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**Fourth session**

The Hague

28 November to 3 December 2005

**Report on the Future Permanent Premises of the International  
Criminal Court\***

**Financing Methods Used for the Premises of Other  
International Organizations**

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\* Previously issued as ICC-ASP/4/CBF.2/6\* and submitted to the Assembly pursuant to paragraph 80 of the report of the Committee on Budget and Finance on the work of its fifth session (ICC-ASP/4/27).



**REPORT ON THE  
FUTURE PERMANENT PREMISES  
OF THE  
INTERNATIONAL CRIMINAL  
COURT**



**FINANCING METHODS  
USED FOR THE PREMISES  
OF OTHER  
INTERNATIONAL  
ORGANIZATIONS**

**Elaborated by the International Criminal Court. This report is submitted further to paragraph 39 of the report of 15 April 2005 of the Committee on Budget and Finance on the work of its fourth session, held in The Hague from 4 to 6 April 2005 (ICC-ASP/4/2).**

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This report was prepared by the Inter-Organ Committee on the Permanent Premises (IOCPP) of the International Criminal Court under the chairmanship of Judge Hans-Peter Kaul.

The Court would like to express its appreciation for the contributions and data provided by the consulted international organizations and host States.

## Foreword

This Report on the “Financing methods used for the premises of other international organizations” is the fifth of five reports submitted by the International Criminal Court in 2005 on the future permanent premises of the Court:

1. “Report on the future permanent premises of the International Criminal Court – Project Presentation” (ICC-ASP/4/CBF.1/3), submitted further to paragraph 4 of the report of the Committee on Budget and Finance (CBF) to the Assembly of States Parties (the Assembly) regarding discussions on the permanent premises of the Court, dated 17 August 2004 (ICC-ASP/3/17);
2. “Report on the future permanent premises of the International Criminal Court – Housing options” (ICC-ASP/4/1) requested by the Assembly of States Parties at its third session held in The Hague from 6 to 10 September 2004;
3. “Report on the future permanent premises of the International Criminal Court – Financial comparison of housing options” (ICC-ASP/4/CBF.2/4) requested by the CBF at its fourth session held in The Hague from 4 to 6 April 2005;
4. “Report on the future permanent premises of the International Criminal Court – Interim report on the composition of estimated staffing levels” (ICC-ASP/4/CBF.2/5) requested by the CBF at its fourth session held in The Hague from 4 to 6 April 2005;
5. The present “Report on the future permanent premises of the International Criminal Court – Financing methods used for the premises of other international organizations” (ICC-ASP/4/CBF.2/6) requested by the CBF at its fourth session held in The Hague from 4 to 6 April 2005.

The Court believes that this set of five reports shows that significant progress has been made during the past year and that many important issues regarding the future permanent premises project have been clarified. This pace of progress will continue to be necessary if the objective to complete the permanent premises before the end of the rent-free period in 2012 is to be attained.

The Court hopes that this series of reports will provide the CBF and the Assembly with a solid basis for further in-depth consideration of key issues pertaining to the future permanent premises of the Court, including the question of appropriate financing modalities for its construction.

Lastly, the Court is of the view that efforts to achieve agreement on financing modalities that States Parties find satisfactory will be the main priority of this project in 2005/2006.

## Executive Summary

In paragraph 39 of the report of 15 April 2005 of the Committee on Budget and Finance on the work of its fourth session, held in The Hague from 4 to 6 April 2005 (ICC-ASP/4/2), the CBF asked the Court to prepare a report on financing methods used for the new premises of other major international organizations, including comparable international judicial institutions. The Court was also asked to consider creative financing options such as the possibility of inviting States Parties to consider making individual donations for the construction of the premises (for instance particular courtrooms or conference rooms).

This report is divided into two parts:

The first part (chapter 1) describes the financing models for the premises of 12 selected international organizations, enabling the CBF and ultimately the Assembly of States Parties to reach a decision on the Court's permanent premises on the basis of well-founded, decisive and comparable information.

The second part (chapter 2) of the report considers creative financing options, providing the CBF with some initial ideas about different possible approaches for alternative financing.

### Main findings and conclusions

It emerges from the analysis of the financing conditions of major international organizations that the organizations were in most cases offered favourable conditions<sup>1</sup>. The range of options may be summarized as follows:

	<b>Examples</b>
<b>A. Land</b> - Granted free of charge or for a symbolic rent	ECHR, ECJ, FAO, ICJ, ILO, ITLOS, UNESCO, VIC, WTO
<b>B. Building</b> - Host State lets the building for a symbolic rent to the organization	FAO, ITLOS, VIC
<b>C. Loan</b> - Interest-free loan - Favourable loan, e.g. 3% over 40 years	ILO, UNESCO, UN ECJ, ILO (until 1996)
<b>D. Subsidized costs</b> - Shared costs between organization and host State - Host State pays a (larger) part of the extraordinary budget (e.g. 24% instead of 12% for the ordinary budget)	ICAO ECHR
<b>E. Donations</b> (e.g. the land, the building or parts of the building)	ICJ, UN

<sup>1</sup> The term "favourable conditions" is understood here to mean better than market conditions/commercial terms.

Applying<sup>2</sup> these conditions to the Court would have the following impact on the total annual costs:

<b>Description:</b>	<b>Annual costs<sup>3</sup> (€)</b>	<b>Savings</b>
<b>Reference: market conditions</b> As described in the report on the financial comparison of housing options (ICC-ASP/4/CBF.2/4)	<b>15.2m</b>	
<b>A. Land free of charge</b>	<b>13.4m</b>	-11.8 %
<b>B. Building and land free of charge</b> Operating costs and maintenance costs are borne by the organization	<b>4.3m</b>	-71.7 %
<b>C.1 Interest-free loan</b> Pay-back period 25 years	<b>10.5m</b>	-30.9 %
<b>C.2 Favourable loan (3%)</b> Pay-back period 25 years	<b>13.4m</b>	-11.8 %
<b>D. Subsidized costs</b> Organization pays 25%, host State pays 75% (e.g. ICAO)	<b>3.8m</b>	-75 %
<b>A. + Land free of charge + Interest-free loan</b> <b>C.1</b>	<b>7.7m</b>	-49.3 %
<b>A. + Land free of charge + Favourable loan</b> <b>C.2</b>	<b>9.7m</b>	-36.2 %

#### Alternative methods of financing

If the Assembly were to decide that fund-raising might be an option, the following points should be borne in mind:

- Fund-raising for judicial institutions is somewhat unusual
- Any fund-raising campaign would be time-consuming
- The result of any fundraising campaign would be uncertain, possibly leading to reduced planning security
- Any fund-raising campaign would entail the risk of delays in project development
- Any fund-raising campaign would require the assistance of specialized professionals
- Any proper fund-raising effort presupposes a campaign concept that is as systematic and focused as possible

<sup>2</sup> On the base of the model calculation from the “Financial comparison of housing options”, ICC-ASP/4/CBF.2/4

<sup>3</sup> Price level 2012, assuming an inflation rate of 3% per annum.



In order to avert any risk of fund-raising activities by the Court affecting its international standing and reputation, it would be preferable to mandate an independent third party to undertake such activities (e.g. a trust fund headed by an eminent international public figure).

## **Introduction**

1. In paragraph 39 of the report of 15 April 2005 of the Committee on Budget and Finance (CBF) on the work of its fourth session, held in The Hague from 4 to 6 April 2005 (ICC-ASP/4/2), the CBF asked the Court to prepare a report on financing methods used for the new premises of other major international organizations, including comparable international judicial institutions. The Court was also asked to consider creative financing options such as the possibility of inviting States Parties to consider individual donations for the construction of the premises (for instance particular courtrooms or conference rooms).

2. This report is accordingly divided into two parts:

The first part (chapter 1) describes various financing models for the premises of other selected international organizations, enabling the CBF and ultimately the Assembly of States Parties to reach a decision on the Court's permanent premises on the basis of well-founded, decisive and comparable information.

The second part (chapter 2) considers creative financing options, providing the CBF with some initial ideas about different possible approaches for alternative financing, including the possibility of inviting States Parties to consider making individual donations for the construction of the premises (for instance particular courtrooms or conference rooms).

### **1. Financing methods used for premises of other international organizations**

#### **1.1 Methodology**

3. The Court gathered information on the financing methods used for the premises of other international organizations from the organizations themselves on the basis of a questionnaire. The Court considered it appropriate to send the questionnaire to judicial institutions as well as to organizations with universal membership. The latter were carefully chosen in terms of their staffing level and the size and/or investment costs of their premises. Only headquarters buildings of the selected organizations were taken into consideration.

4. A model questionnaire was sent to selected organizations/courts inviting them to provide the International Criminal Court with information regarding specific aspects of their premises and the financing modalities used. Where information was incomplete or unclear, additional questions were asked. The information provided by a consulted organization was included in this report only after a thorough review of the data collected and an assessment as to their comparability and significance vis-à-vis the Court.

5. In some instances the Court received additional information from host States.

6. It should be pointed out that the ICC relied on the accuracy of the information received but was not in a position to verify the data independently.

## 1.2 Relevant information from other international organizations

### 1.2.1 European Court of Human Rights (ECHR), Strasbourg, France

**Address:**

Council of Europe  
67075 Strasbourg-Cedex  
France



**Key data in respect of the ECHR**

Staffing level at headquarters (2005)	503
Dimensions of the land	20,000 m <sup>2</sup>
Gross floor area of headquarters building	28,000 m <sup>2</sup>
Year of construction of headquarters building	1992-1994
Owner of the building	Council of Europe
Owner of the land	Council of Europe

**Financing modalities used for the permanent premises of the ECHR**

7. The land was ceded by the City of Strasbourg to the Council of Europe for a token sum.
8. The investment costs for the construction of ECHR headquarters building totalled 400 million French francs and are borne by the Council of Europe. The Court building is financed by means of two loans. The first began in 1990 with a 5% interest rate and the second began in 1994 with a 6.215% interest rate. The contracts were both signed with the Société Générale bank and reimbursement of the loans is financed by the Extraordinary Budget.
9. France contributes voluntarily at an increased rate of 24% to the Extraordinary Budget which was directly used to finance the construction of the building and the reimbursement of the loans. As France's normal contribution rate is 12%, the contributions of the other States parties are correspondingly reduced.

**Source of information:**

European Court of Human Rights

### 1.2.2 European Court of Justice (ECJ), Luxembourg

**Address:**

L-2925 Luxembourg-Kirchberg  
Luxembourg



**Key data in respect of the ECJ**

Staffing level at headquarters (2005)	1,717
Dimensions of the land	56,900 m <sup>2</sup>
Gross floor area of headquarters building	110,221 m <sup>2</sup>
Year of construction of headquarters building	“Palais”: 1973; “Erasmus”: 1989; “Thomas More”: 1993; “C”-building: 1994; “T” building: 1999 (rented temporarily); “Geos” building: 2004 (rented temporarily)
Owner of the building	Luxembourg; after payment of the last leasing rate, the European Union will be the owner of the “Palais”, “Erasmus”, “Thomas More” and “C” buildings. The temporarily rented buildings “T”, “T bis” and “Geos” are owned by private companies.
Owner of the land	Luxembourg

**Financing modalities used for the permanent premises of the ECJ:**

10. The land is provided by Luxembourg for 49 years. The European Union (EU) pays a symbolic rent of €1 per year.

11. The Court’s premises, the “Palais”, “Erasmus”, “Thomas More” and “C” buildings were constructed by Luxembourg at its own expense.

12. The “Palais” was rented by the European Union from 1973 to 1999 before it was decided to renovate the building due to asbestos contamination. The “Palais” was evacuated to the “T” and “T bis” buildings which are temporarily rented on favourable terms by the EU. Generally, the tenancy conditions for the temporarily rented buildings are the same as for the “Palais” (annual rent amounting to €2,280,439 in 2005). The “Palais” will be under renovation until 2007/2008 and it will then be leased under conditions yet to be agreed on. After payment of the last leasing rent, the EU will be the owner of the building.

13. With regard to the additional “Erasmus”, “Thomas More” and “C” buildings, the European Union concluded a leasing contract soon after the beginning of their construction and after the 1992 EU decision agreeing on Luxembourg as the seat of the European Court of Justice, enabling the EU to become the owner of the buildings after the last payment of the leasing rent (expected in 2015). The annual leasing rate comprises the investment costs and the rent and amounts to €10,000,000. The favourable financing conditions for the loan from the “Caisse d’Epargne de l’Etat” bank were effectuated through the involvement of the Government of Luxembourg as guarantor for the reimbursement.

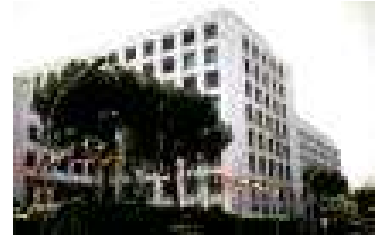
14. A private real estate company is in charge of realization of all the various construction and renovation projects and extensions of the existing buildings. Luxembourg provides all the necessary infrastructure and administrative support for the whole of the planning and construction phase of the ECJ buildings. The company takes up loans from private banks for which Luxembourg is the guarantor, a fact that has facilitated application of the most favourable interest rates. Luxembourg repays the company and the European Union repays Luxembourg.

**Source of information:**  
European Court of Justice

**1.2.3 Food and Agricultural Organization  
of the United Nations (FAO),  
Rome, Italy**

**Address:**

Viale delle Terme di Caracalla  
00100 Rome  
Italy



**Key data in respect of the FAO**

Staffing level at headquarters (2005)	2,700
Dimensions of the land	41,670 m <sup>2</sup>
Gross floor area of headquarters building	More than 100,000 m <sup>2</sup>
Year of construction of headquarters building	1935, 1949, 1962, 1982, 1992, 1994
Owner of the building	Italy
Owner of the land	Italy

**Financing modalities used for the permanent premises of the FAO**

15. Italy provided existing buildings to the FAO and, in addition, constructed and enlarged the premises entirely at its own expense.
16. The FAO headquarters buildings are rented to FAO at the symbolic rent of €1 per year by the Italian State.
17. Italy also covers all “extraordinary maintenance costs”, while the FAO covers “ordinary maintenance costs”. “Ordinary maintenance” refers to regular or periodic maintenance (e.g. painting, cleaning, expendable equipment) and “extraordinary maintenance” refers to major works and overhaul interventions (e.g. change of non-expendable equipment, restoration work and repairing of the roof).

**Source of information:**

Food and Agricultural Organization of the United Nations

#### 1.2.4 International Civil Aviation Organization (ICAO), Montreal, Canada

**Address:**

999 University Street  
Montreal, Quebec H3C 5H7  
Canada



**Key data in respect of the ICAO:**

Staffing level at headquarters (2005)	600
Dimensions of the land	6,790 m <sup>2</sup>
Gross floor area of headquarters building	33,120 m <sup>2</sup>
Year of construction of headquarters building	1996
Owner of the building	174068 Canada Inc., a subsidiary of the Westcliff Group and Canwall Limited (CN employees' pension fund)
Owner of the land	As above

#### **Financing modalities used for the permanent premises of the ICAO**

18. The investment costs for the construction of the ICAO headquarters building totalled Can\$ 120,000,000 and were borne entirely by the host State. The Organization has an option to buy the building at its depreciated value at the end of the 20-year lease.

19. Both the rent and operation and maintenance costs are shared with the host Government on the basis of a ratio of 75:25 (Canada/ICAO). The total annual rent is constant (Can\$ 11,156,140) and is set until 2017, while the maintenance and operation costs are tied to the consumer price index and the inflation index.

20. Example: With ICAO annual expenditures totalling Can\$ 16,241,804 in 2004, the Organization expended Can\$ 4,060,451.

21. Canada and ICAO also share, at a 75:25 ratio, repair and capital equipment costs which are based on the lifecycle of the relevant systems and are estimated for future years.

**Source of information:**

International Civil Aviation Organization

**1.2.5 International Court of Justice (ICJ),  
The Hague, Netherlands**

**Address:**

Peace Palace  
2517 KJ The Hague  
The Netherlands



**Key data in respect of the ICJ**

Staffing level at headquarters (2005)	100
Dimensions of the land	60,000 m <sup>2</sup>
Gross floor area of headquarters building	7,939 m <sup>2</sup>
Year of construction of headquarters building	Peace Palace 1907-1913 New Wing: 1978 Extension of the New Wing: 1995/1996
Owner of the building	Carnegie Foundation
Owner of the land	Carnegie Foundation

**Financing modalities used for the permanent premises of the ICJ**

22. Andrew Carnegie and the host State founded the Carnegie Foundation. Andrew Carnegie donated a sum of US\$ 1.5 million to the Foundation, which was used for the construction of the building initially intended for the Permanent Court of Arbitration. The land was provided by the host State to the Carnegie Foundation free of charge.

23. Several States made donations in kind for the construction of the Peace Palace.

24. Today the premises are placed at the disposal of the Court by the Carnegie Foundation in the Netherlands in return for a payment by the United Nations, which in 2004 totalled US\$ 1,004,086.

25. The 1978 New Wing and its 1996 extension were built entirely at the expense of the host State (a total of US\$ 40 million).

**Source of information:**

International Court of Justice



**1.2.6 International Labour Organization (ILO),  
Geneva, Switzerland**

**Address:**

4 Route des Morillons  
1211 Geneva 22  
Switzerland



**Key data in respect of the ILO**

Staffing level at headquarters (2005)	1,124
Dimensions of the land	166,303 m <sup>2</sup>
Gross floor area of headquarters building	Gross floor area of the headquarters building: appr. 50,000 m <sup>2</sup> (offices) plus 50,000 m <sup>2</sup> other service areas, including a conference centre for 1,400 persons
Year of construction of headquarters building	1974
Owner of the building	International Labour Organization
Owner of the land	International Labour Organization with the exception of a 21,112 m <sup>2</sup> lot owned by the Canton of Geneva

**Financing modalities used for the permanent premises of the ILO**

26. The construction of the headquarters buildings of the ILO was financed by means of the Organization's own financial resources and a loan from the host State, Switzerland, of SwF 117 million over a period of 40 years at a 3.0% interest rate. Since 1996, following negotiations between the host State and international organizations based in Switzerland, interest payments are no longer requested. Only the capital is to be reimbursed over a period of 30 years.

27. The loan was granted by the Fondation des Immeubles pour les Organisations internationales (FIPOI).

28. The land was given to the ILO free of charge. The land owned by the Canton of Geneva is also granted free of charge.

**Source of information:**

International Labour Organization

**1.2.7 International Tribunal for the Law of the Sea (ITLOS), Hamburg, Germany**

**Address:**

Am Internationalen Seegerichtshof 1  
22609 Hamburg  
Germany



**Key data in respect of the ITLOS**

Staffing level at headquarters (2005)	40
Dimensions of the land	30,090 m <sup>2</sup>
Gross floor area of headquarters building	20,700 m <sup>2</sup>
Year of construction of headquarters building	2000
Owner of the building	Germany
Owner of the land	Germany

**Financing modalities used for the permanent premises of the ITLOS:**

29. The Tribunal building was originally planned for 113 staff members. It was fully financed (the building itself and the furniture) by the host State, Germany, and the City of Hamburg. The investment costs in respect of the construction of the Court's premises totalled DM 123.2 million:

Building: DM 97,710,000  
Villa: DM 8,800,800  
Garden: DM 11,000,000  
Equipment: DM 5,500,000

30. The Tribunal is a tenant with a symbolic rent of DM 1 per year.

31. The Tribunal is responsible for all adequate maintenance costs and minor repairs up to a total of €1,000. Where the cost of a single repair exceeds €1,000, the host State reimburses the Tribunal for the amount in excess. The total responsibility of the Tribunal in respect of such repairs may not exceed €50,000 per year.

32. Germany has agreed to pay for all major repair costs, defined as any single repair measure costing more than €2,500.

**Source of information:**

International Tribunal for the Law of the Sea

**1.2.8 Organization for the Prohibition of  
Chemical Weapons (OPCW),  
The Hague, Netherlands**

**Address:**

Johan de Wittlaan 32  
2517 JR The Hague  
Netherlands



**Key data in respect of the OPCW**

Staffing level at headquarters (2005)	552
Dimensions of the land	10,397 m <sup>2</sup>
Gross floor area of headquarters building	18,613 m <sup>2</sup>
Year of construction of headquarters building	1996-1998
Owner of the building	Peace Building Catsheuvel BV (Joint venture between Provastgoed Nederland BV and Hillen & Roosen BV)
Owner of the land	Municipality of The Hague

**Financing modalities used for the permanent premises of the OPCW**

33. During the preparatory phase the Host State paid the rent in respect of the provided office space as well as the maintenance, energy and turnkey costs.

34. Following completion of the construction of its headquarters building, the OPCW paid rent amounting to €2,382,231 in quarterly advance payments which the host State reimbursed for the first three years. The rent to be paid by the OPCW after the first three years is to be adjusted annually on the basis of the CBS consumer index, with a maximum annual increase set at 5%, while the ten-year annuity (which covers the Organization's special requirements) is not subject to price revision.

35. In 2004 the annual rent for the land and building to be paid to Peace Building Catsheuvel amounted to €2,939,365. The duration of the rental contract is 15 years with the possibility of extensions for five-year periods unless the contract is terminated by the OPCW 12 months before the expiry of the rental period.

**Source of information:**

Organization for the Prohibition of Chemical Weapons

**1.2.9 United Nations Headquarters (UN),  
New York, United States of America**

**Address:**

First Avenue at 46th Street  
New York, NY 10017  
United States of America



**Key data in respect of the UN**

Staffing level at headquarters (2005)	3,500
Dimension of the land	66,500 m <sup>2</sup>
Gross floor area of headquarters building	244,949 m <sup>2</sup>
Year of construction of headquarters building	Secretariat building: 1950 General Assembly building: 1952, extended in 1964 and 1979/1982 Conference building: 1952, extended in 1964 and 1976/1982 Library building: 1962 UNITAR building: 1950 North Lawn, South Annex, Service Drive and Parking Levels: 1981; 1982; 1952
Owner of the building	United Nations
Owner of the land	United Nations

**Financing modalities used for the permanent premises of the UN**

36. On 14 December 1946, the General Assembly accepted John D. Rockefeller's offer of US\$ 8.5 million for the purchase of land along the East River north of 42nd Street. The land was purchased in 1947. The City of New York had to contribute with certain properties, streets, riverfront rights and air rights over Franklin Delano Roosevelt Drive so as to make one integrated site, continuous and uninterrupted. The streets and other parcels were transferred to the UN in 1947. The final boundaries of the UN compound were formally established in an agreement executed in 1954. The Secretariat building, conference facilities and library are located on that land.

37. In September 1989, the underlying land of the UNITAR building was purchased for US\$ 4.5 million. The ownership of the building was transferred to the United Nations in 1993.

38. In addition, the UN rents office space in several buildings across the City of New York with a total rented area of 135,340 m<sup>2</sup>.

39. The Secretariat, the General Assembly and the Conference buildings were constructed at an initial cost of US\$ 67 million (in the 1950s) financed through an interest-free loan from the host State which was repaid from 1951 to 1982.

40. The library built in 1962 was funded by a gift of US\$ 6.7 million from the Ford Foundation.

41. In 1976, an expansion of the complex costing US\$ 55 million was funded through the regular budget of the Organization.

42. With regard to the Capital Master Plan concerning the necessary modernization of the UN headquarters, an offer for a loan of US\$ 1.2 billion at a maximum interest rate of 5.54% and repayable over a maximum period of 30 years has been made by the host Government. All financing options are currently being considered.

**Source of information:**

United Nations

**1.2.10 United Nations Educational, Scientific and Cultural Organization (UNESCO), Paris, France**

**Address:**

7, Place de Fontenoy  
75352 Paris 07 SP  
France



**Key data in respect of the UNESCO**

Staffing level at headquarters (2005)	appr. 3,000 persons
Dimensions of the land	48,715 m <sup>2</sup>
Gross floor area of headquarters building	134,000 m <sup>2</sup> (including underground parking space)
Year of construction of headquarters building	1958-1985
Owner of the building	UNESCO
Owner of the land	France

**Financing modalities used for the permanent premises of the UNESCO**

43. The headquarters land at the Fontenoy site was granted by the French Government and let to the Organization by lease dated 25 June 1954 for an indefinite period of time. For the Fontenoy site the Organization pays a symbolic rent of 1 French franc.

44. The land at the Miollis/Bonvin site was also granted to the Organization in 1972 for an indefinite period of time and for a symbolic rent of FF 100.

45. Financial aid was given in form of an interest-free loan of FF 2.1 billion to be repaid over a period of 30 years for the construction of the Organization's buildings on the Fontenoy site.

46. For the construction of the buildings on the Miollis/Bonvin site, several other interest-bearing loans were granted.

47. In total eight buildings were constructed between 1958 and 1985.

48. For renovation purposes, the host State provided a donation of US\$ 4 million. In addition, France concluded a loan agreement with the Caisse des dépôts et consignations for €80 million in respect of which France agreed to pay the interest totalling €19.5 million for a 17-year period (2005-2021). In addition, France agreed to be the guarantor for the capital, which will have to be paid back by 2019.

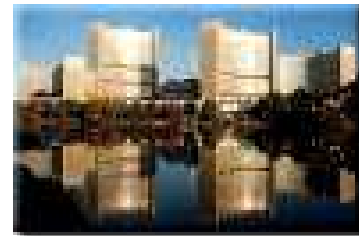
**Source of information:**

United Nations Educational, Scientific and Cultural Organization  
French Government

### 1.2.11 Vienna International Centre (VIC), Vienna, Austria

**Address:**

Vienna International Centre  
Austria



**Key data in respect of the VIC**

Staffing level at headquarters (2005)	appr. 4,500 persons
Dimensions of the land	180,000 m <sup>2</sup>
Gross floor area of the headquarters building	350,000 m <sup>2</sup>
Year of construction of headquarters building	1972-1979
Owner of the building	Austria
Owner of the land	Austria

**Financing modalities used for the premises of organizations based at the VIC**

49. The construction costs in respect of the VIC buildings came to approximately €640,000,000 and were shared between the host Government (65%) and the Municipality of Vienna (35%). The current value of the buildings is around €1 billion.

50. The VIC premises are rented to the VIC-based international organizations (VBOs) for a symbolic rent of 1 Austrian Schilling per year (now €0.07) for 99 years. The Austrian Government has granted permission for use and occupation of the area and premises and retains ownership of the VIC buildings and land.

51. According to the Memorandum of Understanding between the VBOs and the host Government, the operating costs are paid by the VBOs. The operating costs are shared among four organizations (IAEA, UNOV, UNIDO, CTBTO), according to a cost-sharing formula.

52. However, the costs of major repairs and replacements are covered by a fund, shared between the VBOs (50%) and the host State (50%).

**Source of information:**

United Nations Industrial Development Organization

**1.2.12 World Trade Organization (WTO),  
Geneva, Switzerland**

**Address:**

Centre William Rappard  
Rue de Lausanne 154  
1202 Geneva  
Switzerland



**Key data in respect of the WTO**

Staffing level at headquarters (2005)	805
Dimensions of the land	Centre William Rappard: 33,669 m <sup>2</sup>
Gross floor area of headquarters building	Centre William Rappard: 22,520 m <sup>2</sup>
Year of construction of headquarters building	1925-1945
Owner of the building	Fondation des immeubles pour les organisations internationales (FIPOI)
Owner of the land	FIPOI

**Financing modalities used for the permanent premises of the WTO**

53. Following an agreement reached between the WTO and the Swiss Confederation on 17 May 1995, the WTO received the surface right for the land free of charge for 99 years (i.e. to end in 2094) and the right of occupation of the Centre William Rappard (CWR) building free of charge.

54. Construction of the CWR building began in 1925 and, after the addition of several extensions, was completed by 1945. The CWR has previously housed a number of different international organizations (ILO, UNHCR). The General Agreement on Tariffs and Trade (GATT), followed by the WTO, have shared occupancy of the CWR with other users since 1976 (the WTO is now sharing it with the Institut des Hautes Etudes Internationales – IHEI).

55. The Swiss authorities estimated the value of the CWR in 1995 at SwF 55 million.

56. An additional building at Rue Rothschild, currently housing the offices of 116 staff members, was made available to WTO in 2002 by the Swiss authorities free of charge.

57. The WTO only bears the costs of maintenance of the buildings.

**Source of information:**

World Trade Organization



### 1.3 Conclusions and implications for the International Criminal Court

58. The above descriptions of the financing conditions of major international organizations show that in most cases favourable conditions were offered to the organizations.<sup>4</sup> These conditions vary from organization to organization: while most have been offered the land either free of charge or for a symbolic rent, some have been offered the building free of charge or a loan at favourable conditions.

#### 1.3.1 Range of options

59. On the basis of a summary of the information received from the analysed organizations, the options may be listed and categorized as follows:

	<b>Examples</b>
<b>A. Land</b>	
- Land granted free of charge or for a symbolic rent	ECHR, ECJ, FAO, ICJ, ILO, ITLOS, UNESCO, VIC, WTO
<b>B. Building</b>	
- Host State lets the building for a symbolic rent to the organization	FAO, ITLOS, VIC
<b>C. Loan</b>	
- Interest-free loan, e.g. UNESCO: FF 2.1 billion (= €320 million) over 30 years	ILO, UN, UNESCO
- Favourable loan, e.g. 3% over 40 years	ECJ, ILO (until 1996)
<b>D. Subsidized costs</b>	
- Shared costs between organization (e.g. 25%) and host State (e.g. 75%)	ICAO
- Host State pays a (larger) part of the extraordinary budget (e.g. 24% instead of 12% for the ordinary budget)	ECHR
<b>E. Donations</b>	
- For example the land, the building or parts of the building	ICJ, UN

60. In the case of some organizations, more than one of the above-mentioned options have been applied. For example, the ILO received a piece of land and a favourable loan for the construction of its new premises.

<sup>4</sup> The term “favourable conditions” is understood here to mean better than market conditions/commercial terms.

### 1.3.2 Application of favourable conditions for the International Criminal Court

61. The question that arises for the Court is whether one or more of these conditions could also be agreed for the construction of the new permanent premises and what influence these individual conditions would have on the overall costs.

62. Based on the model calculation presented in the report on the financial comparison of housing options (ICC-ASP/4/CBF.2/4), the impact of the following conditions has been calculated:

- A. Land free of charge
- B. Building and land free of charge
- C. Loan
  - 1. Interest-free loan
  - 2. Favourable loan (3%)
- D. Subsidized costs (25% organization/75% sponsor)

63. The following table gives a summary of the costs<sup>5</sup> for the Court under these conditions:

<b>Description:</b>	<b>Annual cost<sup>6</sup> (€)</b>	<b>Savings</b>
<b>Reference: market conditions</b> As described in the report on the financial comparison of housing options (ICC-ASP/4/CBF.2/4)	<b>15.2m</b>	
<b>A. Land free of charge</b>	<b>13.4m</b>	-11.8 %
<b>B. Building and land free of charge</b> Operating costs and maintenance costs are borne by the organization	<b>4.3m</b>	-71.7 %
<b>C.1 Interest-free loan</b> Pay-back period 25 years	<b>10.5m</b>	-30.9 %
<b>C.2 Favourable loan (3%)</b> Pay-back period 25 years	<b>13.4m</b>	-11.8 %
<b>D Subsidized costs</b> Organization pays 25%, host State pays 75% (e.g. ICAO)	<b>3.8m</b>	-75 %
Combinations:		
<b>A + C1 Land free of charge + Interest-free loan</b>	<b>7.7m</b>	-49.3 %
<b>A + C2 Land free of charge + Favourable loan</b>	<b>9.7m</b>	-36.2 %

<sup>5</sup> As rough estimates, subject to detailed negotiation of conditions, a margin of +/- 15% as described in the report on Financial Comparison of Housing Options, ICC-ASP/4/CBF.2/4.

<sup>6</sup> Price level 2012, assuming an inflation rate of 3% per annum.

## **2. Alternative methods of financing**

64. The CBF also asked the Court to explore creative financing options such as the possibility of inviting States Parties to consider individual donations for the construction of the premises (for instance particular courtrooms or conference rooms). In other words, the Court was asked to explore fund-raising possibilities. In considering this question, the Court became aware that fund-raising is a complex and sensitive issue, especially for a judicial institution. The Court therefore considers that it may need guidance from the Assembly as to the type and methods of fund-raising that are appropriate.

### **2.1 Different types of fund-raising**

65. There appear to be two broad categories of fund-raising that may be considered for the construction of the permanent premises:

#### **2.1.1 Public funds**

##### **2.1.1.1 States Parties**

66. One option could be to appeal for donations by States or other public bodies having a relationship with the Court (e.g. organizations such as the EU). At this point it still remains to be determined who would be the most appropriate initiator for such an appeal (e.g. Assembly of States Parties).

##### **2.1.1.2 States not party to the Rome Statute**

67. The possibility might also be considered of appealing to friendly States that are not party to the Statute to participate in the building costs of the permanent premises. They could thus express their support for the Court without yet being States Parties.

#### **2.1.2 Private funds**

68. Another option might be to consider appealing for donations from private sources. Fund-raising is an important source of income for many public interest organizations worldwide. In the United States alone, an estimated US\$ 248.52 billion was spent in 2004 by private donors (US\$ 5.34 billion under the heading of “International Affairs”).<sup>7</sup>

69. If this option is considered, it would still be necessary to decide whether to apply only for funds from established foundations and other institutional donors or whether it would be feasible and appropriate to issue a general or targeted appeal for donations from private individuals as well.

##### **2.1.2.1 Institutional donors**

70. Institutional donors are large foundations or trust funds that have formal application procedures for grants. To the extent that the Court qualifies for such applications, it may be possible to obtain substantial grants from institutional donors. It should be noted that some institutional donors are closely linked to specific individuals or have a specific social, political or religious agenda. It may not be appropriate for the Court to accept funds from such sources.

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<sup>7</sup> *Giving USA 2005 Report*, publication of the Center on Philanthropy at Indiana University.

### 2.1.2.2 Private donors

71. Private donors can be affluent individuals, companies or the general public. Each category must be approached in a different manner and requires different fund-raising strategies.

72. One important factor, however, which applies especially to the first two categories, is the applicable fiscal regime. Private donors will only give substantial amounts if the gift is tax deductible. The fiscal regime depends on the applicable national legislation. The question of which “fund-raising markets” can be approached thus needs careful consideration.

### 2.1.3 Earmarked or non-earmarked donations

73. The question of whether to establish a trust fund for general donations or whether earmarked donations can be accepted should also be considered. Earmarked donations are donations in respect of which the donor pays for a specific part of the building (e.g. company X donates the IT infrastructure for the courtrooms, person Y donates the library, etc.). Of course, in most cases such donations must be publicly acknowledged, usually in the form of a plaque or by naming the part of the building that was funded after the donor.

74. It is possible to distinguish two types of earmarked donations:

1. Donations of a specific functional part of the building (e.g. State X donates courtroom 1);
2. Donations of a specific nature (e.g. State Y donates all the marble used in the construction of the building).<sup>8</sup>

For both options, many variations may be envisaged.

75. The main difficulty with earmarked donations, however, is that they are usually made at an advanced stage of the design process. Donors want to “see” the part of the premises that they are supporting with their donation. However, this can normally occur only after the architectural competition has taken place and the plans are at an advanced stage of development.

### 2.1.4 Need to screen all large donations from private donors

76. It is an open question whether the International Criminal Court, as a court of law, can accept gifts from private entities or individuals for any or all of its facilities. The Court is a judicial institution that must uphold the highest standards of independence and impartiality.

77. All potential donations by private donors must be screened for possible conflicts of interest. It could be highly damaging to the Court’s image if, for example, a donor proved to be linked, be it indirectly, to a potential investigation or suspect. Likewise, it would be inappropriate to accept donations from persons or institutions with a potential conflict of interest, e.g. providers of services to the Court, law firms with an interest in appearing before the Court, etc. It is also questionable whether the Court could accept donations from sources with a clear political or religious profile.

78. Clear criteria regarding who can be approached and from whom contributions may be accepted will thus need to be developed. This will also depend to a large extent on who does the fund-raising. The Court itself will clearly be more constrained than a third party acting for the benefit but not in the name of the Court.

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<sup>8</sup> For instance, different States have donated materials such as marble, wood, etc. to the Peace Palace.

## **2.2 Who should do the fund-raising?**

79. Fund-raising is a complicated endeavour. More and more public and private institutions rely on professional fund-raisers, most of whom are employed on a full-time basis. If the Court were to be responsible for the fund-raising, it would almost certainly have to engage specialized staff or an external consultant for this purpose. The Court does not have the capacity or know-how to conduct a professional fund-raising campaign.

80. There is also a question about whether the Court should do its own fund-raising for its permanent premises. The Court has found no other examples of judicial institutions per se engaging in fund-raising efforts. It may be more appropriate for the Assembly or one of its bodies to take responsibility for this, in cooperation with the Court.

81. If the Assembly were inclined to pursue further the option of raising funds for the permanent premises, it might also be feasible to rely on a third party (e.g. a trust fund headed by an eminent international public figure) to fund-raise on behalf of the Court. This seems the most appropriate method for conducting a fund-raising campaign for private funds.

82. Another possibility that might be considered is for the host State to take the initiative in a fund-raising campaign, possibly in partnership with the Court. In such a scenario, the host State could establish a trust fund to which it would contribute, providing it with the necessary means to conduct a professional fund-raising effort.

## **2.3 Concluding observations**

83. If the Assembly were to decide that fund-raising might be an option, the following points should be borne in mind:

- Fund-raising for judicial institutions is somewhat unusual
- Any fund-raising campaign would be time-consuming
- The result of any fundraising campaign would be uncertain, possibly leading to reduced planning security
- Any fund-raising campaign would entail the risk of delays in project development
- Any fund-raising campaign would require the assistance of specialized professionals
- Any proper fund-raising effort presupposes a campaign concept that is as systematic and focused as possible

84. In order to avert any risk of fund-raising activities by the Court itself affecting its international standing and reputation, it would be preferable to mandate an independent third party to undertake such activities (e.g. a trust fund headed by an eminent international public figure).