

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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ADMINISTRATIVE AND FINANCIAL QUESTIONS

Supplementary Information on Office Accommodation, New Conference Room and Parking Facilities

Note by the Secretariat

1. At its meeting on 26 and 27 April 1989, the Budget Committee discussed proposals for additional offices at the Centre William Rappard, the building of a new Conference Room and parking facilities to be provided during the building of the Conference Room and afterwards.

2. After a first exchange of views, the Budget Committee decided to revert to these matters at its next meeting. In order to facilitate the Committee's deliberations, the Secretariat is providing this supplementary information.

Office Accommodation

3. Some Committee members suggested that the question of acquiring 100 additional offices at the CWR might be separated from the other issues and examined separately with a view to reaching an early decision. The rental of these 100 additional offices would amount to some Sw F 636,000 by 1994.

4. At present GATT pays about Sw F 130 per square metre a year for office accommodation in the CWR. UNHCR, on moving to Montbrillant would pay about Sw F 350 - 400 per square metre a year. While it could be argued that the standard of accommodation would be significantly better at Montbrillant there would, nevertheless, be a large disparity in rental charges payable to FIPOI by the two international organizations. The Swiss authorities, however, have assured the Secretariat that the proposed rent of the CWR will not be increased.

5. Some organizations in Geneva own the buildings they occupy (UNOG, WHO, WMO, ITU). Of the others, examples of rentals represent the following percentages of their annual budget: ITC 6.10 per cent, WIPO 4.44 per cent, GATT 3.91 per cent.

6. GATT moved to the CWR in August 1977 having previously occupied offices in the grounds of the Palais des Nations. The following table shows the evolution of GATT rental costs, 1973-1989:

Total rental costs in Sw F borne by GATT

	Annual rental	% of total expenditure
1973	75,095	0.38%
1974	103,661	0.46%
1975	427,082	1.58%
1976	345,042	1.02%
1977	895,462 ^{1/}	2.51% ^{1/}
1978	1,306,164	3.54%
1979	1,297,816	3.72%
1980	1,295,302	3.24%
1981	1,278,056	3.04%
1982	1,301,544	2.89%
1983	1,537,258	3.22%
1984	1,549,718	2.98%
1985	1,574,695	2.87%
1986	1,644,622	2.99%
1987	1,793,366	3.15%
1988	2,126,415	3.46%
1989 ^{2/}	2,537,000	3.91%

^{1/} This amount reflects the fact that for 7 months rent was paid for the Villa le Bocage and Annexes, and for 5 months for the CWR.

^{2/} Budget provision.

The increased rent since 1977 reflects the move to CWR and the higher charges paid for better accommodation to meet GATT's needs.

The table shows that the proportion of the GATT budget spent on rental has been increasing in recent years, but it is still below that paid by other organizations. In 1994 the GATT rental charges, inclusive of the new Conference Room, may represent some 5 per cent of the budget.

New Conference Room

7. Assuming, of course, a successful Uruguay Round and a strengthened and more active GATT, the Secretariat estimates that the new Conference Room would be used for perhaps 40-50 days a year, when major trade negotiations were not taking place. Thus, about 30-35 days a year would be devoted to GATT Council meetings, including discussion of TPRM country reviews, up to 8 days for meetings of the CONTRACTING PARTIES and another 6 days or so for meetings on services (assuming that the regular infrastructure would handle services meetings).

8. During years in which major trade negotiations are underway the use of the new Conference Room would be certain to increase dramatically. (Present GATT facilities are already strained by the Uruguay Round negotiations, and this strain is likely to increase next year as the CONTRACTING PARTIES drive the negotiations towards a successful conclusion in the latter part of 1990.) In 1988 the Council Room was actually used for 145 days for meetings directly related to the Uruguay Round. It seems fair to assume that a new Conference Room would be used for a similar number of days annually during a future round of trade negotiations. This means that in total the Conference Room might be used for 185-190 days a year when trade negotiations were in progress. This estimate appears reasonable in light of the fact that the currently inadequate Council Room was used for 159 meeting days in 1988.

9. Some members of the Committee suggested that alternative proposals other than the construction of the new Conference Room should be considered. These proposals are described below:

(a) Enlargement of the present Council Room

The Secretariat had considered the enlargement of the present Council Room as the first possible solution to the conference facilities issue. FIPOI studied the proposal but indicated that it was not a viable option principally because it would detract from the appearance of the building which is officially listed for preservation.

FIPOI has just reiterated that this solution is out of the question. It would be unlikely to produce more than 60 additional places, for a total of 325 places, far short of requirements.

The question of increasing the seating capacity of the present Council Room by extending into Room 64 was also rejected by FIPOI because of the very high cost involved in comparison with an end result which would be inadequate and also unattractive. The present Council Room has a provision of 1.2 m² per seat. (Comparable figures for the proposed new Conference Room are 2.5 m² for 500 places or 2.0 m² for 600 places.) It is not possible to increase the seating capacity of the present Council Room significantly by rearranging the seating accommodation or by changing the furniture.

(b) Provision of a salle d'écoute

In view of the overcrowding of the Council Room it was suggested that the overflow might be accommodated in other rooms with an audio or video screen links, or both, with the Council Room. This would mean reducing the number of members of each delegation admitted to the Council Room and accommodating the other

delegates elsewhere, probably in room D or E, or both. The cost of equipping both of these rooms with the necessary cable linkages would be as follows:

Video screen connection Sw F 200,000 (Sw F 100,000 for each room)
Audio connection only Sw F 20,000 (Sw F 10,000 for each room)

Whether this kind of arrangement would be satisfactory to delegations is another question. Moreover, additional personnel would be necessary to ensure that authorised persons only were in the salle(s) d'écoute.

(c) Seating capacity of the new Conference Room

Some members of the Committee suggested that the seating capacity of the new Conference Room might not, in fact, be adequate. FIPOI architects were requested to study the construction of a conference room which would be as large as possible by using the maximum space available on² the CWR car parks. The resulting project provides for 1,200 m² of conference room space (including 210 m² of gallery). It envisages 400 places on the ground floor, 70 places in the gallery and 30 places for the Chairman and the Secretariat, for a total of 500 places. By comparison, the present Council Room has 320 m² of floor space with a total seating capacity of 265 places.

The architects have informed the Secretariat that the total seating capacity can easily be increased from 500 to 600 seats by rearranging the seating accommodation but without increasing the total area of the conference room. There would be additional construction costs on the order of Sw F 200,000 to 300,000 but more precise estimates would have to be prepared by FIPOI's engineers. The added cost would result from additional furniture required and a possible increase in the capacity of the air-conditioning and ventilation equipment.

This 600-seating capacity would easily accommodate annual sessions of the CONTRACTING PARTIES, which currently are attended by 350-450 persons. Combining the new Conference Room with the present Council Room (which could temporarily be provided with video and audio equipment) would provide approximately 865 places for ministerial meetings. That number should be sufficient. At Montreal there were 1,007 persons on national and international organization delegations, plus about 70 from the Secretariat. Only a fraction of those persons, however, was actually present, or needed to be present, at any given time in the main meeting room. (The two largest national delegations comprised 76 and 71 persons respectively.) Thus, a capacity of 865 should be more than enough to accommodate officials who need to be present or

who need to watch the proceedings. When major ministerial meetings with high press interest occur, however, it probably would be necessary to arrange press facilities outside the CWR complex.

10. There was discussion about the sub-letting of the new Conference Room to reduce the cost of the annual rental, Sw F 1,475,000 per year.

(a) GATT takes the responsibility of the new Conference Room and sub-lets it for part of the year

GATT might be able to reduce the annual rental payable to FIPOI by sub-letting the new Conference Room to outside organizations when it was not required for GATT's purposes.

Assuming that the Conference Room could be rented 50 days of the year to organizations within the United Nation's system and to private organizations without significantly reducing GATT's flexibility of use, at a daily rental of Sw F 5,000 in 1994, the gross rental income would be Sw F 250,000. Whether the Conference Room could, in fact, be rented for 50 days a year is difficult to say. By accepting some long-term advance bookings, by making the room available to private organizations and by publicising its availability, opportunities to rent the room could be increased.

Income would be reduced by administrative costs, principally staff costs and other charges, estimated in total at about Sw F 50,000 a year. Thus annual net income from rental of the Conference Room might be about Sw F 200,000 a year.

(b) Postpone construction of the Conference Room

Construction of the new Conference Room might be delayed until the completion of the Uruguay Round, i.e. until the beginning of 1991. This would have the advantage of alleviating the parking problem (see following page) but would result in increased construction costs caused by inflation. The increase is, of course, extremely difficult to forecast but the architect has estimated it at some 10 per cent. Assuming that the annual rent of the Conference Room was increased proportionally, it would then be about Sw F 1,600,000.

Rental to be paid by GATT

The amount of Sw F 1,475,000 has been calculated by FIPOI on the following basis:

	<u>Sw F</u>
Estimated cost of construction	35,500,000
Interest	<u>1,597,500</u>
TOTAL	37,097,500 =====
Loan at 3 per cent for 99 years; per year	1,175,948
Annual maintenance, reserves, insurance	<u>300,000</u>
TOTAL	1,475,948 =====

The Director-General has been discussing more favourable rental conditions with the Swiss Authorities. They have indicated that they are convinced that a solution to the rental problem can be found to the satisfaction of both parties as soon as there is a clear indication from the CONTRACTING PARTIES that there is indeed a need for such a Conference Room. The Secretariat believes, therefore, that it will be feasible to reduce the annual rent by a significant amount.

It should be emphasized that the GATT will not pay any rent for the new Conference Room until it is completed, now scheduled for 1992/1993.

Parking Facilities

11. The P1 and P2 parking areas contain 130 spaces, of which a maximum of 100 are reserved for delegates when meetings take place. The P1 and P2 areas will be lost when construction begins and only 64 parking places would remain available for GATT on the CWR grounds. The delegates' parking needs could be met in various ways:

(a) In the period during the construction of the new Conference Room

- (i) Redistribution of the parking spaces around the CWR: i.e. transformation of the existing visitors' and Rue de Lausanne spaces into angle parking and the creation of additional parking spaces on the lawn on the Rue de Lausanne side, and on the hard surface on the lake side of the building. This would create 66 additional parking places, for a total of 130, more than enough to reserve 100 places for delegates. Still additional parking places might be created depending on the attitude of the Swiss authorities.

(ii) Reservation of parking spaces in the Chemin des Mines: The staff of the UNHCR, who currently share the Chemin des Mines car parks with GATT, will be encouraged to park in the United Nations car parks nearby.^{1/} This might create an additional 100 places. But when the construction of the public underground car park at Chemin des Mines begins, perhaps in 1990, all the GATT/UNHCR parking space in this area will be lost. However, this loss might be offset by the creation of temporary parking spaces on ground presently occupied by Sécheron.

(b) On a permanent basis

(i) Parking spaces around the CWR

When the UNHCR moves to the Montbrillant offices in 1993/94 a total of 130 parking places around the CWR will then be permanently available to GATT.

(ii) Rental of underground spaces in the new Chemin des Mines car park

When the new Conference Room becomes available the long-term rental of spaces in the new underground car park would represent the best permanent solution to the long-term parking needs of the conference users and Secretariat staff. Among the 1,200 places to be constructed in this car park, GATT could reserve a certain number for conference users and staff members. The future rental charge at this car park is not yet known. However, as an illustration, the charges at the Parking des Nations vary from Sw F 100 to Sw F 170 per month. If 100 parking spaces were to be reserved at this car park, the annual budget cost on the basis of the charges quoted above, would be between Sw F 120,000 and Sw F 200,000.

As to the possible construction of a tunnel under the Rue de Lausanne to facilitate access from the new underground car park at Chemin des Mines to the conference building, FIPOI indicated that a project of this kind was unrealistic in view of its very high costs and the technical problems which would arise because of the many underground services (electricity, telecommunications, drainage etc.) located under Rue de Lausanne.

^{1/}The UN administration seemed quite prepared to consider this measure.

Conclusion

GATT's current meeting facilities are inadequate in two respects. First, the Council Room is already not large enough to accommodate major meetings. Second, when two large rooms are needed, for example, when two major negotiating groups are meeting simultaneously, one group is forced to occupy a room of insufficient size.

Assuming a successful Uruguay Round -- and does anyone assume otherwise -- GATT will become a more important organization and its activities will increase. Moreover, the Uruguay Round will not be the last major round of trade negotiations. Looking to the last years of this century and beyond, there certainly will be other "Uruguay Rounds". When one considers that the Council Room was actually used for 159 days last year it seems clear that an additional and larger Conference Room, under GATT's control, will be needed in the decades ahead.