



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MOHAMED FOUAD, COUNSELLOR, PERMANENT MISSION OF THE ARAB REPUBLIC OF EGYPT TO THE UNITED NATIONS, ON AGENDA ITEM 137: PROGRAMME BUDGET FOR THE BIENNIUM 2018-2019: PROGRESS REPORT ON THE IMPLEMENTATION OF A FLEXIBLE WORKPLACE AT UNITED NATIONS HEADQUARTERS, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE SEVENTY-THIRD SESSION OF THE UN GENERAL ASSEMBLY (New York, 14 December 2018)

Madame Chair,

1. I have the honour to deliver this statement on behalf of the Group of 77 and China on agenda item 137, Programme Budget for the Biennium 2018-2019, in particular the progress report on the implementation of a flexible workplace at United Nations Headquarters.

2. At the outset, the Group of 77 and China would like to express its gratitude to Mr Christian Saunders, Assistant-Secretary-General: Office of Central Support Services, for his introduction of the report of the Secretary-General, contained in document A/73/370, and Mr Carlos Ruiz Massieu, Chairperson of the Advisory Committee on Administrative and Budgetary Questions, for his introduction of its related report, as contained in document A/73/635.

Madame Chair,

3. The Group of 77 and China continues to recognise the significance of transformational initiatives of the Organization that contribute to the United Nations being more effective, adaptable and modern. Nevertheless, the G77 and China is convinced that such initiatives should be implemented in a well-considered and measured manner that is suited to respond to evolving work practices and the needs of staff.

4. The Group takes note of the update provided on the implementation of the flexible workplace project at the United Nations Headquarters, and the steps that have been taken since the Secretary-General's last progress report. The Group notes that 14 floors of the Secretariat have been reconfigured by the end of 2018 at an expected cost of \$34 million. This has created additional capacity of 690 staff and has enabled the organisation to terminate three leases in commercial buildings.

5. In this regard, the Group reiterates that flexible workplace should never have been simply a matter of space management, but a holistic arrangement of physical space, information and communication technology, human resources and other support programmes. The successful implementation of flexible working requires not only reconfiguration of workspace, but enhanced information technology support and revised human resources policies. The Group therefore looks forward to more information on the lessons learned in the implementation of flexible working arrangements and on the expected Secretary-General's Bulletin on flexible working arrangements.

6. The Group of 77 and China continues to reflect on the impact of flexible workplace on the working environment of the Organisation. The Group notes that one of the reasons given for the implementation of flexible workplace was to achieve increases in productivity and efficiency. The Group is concerned that the most recent surveys and studies have shown discrepancies in the

observations of team productivity between junior and senior managers. The Group also notes that white noise generators have been employed at significant cost to the Organisation in order to address the noise pollution in the flexible workplace environment as implemented in the Secretariat.

7. In this regard, the Group notes the continued difficulty in assessing the actual impact of flexible workplace on productivity, with reliable indicators and methodologies. The Group therefore supports the recommendation of the Advisory Committee for an independent evaluation of the flexible workplace project, including its impact on productivity and staff well-being, and lessons learned.

Madame Chair,

8. The Group of 77 and China notes that the projected cost of the project remains at \$54,981,400 of which actual expenditure to 31 July 2018 was \$30,441,770. The Group notes that the total cost of the project was initially \$45.6 million and that no further savings have been found despite use of standardised contracts. The Group reiterates that a well-substantiated, reliable, and predictable business case is essential for the Committee's consideration of costly major transformation initiatives. The Group will seek further information on the projected self-financing nature of this project.

9. For the period ahead, the Secretary-General is requesting an authorisation to enter into commitments up to the amount of \$12.7 million for 2019, and an appropriation of \$6,586,600. As the artificial time pressure of leases in non-UN buildings has eased with the termination of the lease in the Innovation Luggage building, and the respective rental savings are factored into the 2019 budget, the Group will consider the needs for this project against the backdrop of a holistic consideration of all construction projects amid the current financial constraints.

10. In closing, Madame Chair, the G77 and China assures you of its commitment to engage constructively on this important agenda item with a view to concluding in a timely manner.

I thank you, Madame Chair,