



REVIEW OF UNITED NATIONS COMMON PREMISES: CURRENT PRACTICES AND FUTURE PROSPECTS

Inspectors Jean Wesley Cazeau and Jeremiah Kramer



Background

Common premises have been envisaged since the inception of the United Nations system. The central message has remained constant: co-location should actively be sought for efficiency purposes, including consolidation of administrative infrastructure. Over time, other objectives such as programmatic collaboration, improved UN "brand" image, and reduced environmental footprint, were also expressed. Against the backdrop of a long history of General Assembly mandates, limited aggregate accomplishments to date, and the new context presented by the development system reform, the JIU thought it timely to support reflection on the further development of common premises.



Objectives

To avoid overlap with work being done through the Secretary-General's reform process, the JIU focused on selected issues, and in particular sought to: review progress made in carrying out legislative mandates; assess the impact of the current reform context on efforts to expand common premises; and draw lessons from experience to date on the organizational arrangements required to support the common premises agenda system-wide.

The Covid-19 pandemic surfaced after the point that this report could seriously examine its implications for common premises. It clearly necessitates attention to the question of alternatives to the physical co-location of large numbers of people in a single space, and to how the digitization and remote conduct of work can be built upon to deliver mandates and support collaboration in cost-effective ways that are less dependent on large office settings.



What the JIU found

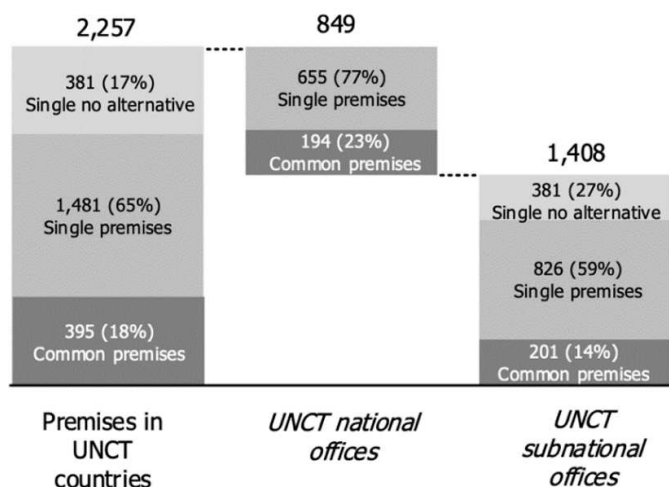
1. Mandates on common premises have not been managed as a system-wide endeavour

For 30 years after common premises became an organized effort as result of a 1987 General Assembly resolution, they were pursued by four entities: UNDP, UNICEF, UNFPA and WFP. It was only in 2017 that expansion of the membership in the inter-agency common premises group was undertaken. This resulted in more members, but this enlargement did not really create a true system-wide dynamic or approach. Co-location of some agencies with government counterparts, the provision of free premises and operational needs as defined by some organizations make it unlikely that a fully system-wide approach can be applied. The innumerable calls to increase co-location made by the General Assembly since 1987 have not been mirrored by counterpart bodies in specialized agencies.

2. Progress on common premises has been limited

There is no clear benchmark against which to measure progress. For more than 15 years, the capitals-focused "United Nations House" was loosely interchangeable with "common premises". While in the period 1997-2006 significant progress was made in the designation of United Nations Houses, the Secretary-General acknowledges that progress on common premises overall has been limited. The imperfect data provided to the JIU indicates that 18 per cent of premises are common, in a universe of 2257 relevant premises – including sub-national locations-- in United Nations country team (UNCT) countries. Over 70 per cent of these premises relate to eight organizations. Nearly two-thirds of premises are at the subnational level, of which the vast majority are single-entity premises. Most of these are occupied by four actors with a prominent humanitarian focus.

Figure 1. United Nations premises profile in UNCT countries



3. The benefits of common premises should be better analyzed and expressed

Expectations of efficiency savings have become blurred and qualitative factors for common premises have fallen off the table. The Secretary-General's proposal initial estimate of \$120 million in savings from common premises has been challenged internally as significantly overstated. In any event, there has been little data on which to base concrete forecasts. The common ground is that common facility services offer the principal pathway for savings. While financial efficiency is a main objective, other considerations have also been prominent. However, apart from security, non-financial factors are effectively rhetorical references. It is necessary to clarify how benefits such as reduced environmental footprint, public image, and programmatic collaboration should affect decision-making.

4. The 50 per cent target has galvanized attention but should be revisited

The Secretary-General's target of 50 percent common premises by 2021 had the merit of offering a concrete goal around which organizations could rally. While the target has positive attributes, it also holds important limitations. Critically, the establishment of this target was not connected to an analysis of its feasibility or strategy for its realization. Estimates of resources required made after its announcement were not acted upon. A by-product of the target is the preoccupation with achieving a numerical goal, taking the form of creative bookkeeping or pursuit of low hanging fruit target. The current focus on sheer numbers is also not consistent with the Secretary-General's own call for decisions to focus on where the highest efficiency returns can be realized.

5. The lack of comprehensive and accurate data impedes informed decision-making

Despite the long history of common premises, reliable and comparable data to support planning, identify opportunities, and to construct informed business cases have been lacking. The database maintained by the United Nations Security Management System lacks important information relevant for common premises purposes (e.g. rental and maintenance costs, space allocation). A protracted effort to develop a standalone database was recently discontinued in favour of the

development of a common premises online data platform that would also support premises consolidation planning tools. The responsibility and capacity to manage the database and to use it for future planning and priority setting of common premises initiatives needs to be clearly defined.

6. The absence of capital financing mechanisms remains a barrier

Financing for common premises has never been addressed satisfactorily: how to provide for necessary investment when governments do not provide ready-to-occupy premises. Absent either capital financing mechanisms within organizations or a centrally managed mechanism, the alternative has been various efforts to access private investment, such as a public-private partnership scheme. The application of a public-private partnership in Eswatini and efforts to do so in countries such as Malawi, Papua New Guinea, Rwanda, and Uganda demonstrate that such partnerships have not been a cost-effective solution. For example, repayment periods are long, and interest rates are high, leading to costs that are multiples of the actual construction costs. A capital financing mechanism could save millions of dollars in financing costs. Although ownership and construction have fallen into disfavour, these strategies should be part of the toolkit available to UNCTs and organizations.

7. Integrated premises planning at the regional level presents opportunities

The discussion of common premises has focused on the country level, thereby overlooking the significant regional presences that have developed. Key features at the regional level are the regional economic commissions and the United Nations office in Nairobi where the United Nations Secretariat operates major facilities. In those locations, the country and regional presences of the United Nations system development and humanitarian actors can also be found. The scale is significant -- Nairobi and Addis Ababa host over 4000 United Nations system personnel each, and Bangkok has about 2500. Action to provide for comprehensive planning of facilities requirements for all United Nations entities in those locations should be taken.

8. Global real estate management should be considered

Consideration of common premises on a case-by-case basis is not likely to resolve the main inefficiencies in how the United Nations system acquires and manages premises in the field. There is no coherent, global approach to planning, acquiring and managing these facilities. The problem is that the approach to premises is focused on each organization meeting its own needs. The common premises agenda tries to make it a bit less so, usually trying to retrofit after entities have created facts on the ground. Rather than a piecemeal, location or organization-specific approach, a global view of the United Nations system property portfolio could be considered. The scale of the United Nations field property portfolio is large enough to warrant the development of a dedicated professional office or unit of property managers. Defragmenting and professionalizing real estate management in the

United Nations system would be in line with realizing the security, cooperation, efficiency and greening benefits expected of common premises.

9. Leadership and inter-agency mechanisms for common premises are weak

The onus for finding common premises solutions has rested too heavily on the UNCTs, who are often ill-equipped for these tasks. Project proposals linger for years as exchanges go back and forth between the UNCT and the central inter-agency Task Team on Common Premises and Facility Services (TTCP+FS). More proactive central support on technical and financial aspects through the project lifecycle is required to achieve results, reduce transaction costs, and mitigate reputational harm resulting from inaction.

The multi-level architecture to oversee common premises has experienced considerable evolution but still needs to be improved. The question of who is responsible for driving a common premises agenda needs attention. This is a role that in 2017 the Task Team on Common Premises and Facility Services embraced in advocating a vastly more pro-active and strategic approach for itself. However, enablement of that change never transpired.

A particular need is to carry out analysis, formulate proposals, and support country teams. In current circumstances, the UN Development Coordination Office is the entity best equipped for this. At the same time, the Development Coordination Office cannot be a free-standing actor, since common premises requires the support of organizations who take the decisions. Therefore, its common premises work needs to operate in support of an inter-agency body or bodies, such as the Task Team. The ongoing review by the United Nations Sustainable Development Group of its strategic results groups is the opportune moment to review and update the arrangements for leadership, policy oversight and technical support.



Methodology

-  **122 interviews** with officials of participating organizations
-  **Remote interviews** with **15 UN country teams** and with the **World Bank**
-  **Documentation review**
-  **Questionnaire responses from 25 participating organizations**
-  **4 missions** to Bangkok, Hanoi, Rome, New York, and **remote interactions** with the ECA and UNON.



What the JIU Recommends

The JIU makes eight formal recommendations to legislative bodies and executive heads.

Executive Heads of United Nations system organizations are called upon to:

2 Amplify by the end of 2022 on the objectives of common premises, addressing programmatic, public image, and environmental sustainability considerations, as well as efficiency gains, and also set out the modalities for tracking and reporting on results.

3 Re-examine by mid-2021 the focus on a target of 50 per cent common premises with a view to prioritizing efficiency gains.

4 Expedite the compilation of the database component of the envisaged common premises platform by mid-2021 and ensure that periodic reporting to the General Assembly on how the common premises electronic platform contributes to the realization of efficiency gains and any other common premises objectives.

5 Review lessons learned from experience with public-private partnerships for common premises and formulate by the end of 2022 measures that address the capital financing requirements of common premises initiatives, including the possibility of a centrally administered mechanism, for consideration by the General Assembly, if required.

7 Study the feasibility of a unified mechanism for field real estate management, and report on the findings of that study to the General Assembly at its 78th session.

8 Improve by the end of 2021 the inter-organizational arrangements for support of common premises by strengthening the UNSDG oversight of common premises, clarifying the role and authority of the inter-agency Task Team on Common Premises and Facility Services, and directing an appropriately capacitated United Nations Development Coordination Office to support them in carrying out the common premises work stream. That support work should include the analysis of priorities for future action, making arrangements for proactive support of United Nations Country Teams at all stages of project lifecycles, and drawing linkages to other facets of business operations.

Governing bodies of the United Nations system are called upon to:

1 Give direction on the parameters of participation of their organizations in common premises and request periodic reporting on results achieved.

The General Assembly of the United Nations is called upon to:

6 Request the Secretary-General to include the office space requirements of agencies and funds and in the preparation of future strategic capital reviews of offices away from Headquarters and regional economic commissions.



JIU Reports 2020/2019

[JIU/REP/2020/2](#), Policies and platforms in support of learning: towards more coherence, coordination and convergence

[JIU/REP/2020/1](#), Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function

[JIU/REP/2019/9](#), Review of contemporary practices in the external outsourcing of services to commercial service providers by United Nations system organizations

[JIU/REP/2019/8](#), Review of staff exchange and similar inter-agency mobility measures in United Nations system organizations

[JIU/REP/2019/7](#), Review of the management and administration of the Joint United Nations Programme on HIV/AIDS (UNAIDS)

[JIU/REP/2019/6](#), Review of audit and oversight committees in the United Nations system

[JIU/REP/2019/5](#), Managing cloud computing services in the United Nations system

[JIU/REP/2019/4](#), Review of change management in United Nations system organizations

[JIU/REP/2019/3](#), Review of the integration of disaster risk reduction in the work of the United Nations system in the context of the 2030 Agenda for Sustainable Development

[JIU/REP/2019/2](#), Review of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women

[JIU/REP/2019/1](#), Review of management and administration in the International Civil Aviation Organization (ICAO)

For all reports visit: <https://www.unjiu.org/content/reports>



For further information, please contact jiucommunications@un.org

ABOUT THE JIU

The Joint Inspection Unit is the only independent external oversight body of the United Nations system mandated to conduct evaluations, inspections and investigations system-wide.
Visit the JIU website for more information at www.unjiu.org



JIU
Statute



11
Inspectors



Latest
news



Reports, notes
and management letters



Main
thematic areas



2020
Programme of Work



28 Participating
Organizations