



## Finance Committee

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### Status of the Working Capital Fund

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### Report of the Secretary-General

1. In its resolution [ISBA/3/A/9](#), the Assembly of the International Seabed Authority established a Working Capital Fund in an amount that represented approximately one twelfth of the approved budget. The Assembly also decided that advances to the Working Capital Fund would be made in accordance with the scale of assessments adopted by the Assembly for contributions of members to the budget.
2. The Working Capital Fund is intended to meet the day-to-day budgetary expenses of the Authority in the event that member State contributions at the time of use are insufficient to cover its expenses. As soon as sufficient funds are available, the borrowed funds are to be reimbursed to the Fund. Payments made by members of the Authority are to be credited first to the Fund and then to the contributions due, in the order in which the members were assessed.
3. Over the years, as the budget of the Authority has increased, the amount of the Working Capital Fund has also increased to \$660,000, with the most recent increase of \$100,000 approved by the Assembly in 2016, on the basis that the increase would be spread evenly over the next two financial periods, to be determined using the Authority's current scale of assessments applied to the total value of the Fund (see [ISBA/22/A/13](#)).
4. As at 17 April 2019, the balance of the Working Capital Fund was \$632,826, with a further \$27,174 to be collected in the financial period 2019–2020.
5. On the basis that the Working Capital Fund should be set at an amount that represents approximately one twelfth of the annual budget of the Authority, the amount of the Fund should be increased to \$750,000, based on the annual budget for the current financial period. In these circumstances, the Finance Committee may wish to consider recommending an increase of \$100,000 in the Fund, effective for the next financial period, with advances to be made also over the next financial period.

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\* [ISBA/25/FC/L.1](#).

