

ASSEMBLY OF STATES PARTIES TO THE ROME STATUTE

TENTH SESSION

Oversight Committee

Oral report of the Chair on the activities of the Committee 12 December 2011

1. It is an honour to report to the Assembly of States Parties, for the first time since I assumed the Chair of the Oversight Committee in June this year, on the activities carried out by the Committee following the ninth session of the Assembly, last year.
2. A full report providing a detailed summary of the Committee's activities has been submitted to the Assembly as document ICC-ASP/9/22.
3. Please allow me to briefly highlight some of the latest developments as well as to refer to the most important issues that have been before the Committee this year, pursuant to the mandate conferred to it by the Assembly in order to ensure that the project remains within timelines, budget and functionality.
4. The final design was completed on 1 November 2011 and the project enters now the tendering stage. Consequently, the selection of the general contractor is scheduled to end on 1 September 2012, with the signature of the contract. By the same date it is expected that the ground will be made available by the host State to the Court, ready for construction.
5. The estimated completion date for the project is September 2015, with readiness for the Court to move into the new premises in December 2015.
6. The construction budget continues to be within the Assembly's approved budget of €190 million.
7. The other costs related to the project but not directly related to the construction (known as "Box 4" costs), which remained still unknown at the time of the Assembly last year, were presented to the Committee on 24 February 2011 and initially estimated at €42.2 million, in addition to the €190 million construction budget. These other costs consisted of €22.1 million for integrated user equipment (or "3gv") and €20.1 million for non-integrated user equipment (2gv) and other costs (later reduced to €19.8 million).
8. In order to mitigate the financial impact for States Parties of such additional costs, the Committee decided to achieve important reductions on the project costs. Consequently, the Committee decided that integrated user equipment (3gv) had to be absorbed in the €190 million construction budget, as they are construction costs, and invited the Project Director to find savings throughout the project, in order to achieve this goal. In this connection, a review process of both the financial aspects of the project and the requirements is under way, according to the plan presented by the Project Director, with the final objective of reducing the overall costs of no less than €22.1 million, which is the cost of the 3gv elements to be entirely absorbed in the construction budget.

9. The Committee also decided, following the recommendations of the Committee on Budget and Finance at its August session, that the non-integrated user equipment (2gv) and other related cost would be submitted annually to the Assembly of States Parties for approval through the Court's budget. For 2012, these costs have been budgeted at €0.9 million and included under Major Programme VII-1. The Committee presented this finalized proposal for supplementary budget to the Hague Working Group on 14 October 2011 and transmitted it to the Chair of the Committee on Budget and Finance on 28 October 2011, in order to allow for appropriate scrutiny in advance of the Assembly. However, the formal submission of the proposal as a supplementary budget fell under the exclusive responsibility of the Registry, and it was on 6 December that the relevant document, also covering the situation in Ivory Coast, was circulated officially.

10. The overall total cost of the project is currently estimated at €216.8 million. This cost comprises the €190 million construction budget (including 3gv), and those expenditures related to the permanent premises project that are part of the Court's regular budget, which are currently estimated at €26.8 million for the lifespan of the project, and include €19.8 million for the 2gv elements and other costs, and the combined total cost of the Project Director's Office and the Project Office of the Permanent Premises, in the amount of €7 million

11. In order to enhance the financial security of the project by preventing an overrun of the costs above the approved budget level of €190 million, the Committee has decided to put in place a comprehensive cost review strategy, based on approaching costs from the perspective of the overall project budget, rather than on a phase-by-phase basis. While this might require in the future a review of the users' requirements and of the design, the strategy adopted by the Committee intends to fully safeguard the functionality of the project, drawing a distinction between those requirements which are essential to the proper performance of the core duties of the Court, and other elements that may not meet that standard.

12. During 2011, the Committee also reviewed the different reports addressing the issue of governance, and approved a new structure for the project, which confirms that the Project Director mandated by the Assembly of States Parties is identified and empowered as the one with strategic leadership, decision-making and overall management of the project. Following these revised governance arrangements, the Committee has been pleased to note the improved effectiveness of the project's decision-making process.

13. As at 18 November 2011, 28 States Parties had selected the option of a one-time payment of their assessed share, representing a total value of more than €33.3 million. As at the same date, one-time payments, partial or in full, had been received from 23 States Parties, totaling over €26.4 million. In view of the current level of one-time payments committed by States Parties, the host State loan will not need to be accessed during 2012, with financial benefits for all States Parties. As you would remember, the host State accepted last year that funds previously drawn from the loan be refunded, so as to avoid the accrual of interest in the years 2011 and 2012.

14. After completion of the report submitted to the Assembly, Sweden has communicated officially that it has opted for making a one-time payment, thus bringing the number of states having selected this option to 29 States Parties, representing a total value of more than €35.8 million. The draft resolution will be amended orally to incorporate this new addition.

15. I would also like to recall that the deadline for States Parties to commit one-time payments is 15 October 2012, and that the deadline to make payments in full is 31 December 2012, according to resolution ICC-ASP/8/Resolution 8, paras. 1 and 3. Therefore, 2012 will be

the last financial period for States Parties willing to take advantage of the financial benefits for those States opting for one time payments, that is the exemption to pay interests on the loan.

16. All previous elements are contained in the draft resolution on permanent premises submitted to the Assembly as annex IX to the report of the Committee. In addition to those, the draft resolution also incorporates the following issues:

- The need for the Project Director, Design Team and the Court to take into account any future operating costs of the premises when making decisions about the design;
- The need to revise the financial and procurement framework of the project to make it more efficient;
- The revised cash-flow of the construction budget as annex 1 to the draft resolution; and
- The list of the renewed membership of the Committee, as annex 2. This list is subject to changes, as I have already received communication from two members of the Committee, one from the Group of Western European and other States and one from the Group of Latin American and Caribbean States, that they will not be able to continue for a new term. Therefore, I would invite members to continue consulting on this matter within their respective regional groups. I will update the Assembly on the new membership list prior to the adoption of the resolution.

17. Finally, I would also like to mention that, following a recruitment process led by the Oversight Committee, the new Project Director, Mr. Neil Bradley, took up his responsibilities on 20 June 2011. Both the Project Director and myself will remain available throughout this session for any further clarification which might be required by delegations.

18. Before I conclude, allow me to thank the Committee members, the Project Director's Office, the Court as well as the host State for their dedication and enthusiasm in supporting this challenging project.

Thank you.

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