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The Capital Master Plan to Renovate the UN Headquarters

NANCY SCHULTZ & VOLKER LEHMANN

Summary

Ever since the United Nations (UN) headquarters in New York City was completed in 1950, these structures have been a symbol of multilateralism, human rights, economic and social development and world peace. While the UN as an organization has shaped world politics and global policies, the headquarters' structures have aged to an extent that endanger the functioning of the UN as a multilateral body. To overhaul its headquarters, UN member states adopted the so-called Capital Master Plan (CMP). The CMP initially set the costs for a complete renovation of the building at \$1.9 billion. Since 2006, however, the CMP has been changed several times, and anticipated costs have risen to \$2.1 billion. For the UN as an organization that regularly struggles to raise the resources of its annual budget of currently about \$4.2 billion, raising such large extra sums poses a critical political challenge. The politics around the CMP are hence a reflection of the state in which the UN currently fares.

History

After the adoption of the UN Charter in San Francisco in June 1945 a permanent UN Headquarters in New York was made possible thanks to the Rockefeller family, which purchased 17 acres of land for \$8.5 million and donated it to the UN. Under the American director of planning Wallace Harrison, a multinational team of architects from UN member states was commissioned to design the UN building. The final design was based on the proposals by Le Corbusier (France/Switzerland), and Oscar Niemeyer (Brazil). The original assemblage of buildings - the 39-storied secretariat tower, the domed General Assembly (GA) Hall, and the conference building - was built in 1949 and 1950 and cost \$65 million. In 1961, a fourth building, the library in honor of the late Secretary-General Dag Hammarskjöld was added.

While the UN building initially had to host representatives of only 50 member states, this number has risen to currently 192. Moreover, as the world body's programmatic activities have expanded, over time the number of UN Secretariat staff that works at headquarters has doubled to an unprecedented 4.700. There are also about 1 million visitors per year coming to the UN and the architecture barely kept pace with the increase of utilization. Small alterations are carried to maintain the functioning of the building on an ad-hoc basis. The UN spends approximately \$19 million a year on maintenance, plus almost \$6 million on maintenance staff. Nonetheless, the building does not fulfill the most basic contemporary safety requirements such as a sprinkler system to prevent a fire hazard.

One Plan, Three Approaches

Starting in 1998, the General Assembly debated a complete restoration of the UN Headquarters and a first CMP was proposed by the GA in 2003. Each of the main buildings of the headquarters structures was supposed to be renovated in one single phase and UN staff would have had been relocated off site all at once. The plan also involved building a new Secretariat tower to accommodate staff members during the renovation. However, in 2006 this plan had to be abandoned after the New York State legislature withdrew its loan guarantee for the land south of the headquarters complex where the temporary building was supposed to be built.

In June 2006 the CMP therefore changed its approach. Renovation was planned to be carried out in multiple phases during which only part of the staff would have to be moved offsite while the rest would move within the secretariat building.

This section-by-section overhaul was expected to reduce costs on renting external office space. This approach was within an approved budget of \$1.9 billion and the completion date was set for the summer of 2014. Yet already in fall 2007, delays in construction pushed back the date of completion back to mid 2015, while anticipated costs rose to \$2.10 billion.

Therefore, changing tack again, the GA approved an accelerated strategy in December 2007. Under this plan, secretariat and the conference buildings will be refurbished in one phase, thereby reducing the time for the renovation from seven to five years so that the overhaul can be finished in 2013. The UN already leased office space for 1,800 employees and the rest of the staff members will be relocated to other office buildings nearby until the summer of 2009. The conference building will be refurbished in one single phase over two years, which is one year less than under the previous approach. A temporary building for all conferences is being built in 2008 on the North Lawn at the UN headquarters. Shortening construction time is hoped to save expenses, for instance on leasing swing office space, and the accelerated strategy is estimated to cost \$2.07 billion, \$30 million less than the previous approach. However, this would still exceed by almost \$200 million the budget approved in 2006.

Funding

Funding for the CMP is coming from the member states. They are assessed using the scale for the regular 2007 budget assessments, over either a 5-year period from 2007 until 2011 or a one-time payment up-front in 2007. In addition, a working capital reserve fund was established to mitigate cash flow fluctuations. Although last year the outstanding balance amounted to almost \$128 million, with the USA accounting for more than \$64 million, to date the CMP has received about \$400 million. Interests on this money as well as the incoming funds have to be returned to member states after the completion of the CMP. They cannot be used to compensate for increases in the CMP's budget.

The New UN Buildings

After the renovation of the UN headquarters, the work done will be mostly invisible to the visitor as the new interiors aim to represent the original colors and styles. Inside the General Assembly and Security Council Chamber, some alterations to furniture and other interior design elements will be unavoidable since the manufacturers of many of the original furniture and materials are out of business. The most visible change will take place regarding the façade of the Secretariat tower. The current windows that give the tower a turquoise look will be substituted double-pane windows with a more silvery and transparent look. More importantly, they will be more energy efficient and will help reduce energy costs by 30 percent after 2013. The approved budget for the CMP includes \$28

million for measures to improve the buildings' sustainability. In a similar vein, for the trees that have to give way for the temporary building on the North Lawn an additional 150 trees will be planted after the completion of the renovation.

Challenges Ahead

- The CMP office needs to cut the currently estimated budget of \$2.1 billion down to the approved budget of \$1.9 billion without compromising the quality of the structures. Yet even if constructions will be completed in 2013, there is still no guarantee that the budget will be met. Industry experts proclaimed that cost estimates may vary up to 30 percent from the beginning of construction until the end. In early 2009 there will be new negotiations with the construction manager over multiple construction contracts and a new figure for the budget is expected.
- The previous years have shown that delays in decision-making have increased the cost of the project. It is therefore critical for the CMP office to ensure continued support from member states as the constructing phase is starting.
- Due to shortage in staff, the UN Office of Internal Oversight Services (OIOS) provided only minimal oversight of the CMP. Recently two auditors were hired and time will tell if their reviews of the CMP will be as helpful as member states wish them to be.
- A strong leadership and firm cooperation of senior UN management is required when relocating UN staff off-site to the temporary offices. Delays in vacating the UN headquarter, especially the Secretariat building, will cause additional costs.
- It is unknown in how far the civil society will be able to participate at headquarters during the renovation period as well as from 2013 on. During the starting phase of the CMP they were already excluded and it is only desirable that a new construction of the UN complex will incorporate NGOs more rather than to leave them standing outside.

Further Reading:

- Homepage of the UN Capital Master Plan: <http://www.un.org/cmp>
- Homepage of Skanska (construction manager): <https://partners.myskanska.com/usa/clients/unitednations/CMP/default.aspx>
- U.S. Government Accountability Office on CMP: <http://www.gao.gov/new.items/d08513r.pdf>