addressed the Council on conference room facilities in July 1987. He pointed out that FIPOI was analyzing the medium and long-term needs of international organizations in Geneva with regard to meeting rooms, offices and parking and had undertaken a feasibility study for the construction of a new conference room with some 400 seats adjacent to the CWR.

10. As already indicated conference room facilities in the CWR consist of eight separate meeting rooms. There is a heavy demand for these meeting rooms now that the Uruguay Round with its 15 Negotiating Groups is in full swing. It is anticipated that the heavy demand for meeting rooms will continue following a successful conclusion of the Round.

11. Quite apart from the number of conference rooms available, the seating capacity of the Council room is clearly inadequate. The capacity of 265 seats already imposes restrictions on the size of delegations. Its size is insufficient for meetings of permanent bodies such as the Council, the Textiles Committee and the Committee on Trade and Development. It is also inadequate for meetings of bodies which, although not permanent, are an essential part of the Uruguay Round, for example, the Trade Negotiations Committee, the Negotiating Group on Goods, the Group of Negotiations on Services and the Negotiating Group on Agriculture.

12. Furthermore, with the ongoing accession of new member countries to the GATT it is clear that a larger venue will be essential unless meetings are held outside of the CWR. Holding meetings at the CWR is clearly easier and more efficient. Furthermore, it is difficult and not always possible to find a suitable venue, especially at short notice. For instance, in the case of the Centre International de Conférences de Genève (CICG) bookings have to be made at least two years in advance. Given the nature of GATT activities it would be difficult to predict exactly when the CICG would be required and it would often not be possible to make bookings well in advance. In addition, if annual sessions of the CONTRACTING PARTIES were held in a new GATT conference room, it would greatly facilitate the organisation, planning and provision of support services (security, etc.) for such meetings. Moreover, at the Montreal meeting of the Trade Negotiations Committee, Ministers recommended that the CONTRACTING PARTIES meet at Ministerial level at least once every two years.

13. In 1986 FIPOI undertook a feasibility study on the enlargement of the Council room by some 100 seats. FIPOI decided that such an enlargement of the Council room was not a viable option, principally because it would detract from the appearance of the building which is listed for preservation.

14. FIPOI then examined other possible solutions to the conference facilities problem, for example, the construction of a new conference room on the grounds of the CWR. After examining several independent architectural studies FIPOI concluded that the best solution would be to construct a new conference room of 400 seats on the grounds of the P1 and P2 car parks between the entrance to the CWR and Crêche des Nations. The structure, while having its own independent access, would be part of the CWR complex. The design and structure of the building would be primarily functional but nevertheless aesthetically pleasing and would incorporate a full range of modern equipment and facilities associated with similar structures of this type. FIPOI designed the project as a separate structure with its own independent access in order to facilitate the letting of the conference room to other potential users apart from GATT, for example, other international organizations and conferences. (Appendices I and II provide a plan of the proposed new conference room and show its location on the CWR grounds.)

15. In FIPOI's view, GATT should continue to occupy the CWR at a subsidised rental rates and UNHCR should vacate the building and move to Montbrillant where, in fact, rental charges will be much higher. In choosing the CWR as the site for a new conference room, FIPOI took account of the central importance of the meetings process in GATT's activities and the benefits which would result from having all the facilities necessary for GATT's business located on one site.

16. The total cost of construction, including furnishings, internal fixtures and fittings is estimated at Sw F 35,500,000 which includes a reserve against inflation of Sw F 4,600,000. As usual, FIPOI will finance the project by way of a low interest rate loan from the Swiss Confederation. The interest on the loan (3 per cent a year) plus maintenance, insurance, etc. estimated at Sw F 1,475,000 would in effect be the annual rental cost to the GATT. The cost of the conference building and, in turn, the annual rental charge would be subsidised because: (i) FIPOI would receive a low interest rate loan over a long period from the Swiss Confederation, and (ii) the project does not include the cost of the grounds on which the conference room would be built as these are already owned by FIPOI. It is estimated that work could begin in November 1989 and would be completed by the end of 1992.

17. Taken as a package, the prospect of acquiring 100 additional offices and a new conference room on the grounds of the CWR, all at subsidised rental rates, represents an extremely attractive proposition. It would mean that the full range of facilities necessary for the discharge of GATT activities would be available on the same site at preferential rental charges. As already indicated, the design of the project would facilitate the letting of the conference room to other potential users. Thus, it would be possible to reduce further the cost to GATT by letting the conference facilities at times when it was certain that GATT would not need them. The daily rental might be about Sw F 3,000, which is extremely competitive by Geneva standards.

Parking

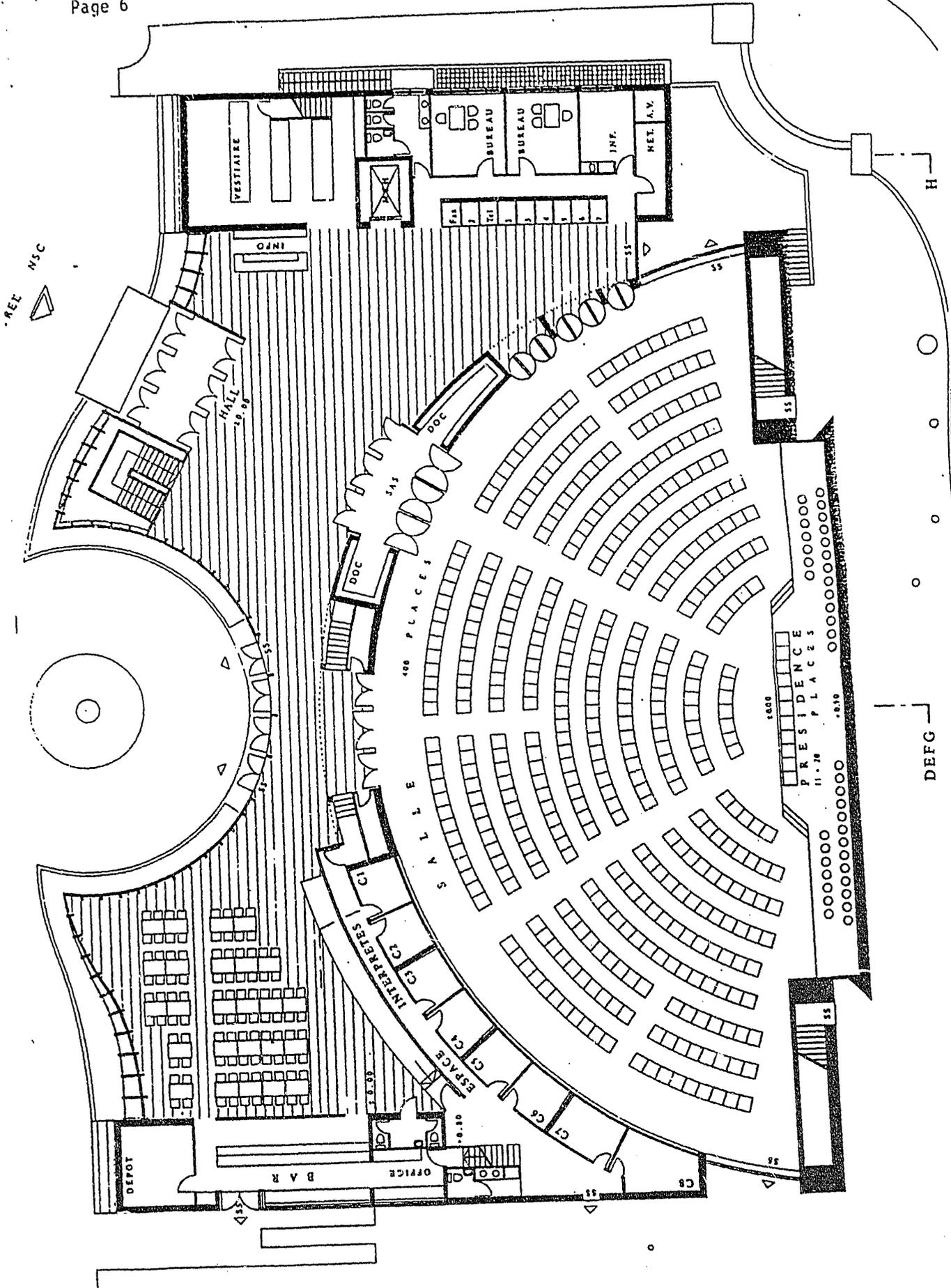
18. The building of the new conference room will result in the permanent loss of some 150 parking spaces in car parks P1 and P2. These spaces are currently used by delegates when meetings are taking place and, at other times, by members of the Secretariat staff. The 180 spaces which will remain on the grounds of the CWR and the 229 spaces at Chemin des Mines will continue to be shared by GATT and UNHCR staff.

19. The Geneva authorities plan to build a public underground car park of 1200 places in the Chemin des Mines area. When completed it will provide an excellent solution to the parking problems of the delegates and the GATT staff. It is evident, however, that during the construction period, which is likely to coincide with the building of the new conference room, there would be major inconveniences. In fact, the construction of the parking complex may be subject to some delay since there is a private alternative project. It will be recalled that in presenting the budget proposals for 1989, the Secretariat drew the attention of the Budget Committee to the difficulty of finding alternative solutions. The Secretariat is currently examining the matter with a view to minimising the inconveniences for all concerned. Uppermost in the minds of FIPOI and the Secretariat, however, will be the preservation of the appearance of the CWR building and the surrounding parklands.

Conclusions

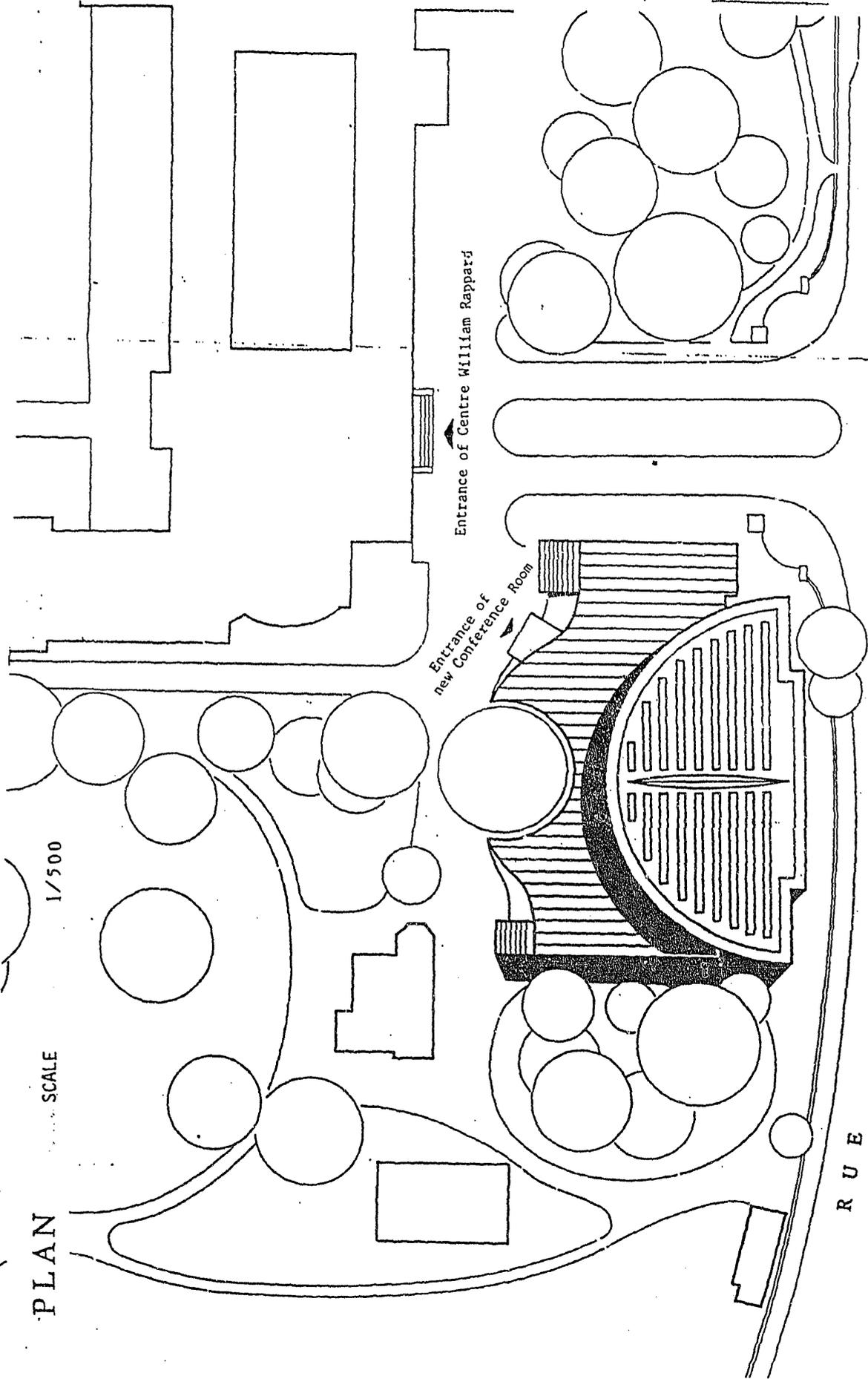
20. As indicated above FIPOI will finance the construction and furnishing of the new conference room and will of course be the owner of the building as it is of the CWR. The building of the conference room and the office block at Montbrillant are being undertaken jointly by FIPOI to resolve the accommodation problems of GATT and those of other international organizations. Appendix III outlines the present and projected rental costs of the existing CWR accommodation, outside offices and the new conference room over the period 1989-1994. It will be seen from the appendix that in 1993 the estimated rental for 100 offices outside the CWR would be Sw F 2,540,000 while in 1994 the total cost of the package (100 additional offices in the CWR and the new conference room) would amount to Sw F 2,111,000. The new conference room will be available from 1993 at an annual rental of Sw F 1,475,000. As already indicated it would be possible to reduce the cost to GATT by letting the conference room to the Geneva Authorities for certain periods or, alternatively, GATT itself could let the facilities directly to interested agencies.

21. FIPOI and the Geneva Authorities have worked closely with the GATT on its accommodation problems and have done excellent work in proposing solutions which take full account of the role and functions of the GATT. As noted above, the package of 100 additional offices in the CWR, a new conference room and underground parking facilities at Chemin des Mines all offer a unique and very attractive opportunity to consolidate and develop GATT headquarters within the CWR at a modest rental. The Director-General strongly believes that this package would be effective and efficient and offers the best solution to GATT's future accommodation needs.



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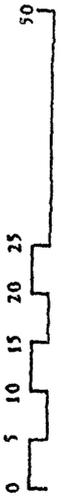


PLAN

SCALE

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APPENDIX III

Present and Projected Rental Costs

(Swiss Francs)

	1989	1990	1991	1992	1993	1994
Present CWR Accommodation (254 offices)	1,784,000	1,833,000	1,882,000	1,931,000	1,980,000	2,030,000
Offices commercially rented outside the CWR ^{1/}	726,000	1,179,000	1,633,000	2,086,000	2,540,000	-
100 additional offices in the CWR in 1994	-	-	-	-	-	636,000
New Conference Room	-	-	-	-	1,475,000 ^{2/}	1,475,000 ^{2/}
Total	2,510,000	3,012,000	3,515,000	4,017,000	5,995,000	4,141,000

^{1/}The 1989 cost includes the existing 26 offices outside the CWR, 11 additional offices not yet rented but for which a provision is included in the 1989 budget and 10 additional offices for the TPRM. For 1990 and subsequent years, the cost of renting additional offices has been included up to a total of 100 offices in 1993.

^{2/}The rental cost to GATT could be reduced below this figure by occasionally letting the conference room to other organizations.