

**Tenth session**

New York, 12-21 December 2011

Proposed programme budget for 2012 of the International Criminal Court: permanent premises**Executive summary*

The present proposed budget for 2012 for the permanent premises was prepared by the Project Director's Office. It is submitted for consideration to the Committee for Budget and Finance through the Oversight Committee with the view to providing the Assembly with the overall view of the costs that are to be incurred in the coming years.

The proposed budget includes the specific budgetary implications for 2012 in relation to 2gv elements. At its tenth session, the Assembly would be requested to approve expenditures related to 2gv costs only for the year 2012. The required budget for 2gv costs for 2012 amounts to €1,000,547 and consists of €434,062 for staff costs, €535,379 for consultancy costs and €31,106 for other costs.

I. Introduction

1. The Oversight Committee decided to seek the advice of the Committee on Budget and Finance (hereinafter "the Committee") at its sixteenth session, held in April 2011 on how to budget Box 4 costs, i.e., costs related to the project but not directly to the construction. An addendum from this meeting (CBF/16/10/Add.1) contained the different options prepared by the Oversight Committee to assist the Committee in this task.
2. The Oversight Committee recommends that, technically, 2gv costs should be reviewed and presented by the Oversight Committee to the Committee for discussion, and be submitted annually to States Parties for approval in the context of the regular budget.¹ At its tenth session, the Assembly would be requested to approve expenditures related to 2gv costs only for the year 2012 (estimated at €1,000,547).
3. It was further decided at its eighth meeting, held on 27 July 2011, that the Oversight Committee would submit to the Committee a formal budget proposal for the budgeting of the 2gv costs for 2012 in accordance with the options indicated in order to seek the Committee's decision on the matter prior to it being presented to the Assembly of States parties (hereinafter "the Assembly") at its tenth session.²

* Received by the Secretariat of the Assembly of States Parties on 29 August 2011.

¹ CBF/17/10, para. 22.

² CBF/17/10, paras. 31-33.

II. Total Box 4 costs

A. Amounts to be financed

4. Box 4 consists of two components; the integrated user equipment (3gv elements) totalling €22.1 million, and the non-integrated user equipment (2gv elements) totalling €20.1 million, with the following financial breakdown:

<i>€ million</i>	<i>3 gv</i>	<i>2 gv</i>	<i>Total</i>
Integrated/non-integrated elements	16.0	10.5	26.5
Fees	2.0	1.6	3.6
Escalation	2.1	2.4	4.5
Cushion & contingency	2.0	1.7	3.7
One-time costs	-	2.1	2.1
Additional staff	-	1.0	1.0
Administrative staff	-	0.8	0.8
Total Box 4	22.1	20.1	42.2

5. Further breakdowns of 3gv and 2gv elements, based on the latest project developments, are provided in annexes I, II and III of this document.

6. The current estimated cash flow for Box 4 costs is as follows³:

<i>€ million</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>Total</i>
3 gv	1.5	0.5	8	8.1	4	0	22.1
2 gv	0	1.0	0.7	3.9	14.2	0.3	20.1

B. Financial scenario

7. Based on the tables above, the following financial scenario was identified:

<i>€ million</i>	<i>€ million</i>
€(190 + 22.1 + 20.1)	€190 (construction project) via the host State loan and one-time payments €22.1 (3gv budget) from the unused portion of the host State loan and/or further one-time payments and/or by other means (e.g. regular budget) €20.1 (2gv budget) by other means (e.g. regular budget)

C. Funding strategy – 3gv

8. The following funding models can still be considered:

(a) An increase of the host State loan up to €12.1 million, under the same conditions (to cover the full 3gv budget).

(b) Increase of the annual budget of the Court in accordance with the above cash flow for 3gv elements.

³ This estimated cash flow has been prepared to calculate the escalation budget only. Some adjustments may need to be done at a later stage for years 2013 onwards. These figures, which are based on conservative estimates, are maximum figures and include the same set of safeguards that are part of the project budget (such as cushion, contingency and escalation), and will be dealt with according to the same stringent financial management standards than the approved project budget of €190 million.

(c) Use the portion of the host State loan that remains unused due to incoming funds from one-time payments, and/or one-time payments received in order to pay for the 3gv budget (up to €200 million). The remainder €12.1 million would be funded by further one-time payments or by increasing the annual budget of the Court to fund the remaining difference.

9. At the seventh meeting of the Oversight Committee, held on 8 June 2011, the host State indicated that it could see certain logic in using the host State loan to pay for 3gv costs, since they related to fixed elements of the construction project, but that it would be something to be considered in the broader context of Box 4 and the rent for the interim premises. However, the Oversight Committee noted that the representative of the host State stated at the fourth session of the Assembly, on 2 December 2005, that the scope of the loan included both construction costs and “*fixed interior costs*.”⁴

10. Depending on the outcome of the negotiations with the host State on the interim premises issue, the Assembly would be requested to authorize funding for 3gv elements either from the host State loan, or through the Court’s budget.

11. In the latter case, 3gv expected expenditures during 2012 (currently estimated at €500,000) plus the possible reinstatement of the project’s contingency fund (€1.5 million which was used to fund 3gv costs for 2011) should be provided at the time of adoption of the Court’s 2012 budget in a manner that would clearly differentiate these costs from the regular running costs of the Court. For procurement purposes, appropriations for expenditures to be incurred in each year of the project would be approved separately at the time of the adoption of the respective financial year’s budget.

12. The funding strategy for 3gv is obviously irrespective of the final amount of these costs, which will be assessed upon completion of the ongoing review commissioned by the Oversight Committee to the Project Director.

D. Funding strategy – 2gv

13. It was noted that on the issue of the 2gv costs, a separate part to the proposed programme budget for 2012 (€1,000,547) would have to be submitted to the Committee by the Oversight Committee. The required budget for 2gv costs for 2012 amounts to €1,000,547 and consists of €134,062 for staff costs, €335,379 for consultancy costs and €1,106 for other costs (e.g. cushion, contingency and escalation).

14. The Chair of the Oversight Committee requests the Committee to select from the following two options in regards to the financing of the 2gv costs:

Option 1:

To include the 2gv costs requested for 2012 (€1,000,547) as a separate budget line item within the Court’s annual budget for 2012 as Major Programme VII-3.

Option 2:

To have an entirely separate budget for the 2gv costs approved by the Assembly at its tenth session and appropriate it accordingly on an annual basis. As part of this option, instead of returning to States Parties any unspent balance of contributions for 2gv, they can rather be retained for, e.g. one or more financial years, with the objectives of reducing the amount required from States Parties for the future annual contributions estimated and thereby ultimately enabling the overall budget level for 2gv items to be reduced as the work on determining the precise requirements progresses.

15. The Oversight Committee recommends that Option 2 would be the preferred option and thus the Oversight Committee, through the Committee, requests the Assembly at its tenth session to approve the expenditure of €1,000,547 for the 2gv costs in 2012 on this basis.

⁴ ICC-ASP/4/32, annex III.B, para. 8.

E. Major Programme VII-2 – Interest Payments on host State loan

16. The Committee is further requested to note that the Premises Project cash flow requirements mean that the host State loan will again be utilized in the latter part of 2012, meaning that the liability for interest payments will also again be incurred in 2012 and that this will also need to be separately budgeted within the Court's regular budget from 2012 onwards until the final repayment of the interest and capital of this loan is made.

Annex I

3gv	€
Construction costs	
Additional completion	408,750
Additional security installations	4,853,136
Additional ICT/AV installations	6,163,500
Fixed catering equipment	847,150
Additional fixed furniture	117,400
Other	510,500
Indirect construction costs	3,078,892
<i>Subtotal</i>	<i>15,979,328</i>
Fees	
Design team	
Architect	464,065
Interior architect	123,228
Security engineer	167,978
ICT/AV engineer	284,160
Catering consultant	42,707
Project management and cost management	990,448
<i>Subtotal</i>	<i>2,072,585</i>
Escalation	2,077,214
<i>Subtotal</i>	<i>2,077,214</i>
Cushion and contingency	2,003,756
<i>Subtotal</i>	<i>2,003,756</i>
Total 3gv	22,132,884

Annex II

2gv	€
“Construction” costs (mainly deliveries)	
X-ray machines	606,000
Additional ICT/AV installations	3,308,500
Loose catering equipment	576,400
Loose furniture	5,423,450
Loose cleaning/maintenance equipment	473,030
Other	140,131
<i>Subtotal</i>	<i>10,527,511</i>
Fees	
ICT/AV consultant	388,800
Security consultant	522,800
Other consultants	132,000
Additional Project management POPP (2012-16)	581,655
<i>Subtotal</i>	<i>1,625,255</i>
Escalation	2,372,961
<i>Subtotal</i>	<i>2,372,961</i>
Cushion and contingency	1,738,073
<i>Subtotal</i>	<i>1,738,073</i>
One time costs	
Cleaning	306,422
Moving	1,135,800
Security handover period	388,800
Festivities/communication	260,000
<i>Subtotal</i>	<i>2,091,022</i>
Additional staff	
User involvement (counterpart)	667,000
Defining/implementing services	333,500
<i>Subtotal</i>	<i>1,000,500</i>
Administrative staff	
Procurement	785,200
<i>Subtotal</i>	<i>785,200</i>
Total 2gv	20,140,523

Annex III

Estimated cash flow 2gv Box 4

Price level 2009	Totals (M€)	2009	2010	2011	2012	2013	2014	2015	2016
	100%	Competition	Design & tendering			Execution			Maint.
Elements	€10,699,245								
E-installations		0%	0%	0%	0%	0%	50%	50%	0%
- Security	€12,506	-	-	-	-	-	356,253	356,253	-
- ICT/AV	€3,159,402	-	-	-	-	-	1,579,701	1,579,701	-
		0%	0%	0%	0%	0%	0%	100%	0%
Loose furniture	€6,181,180	-	-	-	-	-	-	6,181,180	-
		0%	0%	0%	0%	0%	50%	50%	0%
Cushion	€646,157	-	-	-	-	-	323,078	323,078	-
General project costs	€1,996,790								
Public Information and Documentation Section									
- Expenses opening festivities	€57,296							57,296	-
- Expenses festivities during the project	€23,873				14,324	4,775	4,775		
- Expenses communication related to the project (2011 - opening 2015)	€17,747				9,549	9,549	9,549	19,099	-
- Liaise with the neighborhood	€23,873				4,775	4,775	4,775	4,775	4,775
- Book on the building	€17,747							47,747	
- Other events around official inauguration	€17,747							47,747	
Facilities Management Unit									
- Expenses of moving (moving concept)	€1,036,868							1,036,868	
- Bug screening (s.a. microphones)	€17,747							47,747	
- Cleaning the building (period between handover & moving)	€292,613							292,613	
Security Services Section									
- Security the building (period between handover & moving)	€371,279							371,279	
Consultancy	€1,552,013								
Project management Project Office of the Permanent Premises									
- Coordination Design & Specification Box 4 elements (period 2012 - 2015)	€54,912				110,000	120,000	125,000	125,000	75,443
ICT consultant									
- ICT consultant (during design: assist in defining & monitor req. & design)	€202,523				150,000	50,000	50,000	52,523	
- Technical assistant (patching, labeling, administration MER & SER)	€68,755							58,000	10,755
Security consultant (engineering, specs, tendering Box 4 elements)									
- Security consultant (during design: assist in defining & monitor req. & design)	€202,523				150,000	70,000		82,523	
- Technical assistant (programming the security & safety systems)	€148,970							100,000	48,970
- Keyplan	€17,747						47,747		

Price level 2009	Totals (M€)	2009	2010	2011	2012	2013	2014	2015	2016
	100%	Competition	Design & tendering			Execution			Maint.
Elements	€10,699,245								
Several consultants									
- Arbo consultant (legal check of workplace environment)	€4,324				14,324				
- Mobility manager (implementing the mobility policy & coordination commuting plan)	€2,918				22,918				
- Logistic manager (feasibility study movement scenarios)	€15,837				45,837				
- Logistic manager (for organization of movement project)	€12,972							42,972	
ICC Staff	€1,705,227								
ICC - user project supporting organization									
- Equivalent of P-3 position for other support functions (e.g. Procurement, Legal, Translation, Budget & Finance, Audit, General Services Section)	€10,622				102,656	102,656	102,656	102,656	
- Equivalent of GSOL position for other support functions (e.g. Procurement, Legal, Translation, Budget and Finance, Audit, General Services Section)	€39,193				84,798	84,798	84,798	84,798	
Facility Management Unit (FMU), Security Services Section (SSS) and ICT supporting the project (ICTS)									
- Equivalent of Project Manager Officer FMU (P-2)	€18,471				70,771	70,771	70,771	70,771	35,386
- Equivalent of Project Manager Officer SSS (P-2)	€18,471				70,771	70,771	70,771	70,771	35,386
- Equivalent of Project Manager Officer ICTS (P-2)	€18,471				70,771	70,771	70,771	70,771	35,386
Contingency and escalation	€1,275,571	0%	0%	0%	0%	0%	50%	50%	0%
Contingency	€1,013,590	-	-	-	-	-	506,795	506,795	-
		0.0%	2.5%	4.7%	8.6%	12.6%	16.7%	21.0%	25.5%
Escalation	€3,261,981	-	-	-	79,052	82,883	569,992	2,467,327	62,727
Total	€20,228,847	-	-	-	1,000,547	741,749	3,977,433	14,200,291	308,827
		-	-	-	1,000,547	1,742,296	5,719,729	19,920,020	20,228,847
Check	€20,228,847								

2012

Summary 2GV estimated cash flow	2009	2010	2011	2012
ICC Staff (incl. escalation)			-	434,062
Consultants (incl. escalation)			-	535,379
Other costs (incl. escalation)			-	31,106
Total			-	€1,000,547

Annex IV

Additional staff and consultancy costs requested for 2gv

17. In detail the 2gv budget request amounts to the following 5 staff equivalent posts:

<i>Elements</i>	<i>2012 budget requested</i>	<i>Total cost</i>
ICC - user project supporting organization		
Equivalent of 1 P-3 position for other support functions (e.g. Procurement, Legal, Translation, Budget & Finance, Audit, GSS)	€102,656	€110,622
Equivalent of 1 GS-OL position for other support functions (e.g. Procurement, Legal, Translation, Budget & Finance, Audit, GSS)	€84,798	€39,193
Facility Management (FMU), SSS & ICT supporting the project		
Equivalent of 1 Project Manager Officer FMU (P-2)	€0,771	€18,471
Equivalent of 1 Project Manager Officer SSS (P-2)	€0,771	€18,471
Equivalent of 1 Project Manager Officer ICTS (P-2)	€0,771	€18,471
ICC staff total	€399,768	€1,705,227

18. The first two items commencing in 2012 relate to the crucial support functions input required to the process of procuring a general construction contractor. This will be the largest and most complex contract ever purchased by the Court and it is crucial that the process is correctly handled. Ongoing support will be required in the operation of this contract over the lifespan of the project.

19. The intention for this element of the budget is to formalize a Service Level Agreement (see appendix) with the key sections of the Court involved outlining what is expected from them with regards to input into the project and for this service to be financially paid for by the project leaving the sections involved free to backfill posts or to establish temporary support posts to cover the absence of the staff time involved.

20. It was considered that this solution would offer the most clarity as it clearly caps to a maximum amount the staff time in cost terms whilst still having the benefit of enabling the project to in reality have far more end user input than is actually being paid for. It also avoids the Project Director's Office from getting involved in the justification for the posts of new staff members for some of the Court sections (as this is clearly out of its remit and would become confusing). Another possible option would have been to create a fund to enable staff time to be booked to it (activity based costing) but this would offer much less overall cost control.

21. It is envisaged that over the course of the project this team structure would enable efficiencies to be generated across the multiple budgets associated with the Permanent Premises Project ensuring the project is managed at or below its budget. For example, it may well be possible to reduce the number of consultants currently envisaged and as the 2gv budget request would be done on an annual basis it will be reviewed regularly to see if the input remains as predicted or could be reduced. This is one of the major reasons why the request to ring fence the 2gv budget has been made as it enables the overall cost to be reduced over the project period.

22. If this option is not acceptable, the alternative would be to increase the individual budgets of each of the sections highlighted by the amounts corresponding to the figures shown in the 2gv budget request (backed up with a Service Level Agreement between the section and the Project Director's Office). Alternatively, staff could be seconded to the Project Director's Office and the budget allocated to Major Programme VII-1 instead.

23. The establishment of new posts is presented without prejudice to the CBF's role to ensure a consistent approach on staffing policies.

Appendix

Draft of the proposed Service Level Agreement envisaged with the respective sections of the Court

Service Level Agreement of the Sections FMU, ICT/AV and SSS to the permanent premises project

A. Content of the services

1. Advice to the project from the perspective of FMU, ICT/AV and SSS.
2. Participation in project related meetings.
3. Preparation of decision making.
4. Coordination with other Sections.
5. Assessment of proposals and specifications.
6. Assessment of existing equipment and services for use in the permanent premises;
7. Contribution to transition sub-project (moving strategy, procurement of loose furniture, etc).
8. Any other services that may be required.

B. Coordination of the respective services

9. Per department a Lead Officer would be identified.
10. For FMU: Joly van de Moosdijk.
11. For ICT/AV: John Lester.
12. For SSS: René de Vries.

C. Cost of the services

13. In agreement with the Section Chiefs, the services will be provided at a fixed fee, equivalent of a P-2 staff member.

D. Duration of the services

14. The duration of the services would be for the period 2011 until the end of 2015.

E. Payment of the services

15. The payment of the services would be done in equal quarterly instalments. The payment will be due each quarter by the [...].
