

CAPITAL MASTER PLAN - DREAM & REALITY

An Interview with Louis F. Reuter IV

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LOUIS F. REUTER IV

Photo: M.D.Latrique

Mr. Reuter agreed to do an interview with DM News a few days before his tenure at the United Nations expired on 30 June.

Mr. Reuter, this was your first assignment with the United Nations. Can you give us an assessment of your experience working as an international civil servant?

It has been a very interesting year. I was persuaded to join the United Nations as a way to combine my belief in the United Nations mission and my experience in managing very large building projects in New York City.

Like many, it turns out that my “dream concept” of the United Nations was somewhat unrealistic and the process of learning the policies, procedures and protocols have been a bit frustrating, especially compared to the fast pace of New York City construction. So the past year has been a challenging learning experience in terms of learning the operational practices of the General Assembly (the Fifth Committee and ACABQ in my case) and then those of the Secretariat.

The “outside” world has little idea about the methods for working with 192 Member States to gain a consensus. I had had extensive travel and foreign experience, at least in the area of health facilities and health systems around the world, so I looked forward to work with many different countries. But the very fact that the United Nations means

ALL of the countries of the world means that it takes a great deal of time to just meet with all Member States, not to mention getting them to agree on the very specific issues of planning, designing, constructing and financing a major building project.

My dealings with the Secretariat were also different than I had anticipated. Because the Capital Master Plan (CMP) is a very unique event, it may happen only once every 60-70 years; I had assumed that the Secretariat would approach this as a completely new and independent business challenge. That would mean that the normal business practices would not be used, but in fact, changing the rules and regulations of UN operations has proven to be most difficult, if not impossible in some cases. I wasn't able to convince many of the uniqueness of the CMP and so we continue to operate under conventional, operating standards. Part of this is due to the fact that the United Nations has been under much external and media pressure regarding its business practices, so this has contributed to an environment where our staff are less likely to innovate or take creative risks to try new business models. Likewise, we are approaching the time of a major leadership transition, so this is not the best of times for major institutional changes.

What are the major challenges you faced during your time at the UN?

Perhaps the biggest challenge has been to convince Member States, and particularly the host country, that the physical condition of the United Nations Headquarters is not a political matter. It was quite challenging to consider the individual interests and concerns of the Member States and attempt to weave that into the complexities of a major building project in New York City. I and my staff met with over 70 individual countries for an hour or two of bilateral talks and held numerous review meetings with coalitions of Member States (European Union, the Group of African States, the Group of 77 and China, the Rio Group, the Geneva Group, etc.) and the Fifth Committee to answer questions and attempt to gain consensus on key decisions for this mammoth building program.

Without a doubt, the most difficult country to deal with was the host country. At the UN, many consider the host to be the US Government in Washington, DC, but in fact, the United Nations is a very important feature to the City and State of New York as well, and the politics of the City, State and National Government with respect to the CMP are complex and varied. Each branch of government have very different relationships, expectations for and responsibilities with the United Nations, so the CMP team is busy working with and responding to a very different set of issues and relationships between the three entities. In the end, I suppose, I was frustrated that they were not a bit more coordinated in their dealings with us.

Given all of that, could you please share with us any positive message or lessons learned during your tenure?

All of my comments above are meant to indicate that my UN experience was very positive. We all learn by our mistakes and daily experiences, and my year at the United Nations was filled with learning. All-in-all, this has been an incredible year. I have met a lot of wonderful people. The professionalism of the staff in the CMP Office is extraordinary. John Clarkson, Vivian Van De Perre, Katherine Grenier and her dedicated team of architects and planners are all extraordinary. All of this team is committed and very dedicated. They tenaciously dig and dig along without getting a lot of credit. It was very exciting to work with them and realize their level of commitment.

It was also exciting and very productive to work individually with so many Member States who are also very committed to the UN. They're committed to a safe building; they're very committed to moving along. The difficulty is, of course, that from time to time everyone is tempted to politicize every issue; so one of my goals was to depoliticize the Capital Master Plan. In many cases we succeeded in getting beyond the politics, but in the end it always came back.

What decision has been taken by the Fifth Committee and subsequently the General Assembly on the CMP?

The General Assembly adopted the Fifth Committee's draft resolution A/C.5/60/L.66, thereby approving the recommended Strategy IV for the implementation of CMP. This includes the phasing, swing space and cost. Prior to this, the CMP team spent the last year creating optional approaches to building and financing the project. We used the fall to restudy and create these optional strategies and presented them to the General Assembly and ACABQ on 1 November 2005. Our recommendation at that time was to proceed with Strategy IV, which was based on a method to renovate what we have (no new building, no expansion) in a series of phases. The second recommendation was that this renovation be paid by Member States assessment, no loans. Each Member State would pay its share of the CMP over 5 years in equal payments. The third recommendation was to set a budget limit (every good project should have a budget limit) and finally, we made a very specific request for \$108 million of interim funding to keep the project moving up to the point of construction. Those recommendations went to the ACABQ in November and then to the Fifth Committee in December. No decision was made then, but, of the requested funds, \$8 Million was provided to allow us to work until the first resumed session this March. We went back in March to request again the balance of the money, a decision on strategy and those decisions about financing and budgets. At the end of April we were given an additional \$100.5 million towards our initial request, but decisions on strategy and financing were again deferred.

What are the next steps and how would the plan be executed? Do you see a smooth implementation?

With this approved Strategy IV, we can now engage the architects to produce the final blueprints, plans and specifications for this building, the General Assembly Hall and the conference building. We can begin to look for the small amount of real estate we will need to house 20 per cent of the Secretariat that will need to be temporarily relocated. We could search for the real estate, sign the lease, begin designing, and even hand out the cardboard boxes for people to begin moving. We could finish the design and build the temporary building that is going up on the North Lawn. With the full budgetary allocation we can do all of this in about 18 months, with the temporary relocations and construction by the middle of the summer or fall of 2007.

To continue smoothly from that point will require the decision and mechanics of a financing plan that is well in hand prior to January of 2008, at which time the full project construction could begin.

Realistically, as a result of these steps, what specific safety and health-related changes in the Secretariat Building could staff members expect to see in the coming months?

The recent resolution approving Strategy IV, adopted by the General Assembly, means that at this time there will be no new permanent building on the North Lawn, at least as part of the CMP (the General Assembly will review this position during 2008-2009). We still need the approval of a financing plan, but if this is approved in the sixty-first session “real” renovations for the CMP would begin, at the earliest in January 2008.

Staff would like to know about the implementation status of the turnstiles. Could you please brief us on this project?

That is actually a project under the authority of the Department of Safety and Security, so I cannot give you much information on this. You may want to refer to the DSS website for information on this project:

What are you going to do next ... your future career plans?

I am returning to NY Presbyterian Hospital where I spent 12 years: first as the Head of their facilities and construction, then as the director of the merger between New York Cornell and Columbia Presbyterian Hospitals and then as Executive Vice President for Administration. I will return to help them with a \$1-2 billion rebuilding programme in new areas of science and health technology at Columbia Medical School and Cornell Medical School, as well as, I hope, help with their strategic planning. While I was last

at the Hospital, I began a programme in international medicine that reaches out to the world and seeks to create continuing medical education, patient care and physician relationships in the Middle East, Qatar in particular, and South America. So, I hope to return to the international field and my roots on 68th and York Avenue.

Lastly, what would be your advice/guidance to your successor?

My advice is to the Organization. My successor will do no better than I did if the Organization does not change. If there is one thing I feel good about this year it is that, in a sense, the Member States and I educated each other. I learned how the UN works and about working with Member States. But I think I also taught many about the real complexities and issues of the Capital Master Plan as an extraordinary event in the history of the institution.

This project cannot be done using the normal rules, policies and procedures and practices. It has to be a unique business model. So many of the issues -- and this is very brutal -- that govern UN practice in the areas of human resources, procurement, contracting, accounting and finance will not work for the Capital Master Plan, but offer significant impediments to the realization of this unique project. This is a \$2 Billion building in New York City, it is a capital accounting problem, financed by an unusual mechanism and there is no person here within the UN or the Member States that know how to do that. What is required is a sort of a SWAT team, a group of specialists who know how to do this and they have to be given permission to fix the problem. So I think that going forward, the institution needs to create a unique business model that coincides with the current building realities. This will require a high level of business creativity and risk taking.