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Report on the activities of the Oversight Committee**Addendum****Report of the Chair of the Oversight Committee on exercise of delegated authority**

1. The Assembly of States Parties established the Oversight Committee (“the Committee”) as a subsidiary body pursuant to article 112(4) of the Rome Statute, entrusted to act on its behalf for the strategic oversight on the construction of the permanent premises of the International Criminal Court (“the Court”),¹ with routine management of the project resting with the Project Director.²
2. The Committee was also empowered with delegated authority to “make key strategic decisions including the authorization of changes to the project scope³ [...] where a decision is required in a time frame that would not allow for a decision by the Assembly”.⁴ Under such circumstances, the Chairperson of the Committee is required to report to the Assembly.⁵
3. As the transition of the Court from the interim to the permanent premises involved operational matters within the remits of the Court, the governance of this project was established within the Court itself. However, both the budget of the construction project and that of the transition project were managed by the Project Director, under the oversight of the Committee. This dichotomy between operations and finances had brought about issues of coordination, which required an urgent alignment of the two projects.
4. The Committee made use of its delegated authority for the first time in the course of 2013, by adopting the decision to change the scope of the project with the unification of the construction and the transition projects, following a holistic approach also endorsed by the External Auditor and the Committee on Budget and Finance. This decision⁶ was taken in full agreement with the Court and upon an extensive review of the governance arrangements of the project, which started at the end of 2012. The deadlines to be met in the construction and transition projects, and the

¹ ICC-ASP/6/Res.1, para. 5, and annex II, paras. 1 and 2.

² *Ibidem*, annex II, para. 2.

³ *Ibid.*, para. 3(c).

⁴ *Ibid.*, para. 16(c).

⁵ *Ibid.*, para. 17: “The Chairperson of the Oversight Committee shall report to the Assembly at its next session on any exercise of this delegated authority”.

⁶ Seventh meeting of the Oversight Committee, 5 July 2013, *Agenda and decisions*, annexes I and II. Available as annex I and II of ICC-ASP/12/43. Report on the activities of the Oversight Committee.

need to finalize the revised financial structure ahead of the annual Court's budget presentation did not allow to postpone such decision until the time of the Assembly.

5. The result of the change made is that there exists now one overall Permanent Premises Project, with one unified financial envelope. It is a major change in scope, strengthened governance, actual savings and potential efficiencies for States Parties. The relevant elements are presented in the Report on the activities of the Oversight Committee,⁷ and summarized below:

(i) Management of the project

The management of the unified project is under the exclusive lead of the Project Director. His reporting lines are now to both the Oversight Committee and to the Registrar, which is expected to reconcile the different mandates of the Assembly and the Court. The Committee, in consultation with the Court, will keep the implementation of this governance structure under review;

(ii) Transition costs (formerly "2gv" costs)

The remaining estimated cost of €16.8 million until the project end which were to be approved on an annual basis - were removed from the regular budget, thus alleviating the pressure on the resources approved by the Assembly for the Court's operations. The 2gv part of transition costs are now reduced to a total of €11.3 million and are included in the unified envelope;

(iii) Funding of transition costs

While the funding of the construction costs continue to be ensured through the host State loan and the one-time payments of States Parties, transition costs are covered with a mechanism that does not envisage resorting to additional contributions of States Parties. This is achieved by utilizing the €5.7 million savings realized in the construction project, and from the surplus pertaining to the financial years 2012 through 2014, up to a maximum of €5.6 million. An amendment to Regulation 4.7 of the Financial Regulations and Rules is proposed to that end;

(iv) Overall financial envelope

A unified envelope for the construction and transition activities is established at the level of €195.7 million, with a target to reduce this to at least €193.7 million by June 2014 upon a further detailed review by the Project Director of the transition costs.

⁷ ICC-ASP/12/43. Report on the activities of the Oversight Committee, paragraphs 38-85.