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Briefing by
Mr Werner Druml, Chairperson
Committee on Budget and Finance

UN Headquarters, Conference Room 4
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Mr. Vice-President,

Your Excellencies and Distinguished delegates,

Ladies and gentlemen,

I would like to thank you for the opportunity to address you today and to present the main outcomes of our discussions at the forty-first and forty-second sessions of the Committee on Budget and Finance (“the Committee/CBF”).

At the outset, I would like to take this opportunity to thank my fellow colleagues from the Committee for their devotion and hard work during this year, and also to the representatives of the Court for their availability and cooperation. My thanks and appreciation goes also to the Executive Secretary to the CBF and his team for their quality and outstanding support, which is essential for the fulfilment of the Committee’s mandate.

Let me start with some of the challenges the Court will be facing in 2024.

United Nations Common System and inflation

The Committee recognized that the increase of staff cost by the UNCS and inflation will impact unavoidably the Court’s future obligations towards its staff and various contracting partners, and concurred with the Court that some kind of prevention should be established. Currently, those increases are absorbed in the approved budget, resulting in the budget being inflated to allow that absorption. The Committee was of the opinion that a reserve for UNCS increases could bring more transparency and thus more trust into the budgeting process. However, the Committee was not convinced by the proposal to charge the salary increases decided by the ICSC costs to the Contingency Fund (“CF”) and requested that the Court provide a report on the issue of financial risks deriving from the UNCS increases, including the proposal for a reserve fund, at its forty-fourth session in April 2024. In addition to the already certain increases, the Court has, however, proposed an additional estimated increase of €2.9 million for salaries for 2024. As these costs are not yet certain, the Committee recommended that the Assembly not approve the additional increase of €2.9 million.

Contingency Fund

The Contingency Fund currently has a cash balance of €2.2 million. A notification for an amount of €2.3 million was recently received by the Committee. These expenses will be absorbed by the regular budget as has been assured by the Registry at the end of the year. The Committee continues, however, to be of the view that States Parties should replenish the CF to its notional level of €7.0 million to provide the Court with the flexibility to react to unforeseen situations.

Liquidity

The outlook for the liquidity of the Court has significantly improved and there may be no liquidity shortfall in 2023. That improvement was due to a major payment of arrears at the beginning of the year and is only sustainable if States Parties pay their contributions to the Court’s budget in full and on time.

Security

Security is, as much as the IT area, a cross-cutting issue all over the institution. The Registry had calculated for the proposed programme budget (“PPB”) an amount of €1.6 million in security requirements.

The requested resources aiming to make substantial improvements to the Court’s security systems and should have an impact on the operation of the institution and its technological security, including by providing protection to all actors involved at Headquarters, country offices and during investigation-related activities. In this context, IT security is key. Most of the Court’s operations are fully IT dependent; a failure in the systems or a security breach could potentially shut down the Court’s operations. Cybersecurity has, therefore, been a particular focus of attention in the Committee’s consideration of the IT-related budget items.

The cybersecurity incident, which happened after the Committee's autumn session very much underlined the risks and the impact on the Court's operations. As we understand, the IT architecture needs a redesign to reinforce the institutional resilience in the face of the increasing security risks. According to the Registrar, substantial additional resources are being required.

The intention of the Registrar is to establish a "Trust Fund on Security" with a total of €17.0 million, to receive voluntary contributions to improve the Court's security, including the reinforcement of physical facilities, strengthening of digital infrastructure, and strengthening the protection of sensitive information, both at the Headquarters and at country offices. The Committee will specifically deal with security issues related to the establishment of trust funds at its forty-fourth session in April 2024.

OTP Trust Fund for Advanced Technology and Specialized Capacity

The Committee noted that total contribution received/pledged to the Trust Fund amounted to about €22.0 million received from States Parties, including the contribution of €7.2 million from the European Commission. Among which, €5.1 million had already been spent and €8.1 million was allotted. The OTP Trust Fund has been operational for the second year now. Its activities have been supplementary to the Court's core activities. It has allowed the OTP to address challenges, in particular with respect to the harnessing of advanced technology (improvements, which would have become necessary anyway), without seeking additional resources in the programme budget, and also the secondments to improve and strengthen the work of the OTP. While most of the support services of the Court can provide assistance to the Trust Fund activities within existing capacities, it is clear that it had an impact on the regular budget. Furthermore, other trust funds, such as on Complementarity and Cooperation, have been announced; however, no concrete proposals have been received by the Committee.

Secondment of Personnel

The Committee was informed that as of September 2023, the OTP had 60 national experts on secondment from 19 States Parties, including 20 investigators, six lawyers, five prosecutors, 10 analysts and other specialists. Currently, 13 different Unified Teams presently benefit from secondees, as well as a number of specialized thematic teams. The Court has received an indication of the possibility of extension or replacement for 25 secondees in 2024. The Committee was also informed that the OTP will transit its requests for secondments to more specialized, technical fields in support of its analytical activities, and that a new *Note Verbale* outlining these new requirements will be circulated to States Parties. As for the impact of the secondees, the increased onboard procedures, medical clearance and training have created additional work and cost for the Court, especially related to the Registry. The Committee recommended to mitigate negative impacts, but also to profit from a knowledge transfer between secondees and the Court.

Programme Support Cost

The Committee also recommended that the Court consider the possibility of taking on [] support cost of about 13.0 per cent, not only on this but also maybe on future funds, so that the Registry could also benefit and mitigate the impact of such funds.

Legal Aid reform

The Committee reviewed the second reform proposal on Legal Aid and received presentations from both the Court and the International Criminal Court Bar Association on its various aspects such as working conditions and remuneration, and recommended the implementation in full of the so-called scenario 'B' as a minimum. The reform proposal is multifaceted and seeks to deliver a wide range of improvements.

Premises

As for the Premises, the Committee took note of the Consultant's report "ICC HQ Premises: Assessment and Elaboration Capital Replacement Plan" which the authors presented to the Committee. In light of the late presentation of the mentioned report, the Court had not yet presented a report on its assessments to the Committee. The Committee therefore requested that the Court present a report on its

assessment of this proposed plan on the future contract set-up and multi-year financing plan for its next session in Spring 2024. The upkeep of the Premises will remain a challenge. The commitment of States Parties to reliable long-term funding will be necessary. Appropriate decisions should be taken by next year.

Evaluation of the Secretariat of the ASP

The Committee took note and welcomed the decision by the Bureau to have an assessment of the Secretariat that will take place in 2024. Such assessment should aim at increasing the efficiency and effectiveness of the Secretariat, taking also into consideration the specific needs and requirements of the proper functioning of the CBF and the Audit Committee. Therefore, the two Committees should be consulted during this process.

And finally, Mr. Vice-President, Consideration of the 2024 proposed programme budget

The Court requested a PPB of €200.4 million, including the host State loan of €3.59 million. The 2024 PPB represented an increase of 15.7 per cent (or €27.2 million) against the total approved budget for 2023.

The Committee carefully considered the budget assumptions, judicial activities and workload, taking into consideration the pressure of inflation in prices, and the previous trends in costs.

The Committee particularly recommended important reductions in staff resources. In assessing the need of the requested resources, the Committee had to take into account various factors, such as the level of activities, the existing resources and past experiences, the secondees provided by States Parties, the number of long-term vacant posts, which are not under recruitment, access to extrabudgetary resources by the Prosecutor and generally the very limited recruitment capacity.

Even with the significant reductions in staff resources, increases in the budget in 2025 will have to be expected since basically all new General Temporary Assistance (“GTA”) positions are funded only partially in 2024 for a range between two and six months, and will highly likely have to be funded at 100 per cent in 2025.

After carefully reviewing therefore the budget proposed and the justifications provided, the Committee concluded that total reductions could be achieved in the amount of €12.0 million. This represents an adjusted total increase of €15.2 million (or 8.7 per cent) compared to the this year’s budget including the host State loan.

It is worth mentioning that the total increase of €15.2 million included a total amount of €8.7 million (or 57 per cent of the total increase) related to the unavoidable increase from the inflation and the UNCS.

The Committee considered that, in spite of these substantive reductions, the operations of the Court will not be negatively impacted.

This concludes my remarks Mr. Vice President. Thank you for your attention.
