

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ADMINISTRATIVE AND FINANCIAL QUESTIONS

Construction of a Second Annex

Note by the Executive Secretary

1. At its meeting in December 1963 the Council undertook a preliminary discussion of the problems concerned in the provision of conference and secretariat accommodation. Since that time there has been a further development in that the Swiss authorities have put forward proposals envisaging the construction of a new building which would contain adequate facilities both for conference and secretariat accommodation. These proposals are at present the subject of close examination and further details will be submitted to the Council at a later meeting.
2. It is, however, clear that the construction either of a new secretariat building or of the building envisaged by the Swiss authorities would take several years. In the meantime the secretariat accommodation problem is becoming acute and some temporary solution is needed to cover the period until longer-term arrangements can be made.
3. I have considered various possibilities of providing such additional temporary accommodation, including the rental of office space in Geneva, and have come to the conclusion that, as was the case in 1960 when the present Annex was planned, the most efficient, economical and rapid solution to the problem would be to construct a second Annex near the present one.
4. This second Annex would provide another fifty offices, which ought to cover the secretariat's needs during the coming three to four years. It could be constructed within five to six months and, providing construction begins by 1 September, it could be finished early in 1965.
5. The overall cost, including groundwork, access work and parking space, is estimated at 1,200,000 Swiss francs.

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6. As to the financing of the project, I am now examining the possibility of obtaining a low-interest loan from the Federal Government. If such a loan should not be granted, two further possibilities remain, namely financing through a bank loan at the current rate of interest of roughly 4 per cent or, alternatively, financing through use of the Surplus Account, standing at present at \$92,058.61, the balance being covered by a withdrawal from the Working Capital Fund subject to reimbursement.

7. As to the eventual disposal of the second Annex, if and when permanent premises are ready, it should be borne in mind that, in the unlikely event of the United Nations not wishing to take over the building, the resale value after dismantling may be estimated at 60 per cent of the original cost.

8. In order to allow preparations for the construction of the second Annex to go forward without delay the Executive Secretary proposes that the CONTRACTING PARTIES grant him authority:

- (a) to commission Messrs. Durisol, who erected the first Annex, to construct also the second Annex;
- (b) to finance construction of the second Annex by:
 - (i) a low-interest loan from the Federal Government;
 - (ii) a bank loan;
 - (iii) the use of the Surplus Account supplemented by a withdrawal from the Working Capital Fund;

or if necessary a combination of (i), (ii) and (iii), so as to arrive at an arrangement most advantageous to the CONTRACTING PARTIES.

9. The Council may wish to decide that a special meeting of the Committee on Budget, Finance and Administration should be held at an early date to examine these proposals and to prepare an appropriate decision for approval by contracting parties through a postal ballot.

