

Madam President,

Ladies and Gentlemen,

I have the honour to present the reports of the eighteenth and nineteenth sessions of the Committee on Budget and Finance, subsidiary organ of the Assembly of States Parties.

The year 2012 has been one of sustained financial labour for the Committee at its April and September sessions, where our discussions have focused on key budgetary and management issues. Our reports to you bear witness to that work. I would particularly emphasize the quality and level of commitment of every member of our Committee: they have managed to address a very wide range of issues in their quest for solutions to assist the Court in its mission. And I would add two further points: first, the organization of working groups within the Committee has enabled us, particularly between sessions, to facilitate discussion among colleagues, in preparation for debate and decision within the full Committee. Secondly, the Committee has produced for States Parties the first edition of a Manual in honour of the Court's tenth anniversary. It summarizes the principal observations and recommendations of your Committee, explains certain procedural issues, and provides an overview of the Committee's position on financial and budgetary issues since 2002.

I would also take this opportunity to express my thanks to the honourable President of the Court, to Madam Prosecutor and to Madam Registrar, as well as to all those staff members who have assisted us by providing reports or by taking part in our discussions.

Finally, I should like to convey my particular thanks to you, Madam President, and to your Excellencies, the Ambassadors, who have been kind enough to accept an important change in our *modus operandi*. The year 2012 has been a novel one: for the first time we have not confined our contacts to joint discussions subsequent to the Committee's sessions. We have initiated a system of regular contacts throughout the year, enabling us to strengthen our partnership before, during and after the Committee's sessions. That has involved us all in a great deal of work, but there can be no doubt that it has led to an improved joint approach to financial issues. Thanks to this new system, we can now be sure that our discussions no longer remain mere words, but are systematically translated into actions.

Madam President, with your permission, I should now like to address a point of methodology, before discussing our work.

Contrary to a widespread belief, the Committee does not only discuss accounts and the Court's financial situation. It carries out a stock-taking of the institution, in order to evaluate and assess managerial and budgetary outcomes, the prime concern being to maintain permanent control over public finances.

Today, the exercise is subject to ever greater constraints, given the economic context. At its last session, the Assembly established a financial rule which must from now on — as it has done for the current year — constitute the basic principle governing our work, both for the Committee and for the Court. Thus your resolution 10/4 requested the Court, if it was proposing any increase in the budget for 2013, to prepare a paper detailing the Court's options where reductions would be made in order to bring the level of the approved budget for 2013 in line with that for 2012.

I said "basic principle", for this rule represents a guiding principle which transcends the simple annual context, and is intended to govern every important decision of the Court. As far as your subsidiary organ is concerned — this Committee — it has sought to ensure, on your behalf, that, with effect from 2012, the Court's activities are transparent, solidly grounded and sustainable, in line with the spirit of the above resolution. This is reflected in the reports of the Committee, and in particular in the discussion of the draft budget for 2013. In terms of methodology, the Committee has sought to ensure that the Assembly is presented with a sustainable budget, without affecting the very basis of

our judicial institution, namely the fight against impunity for the perpetrators of the most serious crimes.

Madam President, Ladies and Gentlemen,

You have seen the Committee's two reports for the fiscal year 2012. Their scheme does not differ significantly from previous years. That for April 2012 relates principally to issues of budgetary implementation and oversight, and to administrative and human resources issues. The report for the September/October session was aimed essentially at addressing financial and budgetary issues, either directly or through the impact of administrative decisions, while conducting an in-depth analysis of our institution's future needs.

For purposes of this address, I will confine myself to a summary of the main cross-cutting issues.

**First, as regards financial issues**, the Committee has made a number of recommendations relating to the scale of assessment and the replenishment of the Contingency Fund.

Thus for 2013 it has recommended that the Court make a provisional calculation of States Parties' contributions in accordance with the scale approved by the United Nations for its regular budget for 2012. The final calculation should then be based on the scale adopted by the UN General Assembly for its regular budget for 2013 at its Sixty-Seventh Session, adjusted in accordance with the principles on which that scale is based.

In 2012, the Court has submitted eight notifications to the Committee for access to the Contingency Fund, in a total amount of €3.8 million. The Committee has recommended that the Court make optimal use of existing resources, and provide a report on the use of additional General Temporary Assistance in each major programme, so as to ensure effective oversight of these additional resources, as well as providing the Assembly with an updated estimate of costs. To date, the Committee has been informed that, with costs estimated at 98.5% as at 31 December 2012, recourse to the Fund is likely to be limited to €0.5 million.

In this regard, the Committee recommends that the Court should, within 60 calendar days following the notification to access to the Fund, send, through its President, a written report providing an update on the use of the resources requested, with a view to the exercise of financial control over notifications. Furthermore, we stressed in our April report that extreme caution should be exercised in accessing the Fund. It is not to be treated as an alternative method of financing.

We have also addressed the question of amendments to the Financial Regulations and Rules. The Committee, while approving the proposed amendments, considers that the Court must continue its dialogue with the external auditors, with a view to facilitating IPSAS implementation.

The investment of liquid funds was discussed. It was agreed that the prime concern should be to preserve investment capital, while seeking an adequate return. The Court should determine which banks should be used, taking into consideration its cash flow needs and banks' credit ratings in unstable financial market conditions.

Finally, the Working Capital Fund was discussed, and the Committee recommended that the fund be maintained at its current level, given the strength of the Court's cash-flow situation.

I would further add that, as regards efficiency measures, at every session the Committee monitors the gains reported by the Court. While still lacking an analytic accounting tool that would

permit detailed oversight of the impact of the measures adopted by the Court, the Committee notes the significant efforts deployed in this area.

**Secondly, as regards organizational issues**, the Committee has recommended that the Court establish a process enabling its financing needs to be ranked according to its priorities. In the same spirit, it has asked the Court to implement a zero-based budgeting exercise for its public information, documentation and outreach activities. It was clear that this was an area which could benefit from greater sharing of resources among the Court's various organs. Similarly, the Committee has asked the Court to make further endeavours to implement analytic accountability at less cost. The aim is to obtain a more precise view of the cost of each activity. As regards the implementation of IPSAS (international public accounting standards), steady progress is being made, and at every session the Committee monitors progress in the installation of tools for the provision of financial information.

In relation to the Trust Fund for Victims, the Committee has recommended that the Court and the Fund Secretariat jointly undertake a thorough review in order to mitigate exchange rate risks.

**Thirdly, as regards administrative issues**, this year the Committee has taken the opportunity to make a number of proposals which we believe to be of importance to this Assembly.

After lengthy discussion with the Court and the various organs, the Committee believes and recommends that the Assembly should approve the health insurance subsidy scheme for retirees. As to the Junior Professional Officer Programme (JPO), a further submission is to be made at the Committee's next session, and a proposal will be submitted to you in due course. You will doubtless also have noted in the Committee's reports for 2012 that we have recommended caps on funds for legal representation, supplies and equipment, but also for the use of consultants. In relation to the latter, the Committee has suggested that you establish a ceiling, as well as harmonizing their budgetary treatment: it is surprising, to say the least, to find that any reduction in funds for consultants is matched by a proportionate increase in those for contractual services!

As regards post vacancy rates in relation to staff numbers, the Committee recommends that the Court continues to maintain a vacancy rate for established posts, and recommends a general vacancy rate of 8 %, save in the special cases mentioned in the report.

However, one of the Committee's principal proposals relates to its recommendation that the Assembly should integrate the increase in United Nations common system costs in respect of staff into the budget for 2013. As to the details, I would refer you to our report from last September on this matter, while emphasizing that we need to resolve this issue here and now, and above all avoid seeing future budgets burdened as a result of a multiplier effect, which would complicate your task still further.

In brief, the Committee noted that the Assembly had requested the Court to join the United Nations Staff Joint Pension Fund. Article 3(b) of the Fund's Regulations and Rules provides that membership in the Fund shall be open to any specialized agency, as well as to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations. Admission to membership of the fund shall be by decision of the General Assembly upon the affirmative recommendation of the Board, after acceptance by the organization concerned of those Regulations and Rules. At its second session, the Assembly adopted the Court's Staff Rules and Regulations, several of whose provisions are based on those of the UN common system. It should further be noted that the Court submitted its Staff Rules and Regulations to the Board, and that the General Assembly authorized admission of the Court to membership of the Fund. In these circumstances the Committee considered that the Court was bound by the Regulations of the Fund, and thus obliged to apply to its staff the main elements of the common system, such as classification of posts and salary scales and allowances.

One final cross-cutting issue needs to be mentioned here: at its eighteenth session the Committee stressed the need to introduce a culture of personal accountability among staff, which should accordingly include a system of rewards for good performance and sanctions for poor performance, while at the same time pointing out that any reclassification of posts at Professional level needed to be approved by the Assembly.

**Fourthly, as regards the Court's activities**, the Committee has held lengthy discussions with the various organs of the Court with a view to establishing a permanent link between the resources requested and the Court's actual judicial activity underlying its financial requests. The Committee has thus recommended a reduction in certain budget lines relating to operational support for 2013, details of which you will find in the annex to our report. These mainly involve travel costs, contractual services and general operating costs for MP III. Since these four items represent a total of €4.7 million for 2013, an across-the-board cut of 5 % has been proposed, namely €235,000, while excluding the other major programmes from this reduction.

I believe it would help you to obtain a proper grasp of our work if I emphasize an important point in our report. It will not have escaped your notice that, over Major Programmes I to VII, we have proposed a complementary micro-economic approach, involving reductions either in budgets or in individual budget lines. This has all, of course, been undertaken in light of our discussions with the Court, and on the basis of its reported activities.

However, I would at once add that our work depends to a great extent on the knowledge available to us of the Court's overall strategy and of the judicial decisions taken by it in the course of the past year. Clearly, it is judicial activity which primarily drives our forecasts. And the Assembly must constantly bear in mind the fact that a budget forecast can only be based on the knowledge available at the time when it is made. You may rest assured that, when unforeseeable events do occur, the Committee cooperates closely with the Court in order to confine access to the Contingency Fund to what is strictly necessary.

**Fifthly, as regards legal aid**, the Committee has this year recommended that the Assembly adopt the Registry's proposals for lump-sum payments to teams to be adjusted in light of fluctuations in procedural activities. This should already result in overall savings of more than a million euros from 2013. Your Committee has accordingly applied the logical consequences of this to the proposed budget for the forthcoming year.

The aim here is not drastically to reduce the resources available to teams representing defendants or victims, but to adjust legal aid so that it covers those items for which it is normally intended. Other aspects will certainly be the subject of further consideration in the future: inter alia, indigence and representation of the parties in the reparations phase. Other alternative mechanisms might be established in place of certain current structures. The Committee has thus questioned the maintenance in its present form of the Office of Public Counsel for the Defence.

**Sixthly, regarding the Court's premises**, the Committee has proposed a certain number of savings in the draft programme budget for 2013 (for example, €120, 000 for the interim premises). As regards the permanent premises, the Committee has recommended that the Court rapidly set up a body to make a long-term study of the implications of the move to the new premises. The working group will also need to provide the necessary detailed data to enable new States Parties, acceding after completion of the permanent premises, to be informed of their contribution to the financing of the project. I would further add that the Committee has again sought to limit the costs of the new equipment that will need to be purchased.

**Finally**, the Committee has reviewed the work of the Internal Audit Office, and made a number of suggestions, including a proposal that each audit report should contain a summary of its previous recommendations and a status report on their implementation.

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Madam President,

Allow me again to convey my warmest thanks to all of the Court staff, who, once more, have shown such an excellent spirit of cooperation in working with the members of the Committee. The work has, of course, been particularly demanding this year, but it has been conducted in a spirit of dialogue and partnership that cannot be emphasized too strongly.

For myself, as Chair of the Committee on Budget and Finance, I should like to express my deepest gratitude to all of my colleagues for their valuable contributions to our work over this past year. It is a privilege to be a member of this Committee.

And in conclusion, I should like to say a final thank you, not so much to those responsible for the day-to-day conduct of business in this international judicial institution of ours, but quite simply to you, the Assembly. Through your work, your guidance, your commitment, you give meaning to our work. There is nothing perfunctory about your sessions. Your decisions of course represent challenges to the Court, but also to your Committee on Budget and Finance. And for that we thank you most sincerely.

Thank you, Madam President.