

**INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA**

STATEMENT BY

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REGISTRAR

OF THE

INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA

ON

BUDGETARY AND FINANCIAL MATTERS OF THE TRIBUNAL

TO

THE THIRTY-THIRD MEETING OF STATES PARTIES TO THE

UNITED NATIONS CONVENTION ON THE LAW OF THE SEA

13 JUNE 2023

CHECK AGAINST DELIVERY

International Tribunal for the Law of the Sea

Mr President,

Regulations and Rules of the Tribunal, draft supplementary budget proposals were prepared and have been submitted to the Meeting of States Parties. Please note that all meetings relating to Case No. 31, including the hearing, are scheduled to take place during the 2023–2024 budget period, and the advisory opinion is expected to be rendered in 2024. Therefore, the supplementary budget proposals are being submitted in June 2023, to the present thirty-third Meeting of States Parties, under rule 103.4 (a) of the Financial Regulations and Rules of the Tribunal.

5. The supplementary budget has been prepared in euros and, as required by financial regulation 3.6, in a form consistent with the approved budget. This supplementary budget was considered and approved by the Tribunal during its session held from 20 to 31 March 2023, in accordance with the Tribunal's Financial Regulations and Rules. It proposes a total of €2,484,900 to cover the costs of Case No. 31.

6. Allow me to provide the Meeting with

- An amount of €196,300 is to finance the travel costs of judges for Case No. 31. I wish to underline in this regard that, as usual, the Tribunal intends to organize its

12. It is proposed that the remaining costs of Case No. 31, in the amount of €1,241,200 (= €2,484,900–€410,000–€833,700) – slightly revised from the sum indicated in document SPLOS/33/9 – be financed from the 2021–2022 cash surplus. The sum total of this surplus will be determined on 31 December 2023 and is expected to provide sufficient funds. It may be noted that the provisional cash surplus, as determined on 31 December 2022 in accordance with financial regulation 4.4,<sup>2</sup> amounts to €3,405,652.

13. I should like to conclude this introduction to the 2023–2024 supplementary budget by specifying that any savings from this supplementary budget will be surrendered to States Parties along with any 2023–2024 cash surplus.

### **Report on budgetary matters for the financial periods 2021 and 2022**

14. Mr President, this leads me to document SPLOS/33/3, which provides information to the States Parties as required under the Financial Regulations of the Tribunal. I will briefly present this document to you.

#### **Budget performance report for 2021 –2022**

15. In relation to the budget performance report for 2021–2022 which is annexed to document SPLOS/33/3, it may be recalled that the thirtieth Meeting of States Parties approved a budgetary amount of €24,155,000 for the period 2021–2022. Total expenditure for that period stands at €19,744,120, representing 81.74 per cent of total appropriations. It should be noted that the budget was drafted and approved on a cash basis and that the performance is also cash-based.

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<sup>2</sup> The provisional cash surplus for the budget period shall be determined by establishing the balance between credits (assessed contributions actually received for the budget period and other/miscellaneous revenue received during the budget period) and charges (all disbursements against the appropriations for that budget period and provisions for commitments for that budget period).

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the sessions of the Tribunal and therefore were not paid daily subsistence allowance. As a consequence, the budget performance shows underexpenditure under the budget lines "Special allowances" (€50,656) and "Travel to sessions" (€59,048).

22. Section 5, Official travel, shows an underexpenditure in the amount of €102,412 as a result of COVID-19-imposed travel restrictions.

23. Under section 7, Operating expenditure, the budget line “Miscellaneous services and charges (including bank charges)” shows an overexpenditure of €100,259. As reported last year, the European Central Bank started charging commercial banks interest on cash deposits in 2014 and, in 2019, Deutsche Bank and most other commercial banks in Germany and in other countries of the eurozone began to pass those charges on to their customers. As a consequence, the Tribunal was charged interest on its cash deposits between April 2020 and July 2022. During the 2021–2022 budget period, the Tribunal paid €70,393 in interest on cash deposits while the 2021–2022 budget did not provide for these charges. In addition, the Tribunal had to pay fees to the United Nations Appeals Tribunal in the amount of €30,048. The overexpenditure in the budget line “Miscellaneous services and charges (including bank charges)” can be compensated by transfer of funds within section 7, Operating expenditures, in accordance with rule 104.3 of the Financial Regulations and Rules of the Tribunal. The total balance of section 7 amounts to €62,819.

24. The performance rate of the 2021–2022 budget stands at 81.74 per cent. It may be noted that the performance rates of the different parts of the budget are the following:

- Part A, Recurrent expenditure, 96.8 per cent;



Report of the external auditor for the financial period 2022

26. The financial statements of the Tribunal for the financial period 2022 were audited at the end of January 2023, and the report of the external auditor was submitted to the Tribunal on 15 February 2023. It was examined by the Tribunal during its March session and the Tribunal decided to submit it to the Meeting of States Parties.

27. I am pleased to inform you that, in the report, the auditor expressed the opinion that “on the basis of the knowledge obtained in the audit, the accompanying

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