To:
FIDIC MA Presidents
FIDIC MA Secretary Generals

CC:
FIDIC Executive Committee
FIDIC Secretary

Berne, September 19th 2016
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Subject: Pre-study for a possible re-location of the FIDIC Secretary

Honourable Presidents of FIDIC MA
Dear Secretary Generals and Directors of FIDIC MA

In the wake of the upcoming FIDIC DNS-Meeting as well as the FIDIC GAM, on behalf of the Swiss Association of Consulting Engineers usic, we would kindly like to present to you our view regarding the pre-study of a possible re-location of the FIDIC Secretary.

As already pointed out in our response to the poll undertaken in April by the FIDIC EC (cf. Appendix), we did support the undertaking of a pre-study and we would like to thank Kaj Möller for having undertaken a great amount of effort and diligence in producing the pre-study received.

We nonetheless share strong scepticism regarding the plan to relocate the Secretariat in general. Despite the level of in-depth of this pre-study, we remain nevertheless disappointed of the fact that several important key-elements have not been considered and of the conclusions drawn from the analysis.

Firstly, in the poll undertaken, FIDIC MAs were asked if they agreed on the criteria presented by the EC to be used to evaluate a possible relocation. Despite the circumstance that usic had highlighted additional criteria to be considered in their response, we find that the criteria initially established by the EC had been transferred into the pre-study unchanged (cf. P. 3 Pre-study). This casts significant doubt on the EC’s intention to sincerely consider MA opinions to that matter.

Second, the pre-study’s recommendations as to favour Berlin or Amsterdam appears arbitrary, considering the circumstance that further analysis is required to provide solid grounds for decision-making. This fosters assumptions that the EC may be in favour of deciding based on political instead of practical criteria.

Third, besides the criteria already mentioned in our response to the poll undertaken, we would like to highlight critical key-elements which have not been addressed by the pre-study.

- **Liberal employment environment:** Switzerland possesses one of the most liberal legal frameworks regarding employment practices. While it may be easy to “hire and
fire” staff in Switzerland, this is not so much the case in Europe. The study does not take into account possible follow-up costs in relation to employment practices and effects of path-dependency thereof.

- **The location of registry:** By moving the Secretary outside of Switzerland, the registration of FIDIC would also have to be relocated abroad, unless a formal presence is kept in Switzerland. This may lead to significant impacts regarding administrative procedures and fiscal matters to the disadvantage of FIDIC. Such critical consequences must be thoroughly elaborated before providing specific recommendations to the EC.

We therefore kindly ask you to reject the pre-study based on grounds that the results of the study are far from being sufficient grounds to provide the EC with recommendations of action. Given the EC’s earnest intentions to evaluate a possible re-location of the Secretary, we kindly ask you to reject the present pre-study and its recommendations.

Instead, we kindly ask you to request that the following actions are being taken by the EC:
- instructing an in-depth analysis executed by a professional consultant firm.
- expanding the criteria of evaluation in order to receive a more extensive picture.
- taking into consideration the MAs sincere feedback regarding the poll undertaken in April by the EC.

We thank you for considering our position.

Best regards

USIC

Secretary General
Dr. Mario Marti
Attorney at law
Berne, April 6th, 2016 / MMA/lab

FIDIC Member Associations’ opinion on relocation of the FIDIC Secretariat

Dear ladies and gentlemen

On behalf of the Swiss Association of Consulting Engineers usic I thank you for the opportunity to comment on the FIDIC Executive Committee’s (EC) elaboration regarding a possible relocation of the FIDIC Secretariat.

1. Is such a Pre-study a well-received initiative, or is the FIDIC Secretariat in Geneva well situated as it is?

A pre-study is a valid option provided that it is done by a qualified external source such as a professional consulting agency. However, we share strong scepticism regarding the plan to relocate the Secretariat in general for the following reasons:

The elaboration is inconsistent with the current priorities of FIDIC and risks to endanger the prior aim of FIDIC to strengthen the position of civil engineering on a global level. Among others, these immediate priorities consist of:

- the production of new FIDIC contracts
- the ongoing and intended initiatives to engage into lobbying activities in relation to the implementation of WTO-GPA modifications into European and national legislation
- the strengthening of relationships between FIDIC and multilateral banks (i.e. AIIB, Worldbank).

Besides the costs of producing a consistent pre-report, the potential relocation of the Secretariat will consume substantial resources which in return will not be available for the accomplishment of the priorities mentioned above. These costs, among others, would consist of:

- Legal and financial resources to re-establish a legal entity abroad
- Financial and organisational resources to physically relocate the Secretariat
- Loss of valuable human resources and additional training costs due to the relocation, thereby reducing productivity and slow down significantly work processes.

We would also kindly remind the EC that the work of FIDIC cannot be solely measured by strict economical standards such as effective revenue and cost efficiency usually applicable to a commercial enterprise, in particular because the benefits of FIDIC are reflected in the indirect benefits for the entire consulting industry.

2. Are there any additional selection criteria for a possible new location of the Secretariat that should be given priority?

First of all, we support the criteria provided by the EC. However, there are several criteria which also need to be taken into account, some of which are unique to Switzerland, and in particular to Geneva:
APPENDIX

- The high density of international organisations strongly facilitate an immediate exchange between FIDIC and these organisations relevant to the consulting industry, such as the UN-organisations, the WTO, the WEF, the ISO, ILO as well as the WBCSD.

- Switzerland has a long standing tradition of neutrality. Since some member associations of FIDIC may experience discomfort of relocating the Secretariat to i.e. the US, Asia, Australia or the Middle East. Hence, Switzerland is the ideal location to assure neutrality.

- Additional criteria which specifically apply to Switzerland are, legal and political long-term stability, a long-lasting tradition and therefore experience with international organisations, fiscal and organisational advantages for NGOs as well as short and efficient connections to government-officials.

Taking into account all these arguments mentioned above, we are strongly convinced that Geneva remains the optimal location for FIDIC and that the relatively high costs of infrastructure and wages nonetheless outweigh the various long-term advantages for FIDIC.

Best regards

usic
Secretary General

Dr. Mario Marti
Attorney at law