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**Report of the Court on information on capital replacement mechanisms and best practices of other international organizations provided through participation in the Inter-Agency Network of Facilities Managers****Executive Summary**

The Committee on Budget and Finance has noted that the Inter-Agency Network of Facilities Managers will continue to share information on capital replacement mechanisms and has asked for updates on the best practices of other international organizations no later than at its thirty-third session. The INFM conducted a first survey in 2019 in which six member organizations participated. The results are given below. All organizations stressed the importance of maintaining and protecting the value of their buildings. Half of the organizations have a funding mechanism in place for capital replacements. A total of 80 per cent solicit extra budgetary resources for capital replacements and a third has established a special capital replacement fund. A third of the organizations receive contributions from their host States to fund capital replacement costs. The relationship between consequent programmes for corrective and preventive maintenance on the one hand, and capital replacements on the other, is used as a basis to manage risk and mitigate technical failures.

**I. Introduction**

1. At its thirty-first session, the Committee on Budget and Finance (“the Committee”) noted with interest that the Inter-Agency Network of Facilities Managers (INFM) will continue to share information on capital replacement mechanisms and looked forward to updates on best practices of other international organizations no later than at its thirty-third session.<sup>1</sup>

2. The Court’s representative continues to play an active role in the INFM at that group’s annual meeting. This allows the Court’s facilities management to access, monitor and contribute to the development of industry standards and best practices among international organizations. Active participation in the INFM will ensure that the Court’s input and requirements will be included in the work programme and that relevant information in the area of building and premises management will continue to be shared.

3. At the initiative of the Court’s representative in the INFM, particular focus has been placed, at the most recent INFM conferences, on the topic of Capital Replacement Strategies and Funding in INFM Member Organizations.

**II. Background**

4. At the annual INFM conference in 2018 in Bangkok, the INFM Working Group on Capital Planning and Projects agreed that a survey should be performed among INFM member organizations to determine practices regarding capital replacement funding, including the role of the host countries.

<sup>1</sup> *Official Records of the Assembly of States Parties to the Rome Statute of the International Criminal Court, Seventeenth session, The Hague, 5-12 December 2018 (ICC-ASP/17/20)*, vol. II, part B.2, para. 268.

5. A first survey was undertaken in advance of the INFM conference in 2019 in Brussels to collect information on capital replacement funding and practices from representatives of the INFM member organizations that participated in the working group at the 2018 INFM conference which introduced the matter.

6. With the aim of identifying experiences, best practices and lessons learned among member organizations, the analysis of the data provided the following results that were presented to the plenary at the 2019 conference.

### **III. Survey results**

7. Six members of the working group participated in the survey.

8. All of them rated the importance of defining a capital replacement strategy to ensure that the organizations' ageing buildings receive all replacements of building components that are required for them to be permanently operational and in order to sustainably maintain asset values.

9. Half of the member organizations represented in the working group follow a planned approach to the replacement of building components that have reached the end of their useful lives; they also have a formal capital replacement strategy.

10. There are several approaches to how the strategies prioritize capital replacements.

11. Half of the capital replacement strategies or policies of the above organizations include a particular funding mechanism that has been agreed upon by their member States.

12. In 80 per cent of the organizations, capital replacements are funded separately from their regular budgets.

13. A third of the organizations have established a special capital replacement fund, to which the member States regularly contribute, to provide funding for such expenditure.

14. The respective host State contributes to the funding of capital replacement costs in a third of the organizations that participated in the survey.

15. None of the other organizations have a maintenance contract in place for preventive and/or corrective maintenance services which also includes replacement of building components that have reached the end of their useful lives.

16. Half responded that there was a close interrelation between preventive and corrective maintenance services and the replacement of components that have reached the end of their useful lives. They also considered that maintenance to appropriate standards and the appropriate management of the risk of failure were the most important aspects in the link between maintenance and capital replacements.

17. It is part of the INFM's official work programme to undertake a wider survey among all INFM member organizations as a follow-up to this year's conference. The Court will work together with the Secretariat of the United Nations which will actively support the exercise.

### **IV. The Court's developments**

18. Since 1 January 2019, the Court has had a maintenance contract in place for preventive and corrective maintenance services for the building.

19. The Court has submitted a five-year capital replacement plan based on technical expertise provided internally and by the main contractor. Preparations for the submission of the long-term plan by the contractor are under way. Its final submission will take place in November 2019.

20. The establishment of a special fund for capital replacements was proposed by the Court but has not yet been agreed upon.<sup>2</sup> Currently, funding for capital replacements<sup>3</sup> is set to be requested through the regular programme budget.<sup>4</sup>

21. While the host State has made available to States Parties a loan to fund the construction of the permanent premises, there have been no discussions with the host State concerning any contribution to and/or financing of the Court's capital replacement costs.

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<sup>2</sup> *Official Records ... Seventeenth session ... 2018* (ICC-ASP/17/20), vol. II, part B.2, para. 267.

<sup>3</sup> CBF/32/10, Annex 1.

<sup>4</sup> *Official Records ... Seventeenth session ... 2018* (ICC-ASP/17/20), vol. I, part III, ICC-ASP/17/Res.4, Section G, para 1.

## **V. Conclusions**

22. The Court's strategy on capital replacements at the premises, as outlined in the reports previously submitted to the Committee, is in line with best market practices also followed by other international organizations. These include, among others, prioritization of capital replacements; development and update of medium-and long-term plans; and funding solutions to avoid major financial issues in the future.

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