

ASSEMBLY OF STATES PARTIES TO THE ROME STATUTE

THIRTEENTH SESSION

Oversight Committee

Oral report of the Chair on the activities of the Committee

Mr. Roberto Bellelli (Italy)

1. It is an honour to report to the Assembly of States Parties on the activities carried out by the Oversight Committee since the twelfth session of the Assembly in November 2013.
2. A full report providing a detailed summary of the Committee's activities has been submitted to the Assembly as document ICC-ASP/13/39.
3. Please allow me to only briefly highlight the most important issues that have been before the Committee over the past year, and the challenges ahead.
4. As you know, the Oversight Committee was established in 2007 as a subsidiary body of the Assembly, tasked with the strategic oversight of the permanent premises project, in order to ensure that the construction of the Court's permanent premises is achieved within agreed budget, quality and timelines.
5. I am pleased to inform you that the permanent premises are now entering the last nine months of construction, which is expected to be completed by September 2015. The Court would thus be enabled to move into its new premises in December 2015.
6. The project remains virtually within its approved budget of €195.7 million, as approved by the Assembly in 2013, upon unification of the construction and the transition projects. However, pressures have emerged on the project reserve, and prudent oversight and management require that **risks for a possible deficit in 2015** be addressed preventively, to avoid a potential disruption to the timely completion of the project, which would result in an additional financial burden for States Parties.
7. Earlier in the project, the requirements included in the design appeared to drive the cost estimates above the construction budget level of €190 million. In order to tender the project within this figure, the Committee decided to reduce the financial flexibility built in the estimates, by reducing important amounts of reserves, rather than sacrificing the Court's requested quality of the premises. Upon completion of the tender stage, savings became available for €6.3 million against the construction budget. Instead of increasing the existing reserve, in 2013 the Committee decided to use €5.6 million of

such savings to partly fund the transition costs, so as to relieve the regular budget of the Court and also bring – in full agreement with the Court - the transition project under an unified management with the construction project. In the course of 2014, the use of the project reserve has accelerated with the progress in the project, and it now appears insufficient to safely plan for the obligations still to be entered in 2015, and to also ensure financial security against unforeseen events, included for the integrated transition project. While the Project Director remains committed to delivering the unified project within budget, he has proposed that the **budget cap be increased at the level of €200 million, or €4.3 million above the current level of €195.7 million, which was approved last year for the unified project.** The proposal has also met the positive recommendation of the Committee on Budget and Finance.

8. The Oversight Committee submits that, against the reported risk that the project might come to a halt next year, a sufficient safeguard needs to be established. For that purpose the Committee proposes that the Assembly, instead of directly increasing the current budget level, provides the Committee with **delegated authority to raise the budget level in 2015 – as a measure of last resort and as necessary and appropriate –** within the maximum figure of €200 million. In light of the financial situation of the project, in 2014 the Committee has already strengthened its oversight on the expenditures against the project reserve. Should the exercise of the now proposed delegated authority on the budget level become strictly needed and appropriate, the Committee will make a decision based on an enhanced oversight and control on the management of resources.

9. The deadline for States Parties to opt for a **one-time payment** will expire on 31 December 2014. This funding mechanism has attracted over time increasing success, as it has so far been joined in by [61] States Parties, with nearly €[80] million pledged. Both the External Auditor and the Committee on Budget and Finance have now recommended that States Parties' contributions for the project be liquidated based on the scale of assessments applicable for the period 2013-2015.

10. The Committee is expected to finalize in 2015 its consideration of the future **long-term maintenance and capital replacement** costs of the permanent premises, for which its Working Group will concentrate its analysis on two alternative scenarios, which would address a multi-annual and an annual approach, respectively fostering a technical perspective and addressing the political challenges that might arise under the first scenario. Consequently, an accurate estimate of such costs is dependent of the mechanism that will be agreed upon for their assessment, funding and management.

11. With the project approaching completion, the Oversight Committee has noted that issues such as the access of States Parties and their **ownership interests** in the permanent premises have also to be taken into account. In that regard, the Committee will submit any relevant proposals to the next session of the Assembly.

12. All these elements are contained in the draft resolution on permanent premises submitted to the Assembly as Annex VI of the Report on the activities of the Oversight Committee.

Thank you.
