

UK statement on the report and recommendations of the Finance Committee

Thank you, President.

The United Kingdom thanks the Finance Committee for its report and for the careful and constructive work undertaken during this session. We are also grateful for the Secretariat's engagement and willingness to engage on matters arising from the report.

As already note, the UK recalls that substantive discussions took place on the finance committee report and budget during Council, so we do not intend to repeat our comments in full here.

Nevertheless wanted to make three overarching comments:

1. Proportionality and justification.

- We of course recognise the importance of ensuring that the Authority has the resources it needs to discharge its responsibilities under the Convention and the 1994 Agreement and the challenge of financial management. At the same time, the United Kingdom considers that any increase in the budget must be clearly justified, proportionate and linked to demonstrated needs within the relevant financial period.
- We therefore welcome the Finance Committee's work in scrutinising the proposed budget and in recommending a revised approach.

2. Substantive concerns

- The United Kingdom underlines the great value it attaches to the Committee's observations on budget execution, transparency, and financial management. Their report raised several matters warranting continued attention, including in respect of unspent resources, the use of trust funds, future audit arrangements, and litigation costs.
- On the latter, irrespective of the merits of this litigation, it draws on the ISA's limited resources and encourage the Secretariat to carefully consider its litigation strategy, as well as its approach towards human resources

management. We also support the request that a special budget line be dedicated to expenditure for litigation costs in the future.

- Separately, the UK emphasises that recruitment must be conducted in accordance with the applicable rules and endorse the Committee's request for prior approval in relation to reclassification and other post actions.

3. Independence and importance of constructive dialogue

- Like others, we underline that the Committee performs a critical, independent, function under the Convention and the 1994 Agreement. Its ability to scrutinise proposals independently, and to provide candid recommendations to the Council and Assembly, is central to its mandate and the successful financial governance of the Authority
- Accordingly, it is vital that the Finance Committee is fully supported by the Secretariat in carrying out its role. Communication between the Secretariat and the Finance Committee should be regular and open, providing the information necessary for the Committee to perform its functions in a timely and transparent manner.
- We thank the Secretariat for engaging in dialogue on these issues and it is welcome they have acknowledged the Committee's concerns. We believe this provides a good platform for progress and we will continue to pay close attention to this issue to ensure that we continue to see meaningful improvements in transparency and communication.

Ultimately, we all have a shared interest in supporting a well-governed, transparent and effective International Seabed Authority.

Many thanks