

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

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REPORT OF THE COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

INTRODUCTION

1. The Committee on Budget, Finance and Administration met at the Centre William Rappard, Geneva, on 30 and 31 May and 8 June 1989.

2. The Committee was chaired by Mr. K. Broadbridge of Hong Kong and the membership of the Committee was as follows:

Australia	India	Singapore
Belgium	Israel	Spain
Canada	Italy	Sweden
Chile	Jamaica	Switzerland
France	Japan	United Kingdom
Germany, Fed. Rep.	Korea, Rep. of	United States
Hong Kong	Malaysia	Zaire
Hungary	Nigeria	

this meeting Austria, Brazil, the Republic of the Côte d'Ivoire, the Czechoslovak Socialist Republic, the Arab Republic of Egypt, the Republic of Indonesia, the Kingdom of the Netherlands, the United Republic of Tanzania and Turkey were represented by Observers.

I. Office accommodation at Centre William Rappard and new Conference Room facilities (Spec(89)12 Spec(89)25 and CRP.6(89)1

3. The Committee heard presentations from the Director-General and a Deputy Director-General on the current office and Conference Room facilities available to the GATT Secretariat, anticipated future requirements and the proposals to meet future needs.

4. The Fondation des Immeubles pour les Organisations Internationales (FIPOI), a public, non-profit making foundation representing the Swiss Confederation and the Canton of Geneva, in consultation with the Secretariat had examined GATT's accommodation needs in the context of the overall requirements of the Geneva-based international organizations.

5. FIPOI came to the conclusion that GATT should stay in the CWR and that UNHCR (the other major tenant in the CWR) should have its own accommodation difficulties resolved by moving to a new office block to be constructed by FIPOI at Montbrillant. This move which is intended to take place in 1993/94 would put 100 additional offices in the CWR at GATT's disposal.

6. On the question of Conference Room facilities FIPOI concluded that the best solution would be to construct a new Conference Room of 500/600 seats on the grounds of the P1 and P2 car parks between the entrance of the CWR and the Crèche des Nations. The total cost of construction was estimated at Sw F 35,500,000. FIPOI would finance the project by way of a low interest loan from the Swiss Confederation and would be the owner of the building, as it is of the CWR. The Conference Room would be rented to GATT at a proposed annual cost of Sw F 1,475,000, although the Swiss authorities had recently indicated that more favourable terms could be negotiated. It was estimated that if construction could begin in November 1989, it would be completed by the end of 1992. Should the project be deferred, building costs and consequently the proposed rental would be higher.

7. It was noted that the 100 additional offices in the CWR, a new Conference Room and the public underground parking facilities which would be constructed at Chemin des Mines all offered a unique and very attractive opportunity to consolidate and develop GATT headquarters at a modest rental.

8. During discussions, some members of the Committee suggested that the proposals on office accommodation might be considered separately with a view to reaching early agreement on that aspect of the package. With regard to the Conference Room proposal, some members queried the need for it given that alternative venues in Geneva could be rented when the need arose. Others questioned the wisdom of undertaking a project of this size at a time when the Uruguay Round was coming to its most crucial stage and which would involve considerable disruption for delegates and Secretariat staff alike.

9. Some members were prepared to support the FIPOI project to build a new Conference Room, stating that in their view it was justified on the basis of need. They said that GATT should have the means to fulfil its ambitions and to cater adequately for the number and size of meetings which could be anticipated in the future. With regard to any nuisance or other inconveniences caused during the construction period, they suggested that the Secretariat take steps to minimise these problems.

10. Other members indicated that if there was a consensus in favour of the Conference Room they would go along with it. Still others wished to defer any decision until after the Uruguay Round had ended at which time GATT's future needs would be clearer. Some other members questioned whether the proposal was cost effective noting that, in their judgement, the new Conference Room would not be used sufficiently often.

11. In conclusion the Committee noted that there was for the time being no consensus on the proposal to build a new Conference Room. However, the Committee recommends to the Council that with regard to the rental of 100 additional offices in the Centre William Rappard after the departure of the UNHCR in 1993/94, the Director-General be authorized to make a firm commitment to FIPOI.

II. Budget estimate for the Trade Policy Review Mechanism (Spec(89)20 and Spec(89)28)

12. In introducing this item the Director-General said that the CONTRACTING PARTIES had now approved the introduction of the Trade Policy Review Mechanism, with immediate effect.

13. The individual country reviews, of which there would be up to sixteen every year, constituted a completely new activity; i.e. the appraisal of national trade policies and practices as a whole. The fact that the reviews would be carried out by the Council itself, rather than by a subordinate body, emphasized the significance attached to the new activity.

14. He pointed out that the CONTRACTING PARTIES would review the operation of the TPRM at the end of the Uruguay Round. For this reason, it was essential that by the end of 1990 a substantial and representative programme of reviews should have been carried out, to provide the necessary basis of experience on which the TPRM could be judged.

15. Initially, four Professional and three General Service staff, all from in-house, were being assigned to the Director of the Division. Two more Professionals would be added this year and another three Professionals would be required in 1990. That would make a total of ten Professional, including the Director, and three General Service staff to handle the trade policy reviews as well as the existing tasks of servicing the BOP Committee and the Uruguay Round Surveillance Body.

16. Three Professional and one General Service posts would become available through redeployment, which meant that, net, only seven Professional and two General Service posts were required. Furthermore, only four of the seven Professional posts and two General Service supporting staff were requested this year.

17. The Director-General stressed that the approval of only the 1989 estimates of Sw F 474,000 was sought. In the light of the 1989 experience it might be necessary to revise the 1990 forecast in the course of examining the 1990 budget estimates.

18. Some members stated that the provision for missions was excessive while others considered that the provision was justified noting that the missions were a necessary part of the review process. Still others had reservations about the fact that sixteen reviews were proposed for 1990 pointing out that, as this would be the final year of the Uruguay Round, it might be better to build up to a full sixteen reviews over a period of three rather than two years.

19. The Secretariat confirmed that the posts created for the TPRM would be temporary and would be short-term contracts only, to be reviewed at the end of the first full year of operation. It was agreed to present the TPRM as a separate heading in the budget to facilitate monitoring and control procedures.

20. The Committee recommends that the Council approve the Budget Estimate of Sw F 474,000 to cover expenditure relating to the Trade Policy Review Mechanism in 1989. The balance of Sw F 26,000 of the total funds set aside in the 1989 GATT budget and any subsequent savings shall be frozen pending further consideration by the Budget Committee

POINTS FOR DECISION: Paragraph 11
Paragraph 20