



**Agenda item 141
Proposed programme budget for 2021**

**Progress report on the implementation of a flexible workplace at United Nations
Headquarters (A/75/342)**

FIFTH COMMITTEE

Statement by

Mr. Chandramouli Ramanathan
Assistant Secretary-General, Controller

Mr. Chairman,
Distinguished delegates,

1. I am pleased to introduce the Secretary-General's fifth annual progress report on the implementation of a flexible workplace at United Nations Headquarters (A/75/342), which is submitted pursuant to General Assembly resolution 74/263. The report provides an update on the project status since the fourth annual progress report (A/74/345), responds to requests contained in the afore-mentioned resolution, and provides information on how the Covid-19 pandemic and financial liquidity situation of the regular budget have impacted implementation of the project.

2. To date, 22 floors of the Secretariat Building, from the planned 27, have been reconfigured to flexible workplace, with an added capacity of 1,297 staff which exceeds the original estimate of 1,220 for all 27 floors. There is currently a total of approximately 2,500 staff working in a flexible workplace environment.

3. Considering the uncertainties about the workplace landscape post Covid-19, the Organization decided to complete floors where construction had already started and place on hold the implementation of the remaining floors until the situation is sufficiently clear to re-assess the project scope if warranted.

4. The Administration is currently reviewing how large commercial tenants in the area are planning their returns to the office and is looking across the industry at what percentage of personnel will be returning, and whether any plans for the future workplace would involve significant changes to their physical space. A clear understanding of this landscape will allow the Secretariat to make an informed decision on the project's last remaining phases.

5. The new estimated project completion date to convert the remaining floors is expected to be the end of 2021. The overall estimated project cost remains unchanged since the fourth annual progress report, with the same amount of unspent balance at the end of 2020 required for 2021.

6. The post-occupancy survey scheduled for April 2020, covering floors 22, 23, 24 and 33 and which involves on-site observations and focus groups, has been deferred in light of the Covid-19 situation until a comparable level of occupancy of the Secretariat Building resumes. The project team has addressed all the recommendations from the previous surveys, for which details are provided in the report.

7. With the extended timeline, to maintain the project's cost against potential contract cost escalation and additional project management costs, the Secretariat will re-evaluate the project's overall scope by reviewing the anticipated benefits from its implementation. In close consultation with the departments occupying the five remaining floors to be implemented, the Administration will determine the approach to project completion that delivers the most value for the organization.

8. The Assembly is requested to take note of the report and the revised scope of implementation and timeline of further phases of the project and to exceptionally suspend financial regulation 5.2 and approve the rollover to 2021 of the unspent balance of funds as at the end of 2020, currently estimated at \$7,187,900, for commitment during 2021, including for the continuation of two temporary positions for the project team.

Thank you, Mr. Chairman.