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**Consideration of administrative and budgetary matters
of the International Tribunal for the Law of the Sea**

Report on budgetary matters for the financial periods 2023 and 2024

**Presented by the Registrar of the International Tribunal for the
Law of the Sea**

I. Budget performance report for 2023–2024

1. In June 2022, the thirty-second Meeting of States Parties to the United Nations Convention on the Law of the Sea approved a budgetary amount of €23,443,900 for the budget period 2023–2024 (see [SPLOS/32/12](#), para. 1). This amount included a provision of €2,390,100 under part C of the budget, Case-related costs, to cover part of the costs in respect of case No. 28 (*Dispute concerning delimitation of the maritime boundary between Mauritius and Maldives in the Indian Ocean (Mauritius/Maldives)*) and to enable the International Tribunal for the Law of the Sea to deal with two urgent proceedings in 2023–2024. The Meeting also decided that a floor rate of 0.01 per cent and a ceiling rate of 22 per cent would be used for establishing the rate of assessment of States parties for the budget of the Tribunal for 2023–2024 (*ibid.*, para. 7). In accordance with regulation 5.3 of the Financial Regulations and Rules of the Tribunal, the assessed contributions of States parties are determined on the basis of half of the budget for each year of the two-year budget period.

2. In June 2023, the Meeting of States Parties approved a supplementary budget in the amount of €2,484,900 to cover the costs of case No. 31 (*Request for an Advisory Opinion submitted by the Commission of Small Island States on Climate Change and International Law (Request for Advisory Opinion submitted to the Tribunal)*), since the case was submitted after the 2023–2024 budget had been approved in June 2022 and no provision for the costs of that case had been included in part C (Case-related costs) of the 2023–2024 budget. The Meeting authorized the Tribunal to use part of the cash surplus from the 2021–2022 budget to finance an additional appropriation in the amount of €1,241,200 in order to cover the estimated costs of case No. 31 that could not be absorbed by the approved budget of the Tribunal for the period 2023–2024 (see [SPLOS/33/13](#)). The Meeting also noted that the other part of the estimated costs for case No. 31 would be covered through savings from case No. 28 (€410,000)

* [SPLOS/35/L.1](#).

and the provision for one urgent case in the 2023–2024 budget of the Tribunal (€833,700).

3. In June 2024, the Meeting of States Parties authorized the Tribunal to use an amount of up to €872,000 from the 2021–2022 cash surplus to finance the expected overexpenditure in relation to the 2023–2024 budget (see SPLOS/34/11).

4. As shown in the budget performance report for the 2023–2024 budget period (see annex I), the total expenditure for this period stands at €24,603,733, which shows an overexpenditure of €1,159,833. It should be noted that the budget was drafted and approved on a cash basis and that the performance is also cash-based.

5. As shown in the budget performance report for 2023–2024 (see annex I), the expenditure levels for the different parts of the budget for the period are as follows:

- Part A, Recurrent expenditure: €21,400,589, including an overexpenditure of €509,259. This overexpenditure is within the amount of €872,000 authorized by the Meeting in June 2024 (see para 3);
- Part B, Non-recurrent expenditure: €69,446 (€92,754 savings);
- Part C, Case-related costs: €3,133,428, including an overexpenditure of €743,328. This overexpenditure is within the supplementary budget authorized by the Meeting in June 2023 (see para. 2).

6. In relation to Part A, Recurrent expenditure, under section 1, Judges, the budget line “Annual allowances” shows a negative balance of €943,328 and the budget line “Special allowances” shows a negative balance of €70,162 at the end of the budget period for several reasons. After the 2023–2024 budget had been approved in June 2022, the post adjustment multiplier for Hamburg was revised by the International Civil Service Commission (ICSC) in February 2023 (increased by 8.8 per cent), July 2023 (increased by 7.6 per cent) and February 2024 (increased by 2.3 per cent). The revisions resulted in successive increases in judges’ annual and special allowances. In addition, case No. 31 was dealt with by the Tribunal in its composition of September 2023. As a consequence, between October 2023 and the end of case No. 31 in May 2024, annual allowances were payable to 21 judges plus an additional 6 judges (whose terms of office started in October 2023). Moreover, the increases in the DSA rate for Hamburg from €319 in March 2022 (when the budget was prepared) to €361 in June 2022, €325 in July 2023 and €374 in July 2024 added to the overexpenditure in the budget line “Special allowances”.

7. As regards section 3, Staff Costs, the above-mentioned revisions of the post adjustment multiplier for Hamburg and the revision of the salary scale in the General Service category in March 2023 resulted in an overexpenditure in the budget line “Established posts” of €212,567, which is 3.5 per cent higher than the amount approved.

8. The pensionable remuneration for staff in the Professional and higher categories was revised by ICSC in February 2023, January 2024 and February 2024, resulting in increases in the contributions to the United Nations Joint Staff Pension Fund. In addition, the United States dollar has increased in value against the euro which contributed to the increased level of expenditure. The costs for the installation of new staff members and the repatriation of staff members also increased during the 2023–2024 budget period. As a result, the budget line “Common staff costs” shows a negative balance of €243,027, 10.5 per cent higher than the amount approved.

9. Section 4, Representation allowance, based on amounts calculated in United States dollars, shows an overexpenditure of €155, which is due entirely to the temporary depreciation of the euro against the United States dollar during the budget period under review.

10. Six judges, whose terms of office expired at the end of September 2023, continued to sit in case No. 31 pursuant to article 17 of the Rules of the Tribunal. Therefore, the initial pension payments of these six judges were suspended until the end of case No. 31 in May 2024. Furthermore, the former President, whose term of office expired at the end of September 2023, continues to sit in case No. 32 pursuant to article 30 of the Rules and will receive pension only after the end of that case. As a result, savings in the amount of €427,902 under section 2, Judges' pension scheme, were recorded for the 2023–2024 budget period.

11. As indicated in the 2024 report on budgetary matters (SPLOS/34/3) and in order to keep the expected overexpenditure in Part A, Recurrent expenditure, to a minimum, the Registry made efforts to keep expenditure at low levels in the following sections: section 5, Official travel; section 6, Hospitality; section 7, Operating expenditures; and section 8, Library & related costs. These efforts resulted in savings of €398,450 at the end of the 2023–2024 budget period in the respective sections of the budget. The total overexpenditure under Part A, Recurrent expenditure, amounts to €509,259, which is within the authorized amount of €872,000.

12. In addition, the Registry achieved savings in the amount of €92,754 under Part B, Non-recurrent expenditure.

13. Part C, Case-related costs, shows a negative balance of €743,328 at the end of the 2023–2024 budget period. The overexpenditure was a result of the expenditure relating to case No. 31. The total overexpenditure under this part was financed by the supplementary budget for case No. 31 with an amount of up to €1,241,200 from the 2021–2022 cash surplus in accordance with the decision of the Meeting of States Parties (see para. 2).

14. The unused balances of the 2021–2022 cash surplus of €872,000 - €509,259 = €362,741 (Part A) and €1,241,200 - €743,328 = €497,872 (Part C), together with the savings of €92,754 (Part B), will be surrendered in accordance with the Financial Regulations and Rules of the Tribunal.

II. Report on action taken pursuant to the Financial Regulations and Rules of the Tribunal

A. Cash surplus from the budget period 2021–2022

Excess of credits over charges

15. Further to the information communicated to the Meeting of States Parties (SPLOS/34/3, para. 26), an amount of €2,052,864 was surrendered to States Parties and deducted from their contributions for 2025 and for earlier financial periods, where applicable, in accordance with regulation 4 of the Financial Regulations and Rules of the International Tribunal for the Law of the Sea.

B. Investment of funds of the Tribunal

16. In respect of the investment of funds of the Tribunal, regulation 9 of the Financial Regulations and Rules of the Tribunal stipulates the following:

9.1 The Registrar may make prudent short-term investments of moneys not needed for immediate requirements and shall inform the Tribunal and the Meeting of States Parties periodically of such investments.

...

9.2 Revenue derived from investments shall be credited to investment revenue or as provided in the rules relating to each fund or account.

17. In 2024, the Tribunal’s funds were held at Deutsche Bank. Short-term investments in euros, which are investments made for less than 12 months according to rule 109.1 of the Financial Regulations and Rules of the Tribunal, were made through Deutsche Bank in February, April, May, September, October and December 2024. The funds yielded €178,635 in interest during 2024, which has been credited to investment revenue in compliance with regulation 9.2.

C. International Tribunal for the Law of the Sea trust fund

18. At its twenty-eighth session in September 2009, the Tribunal approved the Registrar’s proposal to establish a trust fund for the law of the sea in accordance with the Financial Regulations and Rules of the Tribunal. The Registrar established the new International Tribunal for the Law of the Sea trust fund with Deutsche Bank in Hamburg. The trust fund is intended to promote the advancement of human resources in developing countries in the law of the sea and maritime affairs in general. Contributions to be made to the trust fund are used to give financial assistance for the participation of applicants from developing countries in the Tribunal’s internship programme and summer academy.

19. Several contributions to the trust fund from States (China, Cyprus and France) and other sources (Korea Maritime Institute and Korwind, a Korean renewable energy company based in Hamburg) were received between 2009 and 2023. During the 2024 financial period, the Tribunal received a contribution from Cyprus in the amount of €15,000 and two contributions from the Korea Maritime Institute totalling €31,000. During the same financial period, the trust fund was used to support the Tribunal’s internship programme and provide financial assistance to interns from developing countries. The performance of the trust fund for 2024 is summarized below.

(Euros)

Surplus from prior periods	271 944
Revenue in 2024	46 000
Expenditure on participants and authorized activities	(30 041)
Total	287 903

D. Nippon Foundation trust fund

20. In March 2007, the Tribunal and the Nippon Foundation signed the Nippon Foundation grant agreement. Pursuant to the agreement, the Foundation contributed an amount of €200,000 to the Nippon Foundation-International Tribunal for the Law of the Sea Capacity-Building and Training Programme on Dispute Settlement under the United Nations Convention on the Law of the Sea.

21. In accordance with regulation 6.5 of the Financial Regulations and Rules of the Tribunal, a trust fund was subsequently established, and a special euro bank account named “Nippon Foundation Grant” was set up with Deutsche Bank. The purpose of the grant is to finance the expenses of participants from developing countries in the aforementioned programme.

22. Since 2007, the Nippon Foundation has made annual contributions to the grant totalling €4,114,480, including a contribution in the amount of €281,740 made in March 2024 for the 2024–2025 programme. In addition, miscellaneous revenue in the amount of €276 for a travel-related refund from the previous period was recorded. The performance of the Nippon Foundation grant as at 31 December 2024 is reported below, in accordance with regulation 6.5.

(Euros)

Revenue in 2024 (incl. misc. revenue)	282 016
Expenditure on participants and authorized activities	(238 200)
Surplus for the period	43 816
Surplus from prior periods	103 936
Surrender of surplus	(22 647)
Total	125 105

E. Republic of Korea trust fund

23. On 28 February 2020, the Tribunal established a trust fund to provide financial assistance for the organization of a Tribunal workshop for legal advisers (sponsored by the Republic of Korea). Three contributions totalling €688,372 were received between then and the end of 2023. In 2024, a voluntary contribution from the Republic of Korea in the amount of €295,739 was received. In addition, exchange rate gains in the amount of €297 were recorded. Workshops were held in September 2022, in July 2023 and in September 2024 at the seat of the Tribunal in Hamburg. The performance of the trust fund in 2024 is summarized below.

(Euros)

Surplus from prior periods	171 923
Revenue in 2024 (incl. gains on exchange)	296 036
Expenditure	(275 251)
Total	192 708

F. Junior Professional Officer trust fund

24. In December 2022, the Tribunal and the People's Republic of China signed a memorandum of understanding concerning junior professional officers. On the basis of the cost estimates provided by the Tribunal, a contribution in the amount of €164,310 was received from the People's Republic of China in June 2024 and placed into a trust fund established for the purposes of the programme. The Junior Professional Officer was appointed on 1 July 2024 for a period of one year. The balance of the trust fund amounted to €68,461 as at 31 December 2024.

(Euros)

Revenue in 2024	164 310
Expenditure	(95 849)
Total	68 461

Annex I

Budget performance report for the budget period 2023–2024 as at 31 December 2024

(Euros)

<i>Part/ section</i>	<i>Object of expenditure</i>	<i>2023–2024 approved budget</i>	<i>2023 expenditure (cash)</i>	<i>2024 expenditure (cash)</i>	<i>2023–2024 total expenditure (cash)</i>	<i>2023–2024 balance</i>	<i>2023–2024 supplementa ry budget</i>
A	Recurrent expenditure						
1	Judges	5 148 100	2 984 220	3 157 043	6 141 263	(993 163)	–
1.1	Annual allowances	3 670 400	2 172 299	2 441 429	4 613 728	(943 328)	–
1.2	Special allowances	972 000	503 413	538 749	1 042 162	(70 162)	–
1.3	Travel to sessions	298 800	192 703	147 839	340 542	(41 742)	–
1.4	Common costs	206 900	115 805	29 026	144 831	62 069	–
2	Judges' pension scheme	2 544 500	981 898	1 134 700	2 116 598	427 902	–
3	Staff costs	8 870 200	4 426 633	4 785 860	9 212 493	(342 293)	–
3.1	Established posts	6 064 400	3 075 198	3 201 769	6 276 967	(212 567)	–
3.4	Common staff costs	2 316 200	1 197 554	1 361 673	2 559 227	(243 027)	–
3.5	Overtime	25 000	9 445	5 894	15 339	9 661	–
3.6	Temporary assistance for meetings	260 100	103 166	130 517	233 683	26 417	–
3.7	General temporary assistance	117 900	18 912	50 502	69 414	48 486	–
3.8	Training	86 600	22 358	35 505	57 863	28 737	–
4	Representation allowance	13 900	7 031	7 024	14 055	(155)	–
5	Official travel	185 000	60 146	56 415	116 561	68 439	–
6	Hospitality	14 700	4 741	4 466	9 207	5 493	–
7	Operating expenditure	3 760 900	1 697 266	1 741 601	3 438 867	322 033	–
7.1	Maintenance of premises (including security)	2 869 600	1 372 726	1 404 687	2 777 413	92 187	–
7.2	Rental and maintenance of equipment	419 500	161 410	177 563	338 973	80 527	–
7.3	Communications	199 800	89 281	82 404	171 685	28 115	–
7.4	Miscellaneous services and charges (including bank charges)	132 000	19 969	39 188	59 157	72 843	–
7.5	Supplies and materials	125 600	47 280	37 759	85 039	40 561	–
7.6	Special services (external audit)	14 400	6 600	–	6 600	7 800	–
8	Library and related costs	354 300	151 957	199 858	351 815	2 485	–
8.1	Library – procurement of books and publications	266 000	128 774	134 901	263 675	2 325	–
8.3	External printing and binding	88 300	23 183	64 957	88 140	160	–
B	Non-recurrent expenditure						
9	Purchase of equipment						
9.1	Furniture and equipment	162 200	45 334	24 112	69 446	92 754	–
C	Case-related costs	2 390 100	1 433 712	1 699 716	3 133 428	(743 328)	1 241 200
12	Judges	1 692 100	968 220	1 368 292	2 336 512	(644 412)	950 400
12.1	Special allowances	1 259 500	872 747	1 067 508	1 940 255	(680 755)	868 600
12.2	Compensation to judges ad hoc	204 700	44 904	57 696	102 600	102 100	–
12.3	Travel to meetings, including judges ad hoc	227 900	50 569	243 088	293 657	(65 757)	81 800

<i>Part/ section</i>	<i>Object of expenditure</i>	<i>2023–2024 approved budget</i>	<i>2023 expenditure (cash)</i>	<i>2024 expenditure (cash)</i>	<i>2023–2024 total expenditure (cash)</i>	<i>2023–2024 balance</i>	<i>2023–2024 supplementa ry budget</i>
13	Staff costs	698 000	465 492	331 424	796 916	(98 916)	290 800
13.1	Temporary assistance for meetings	668 000	458 966	324 706	783 672	(115 672)	282 000
13.2	Overtime	30 000	6 526	6 718	13 244	16 756	8 800
	Total	23 443 900	11 792 938	12 810 795	24 603 733	(1 159 833)	1 241 200