Introductory statement to the Fifth Committee
Secretary-General's Report on Study on the long-term accommodation needs at United Nations Headquarters for the period from 2014 to 2034

by
Mr. Yukio Takasu
Under-Secretary-General for Management
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Mr. Chairman, distinguished delegates,

I am pleased to introduce to you the Secretary-General's report on the Study on the long-term accommodation needs at United Nations Headquarters for the period from 2014 to 2034.

It is recalled that the Secretary-General submitted a comprehensive report on this subject to the 67th session of the General Assembly. After examination of the Secretary-General's report, the General Assembly, on the basis of the recommendations of the ACABQ, requested in its resolution 67/254 further information, including the examination of options not previously considered. The Secretariat has made every effort to respond to the request of the General Assembly, including a briefing to the Fifth Committee in last October.

The report of the Secretary-General 68/734 dated 31 January is a continuing report to the previous one A/67/720 and provides an update on population requirements of the Secretariat and other offices, both with and without the staff of funds and programmes anticipated to co-locate with the Secretariat; the impact of the implementation of flexible workplace strategies; and information on the financing alternatives for each option.

The long-term accommodation needs at New York Headquarters will be determined by the projected population and office space requirements per person presented three scenarios: continuing the past trend of a 1.1% growth, no growth and annual decrease by 0.5%, as in the previous report. The decrease scenario takes into account the anticipated impact of changes in working practices. Assuming a no-growth scenario, the total population which is expected to require accommodation is 2018 totals 9,593, of which 850 are from UNDP.

[slide 3] Second, flexible workplace. As set out in the report of the Secretary-General, we have revised our target planning figure for the implementation of flexible workplace strategies to a 20% decrease in office space requirement per person. Taking this into account, the total off-campus space requirement, in a no growth population scenario, is approximately 1,109,311 square feet, which includes office space, shared amenities and building support spaces.

Even after the Capital Master Plan is completed, and even if we apply Flexible Workplace successfully, in 2018, UN Headquarters in New York would still be housing 3,278 staff members off campus in leased premises (4,128 if we include staff of UNDP) in addition to staff within the UN campus. These accommodation needs are subject to rent fluctuation under various lease arrangements. Therefore, I can hardly overemphasize that this is a major policy issue for the Organization to address urgently.

[slide 4] As regards options to address such requirements, we have examined six additional options, in addition to the first four options considered previously. Ultimately, for the reasons explained in detail in the report, only three options were found to be both viable and advantageous for the Organization. With the support of external experts, we made detailed comparisons and financial analysis of those options. They are: North Lawn assessment; United Nations Development Corporation (UNDC-5) lease-to-own; and status quo leasing arrangements.

[slide 5] Under every population scenario, the North Lawn option is the least costly, because it is financed by Member State assessment and involves no financial expenses such as interest payments. The next least costly option is the UNDC-5 option. The *status quo* option, which relies on commercial leases, is most expensive in the long run. North Lawn and UNDC-5 options will leave assets for the United Nations in the form of UN-owned buildings, not so the status quo option. The actual costs are, in a no-growth population scenario, USD 3.528 billion for North Lawn option; USD 4.083 billion for the UNDC-5 option; and the status quo option at USD 4.551 billion. For a meaningful comparison, these costs are all presented in 2014 net present value and include one-time capital costs, operational costs through 2064 (50 years from 2014, the starting point of the study).

[slide 6] In addition to cost, it is equally important to consider non-quantifiable benefits including the intangible benefits of ownership and of consolidating staff into an integrated campus. The beneficial effects of consolidation include a higher level of safety and security, a higher level of predictability and stability of office space requirements, additional efficiency in space planning of large areas, saving of time moving between different locations, and a higher level of productivity, staff morale and quality of work due to the improved quality of the physical work environment. Both the North Lawn and

intensive consultation and negotiation about UNDC-5 with the UN Development Corporation for the past two years.

Among three viable options, option 1 (North Lawn with assessment of Member States) could only be implemented after the completion of the Strategic Heritage Plan now planned for 2023, in line with the direction by the General Assembly on the sequencing of major capital expenditure projects. Therefore, a decision by the General Assembly may wait for several years. This option will not solve the accommodation needs in 2023.

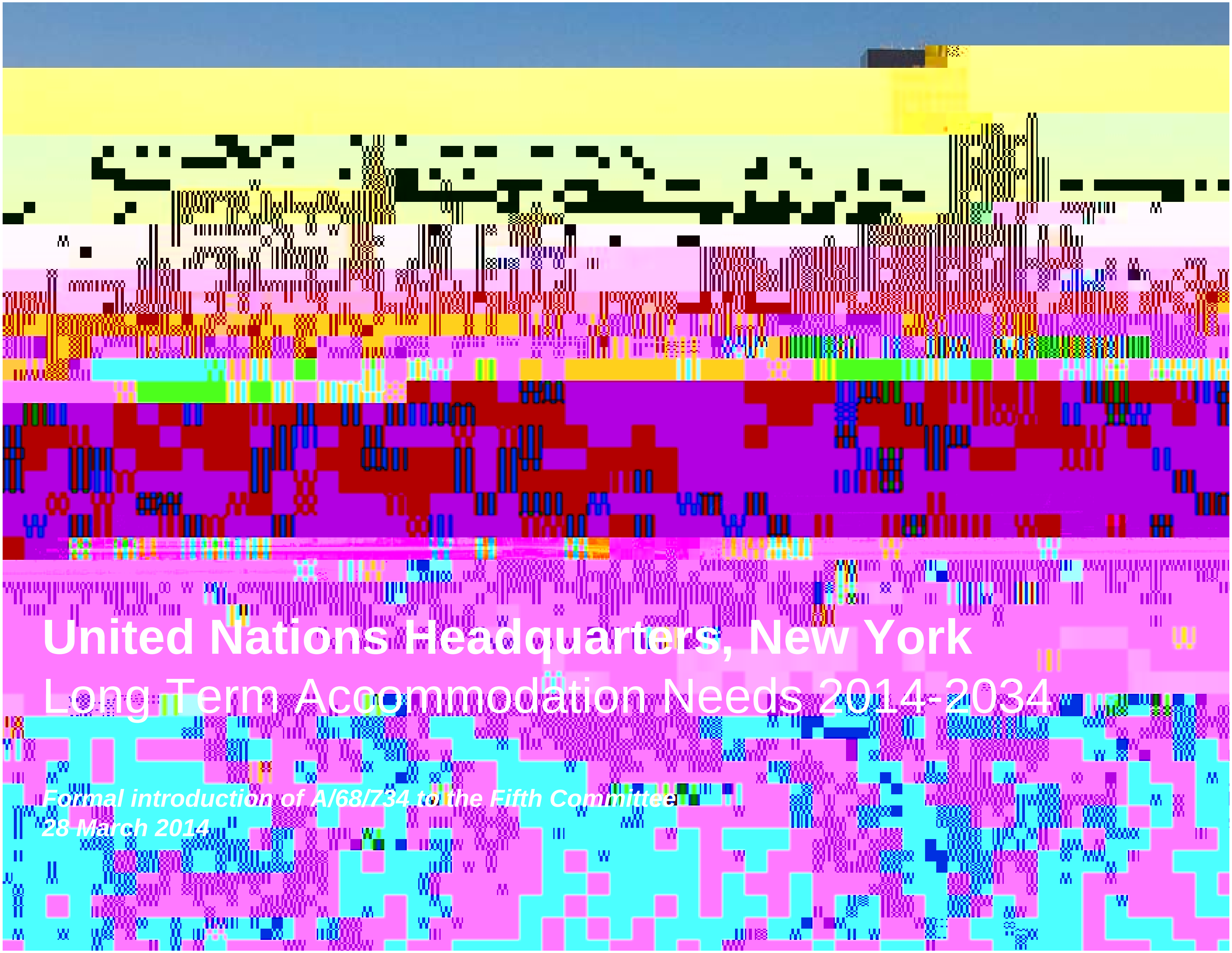
A status quo option would also not require an immediate decision by the General Assembly, as the option to extend the lease of DC-1 and DC-2 beyond 2018 through 2023 at a preferential rate can be exercised in two years.

On the other hand, option 3 is time-sensitive. As we explained in the Secretary-General’s report, if we were to pursue the UNDC-5 option, the MOU enacted in October 2011 would need to be changed: firstly, to extend the expiry date beyond the end of 2015; and secondly, to remove the obligation of the United Nations to continue leasing DC-1 and DC-2.

Unless and until a positive indication on UNDC-5 is given by the General Assembly, UNDC would have no basis to work with the relevant authorities to revise the terms of the MOU. It is understandable that the Host City and the UN Development Corporation, having already invested in excess of 14 million dollars in design costs, are looking for an indication from the United Nations as to whether it wishes to avail itself of this option prior to considering MOU amendments.

If no amendments were made to the MOU prior to the December 2015 deadline, the DC-5 option could be lost. The UNDC expressed a strong hope that, if the General Assembly wishes to avail of option 3, an approval in principle of DC-5 as the most preferred option is given at this resumed session. In any case, option 3 requires a decision by the General Assembly as soon as possible.

We present



United Nations Headquarters, New York

Long Term Accommodation Needs 2014-2034

Formal introduction of A/68/734 to the Fifth Committee
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