



General Assembly

Distr.: General
9 November 2021

Original: English

Seventy-sixth session

Agenda item 138

Proposed programme budget for 2022

Report on the use of the 2021 subvention and request for a subvention to the Special Tribunal for Lebanon for 2022

Report of the Secretary-General

Summary

In his previous request for a subvention to the Special Tribunal for Lebanon ([A/75/763](#)), the Secretary-General identified progress made in the judicial work across all sets of proceedings before the Tribunal. The Secretary-General also highlighted the financial challenges facing the Tribunal and requested the approval by the General Assembly of an appropriation for a subvention in the amount of \$24.7 million for 2021.

By its resolution [75/253](#) B, the General Assembly appropriated an amount of \$15.5 million under Section 8, Legal affairs, of the programme budget for 2021, to supplement the voluntary financial resources of the Tribunal for the period from 1 January to 31 December 2021, and requested the Secretary-General to submit an update to the Assembly at its seventy-sixth session on the financial position of the Tribunal and utilization of the subvention in 2021.

In the present report, the Secretary-General outlines the judicial progress of the Tribunal since the issuance of the previous report, provides information on the financial situation and projected use of the subvention for 2021 and on the budget of the Tribunal for 2022 and seeks the approval of the General Assembly for an appropriation for a subvention for the Tribunal in the amount of \$8.3 million for 2022.



I. Introduction

1. The Special Tribunal for Lebanon was established following the adoption of Security Council resolution [1757 \(2007\)](#) to prosecute persons responsible for the attack of 14 February 2005 resulting in the death of the former Prime Minister of Lebanon, Rafik Hariri, and in the death or injury of other persons. The jurisdiction of the Tribunal also extends to other attacks that it judicially determines to be “connected” to the attack of 14 February 2005.

2. Pursuant to the Agreement between the United Nations and the Lebanese Republic on the establishment of the Special Tribunal for Lebanon, annexed to resolution [1757 \(2007\)](#), 51 per cent of the Tribunal’s expenses are to be borne by voluntary contributions from States, while the remaining 49 per cent are borne by the Government of Lebanon.

3. Since its establishment, and as detailed in the previous request of the Secretary-General for a subvention to the Special Tribunal for Lebanon ([A/75/763](#)), the Tribunal expected to complete its full judicial caseload by the end of 2022 subject to the necessary funding being available. The Tribunal continued to face considerable financial challenges in 2021. The coronavirus disease (COVID-19) pandemic has had an adverse impact on the securing of voluntary contributions, and the sociopolitical situation in Lebanon has devastated the country’s economy, making it difficult to attract the requisite funding to fully cover costs for the approved budget for 2021. The appropriation of \$15.5 million by the General Assembly of a subvention to supplement the voluntary financial resources has been essential for the work of the Tribunal, but was considerably lower than required to cover the full judicial caseload initially planned and reflected in the report of the Secretary-General ([A/75/763](#)). Despite intensive engagement with prospective donors and the Management Committee of the Tribunal, there were no further indications of sufficient contributions from Lebanon or voluntary donor States to fully fund the approved budget for 2021, and no pledges received for 2022.

4. Consequently, the Tribunal, following consultations with its Management Committee, reduced its approved budget for 2021 through the adoption of a revised 2021 expenditure plan in line with the lower projected income. The Tribunal revised its programme of work, including transitioning to residual functions in mid-2022 in the light of the stay of judicial proceedings in one case owing to a lack of funding. Expenditures were significantly curtailed in 2021 as the Tribunal commenced its drawdown of operations in the second half of the year.

5. The present report provides an update on the Tribunal’s financial position and the related impact on the judicial caseload, and the projected utilization of the subvention in 2021 in line with General Assembly resolution [75/253 B](#).

6. The report also includes information on the budget of the Tribunal for 2022, which similarly reflects a revised programme of work and seeks the approval by the General Assembly of an appropriation for a subvention for the Tribunal in the amount of \$8.3 million for 2022.

II. Judicial progress

A. *Ayyash et al.* case (STL-11-01)

7. The appeal in the *Ayyash et al.* case, concerning the attack on the former Prime Minister of Lebanon, which killed 22 people, including the Prime Minister, and injured 226 others, will be close to completion by December 2021.

8. The Tribunal tried five accused persons in absentia with assigned counsel. The accused were Salim Jamil Ayyash, Mustafa Badreddine, Hassan Habib Merhi, Hussein Hassan Oneissi and Assad Hassan Sabra. The Prosecutor charged them with conspiracy to commit a terrorist act, along with a number of other related charges. Proceedings against Mr. Badreddine were terminated, without prejudice, following the presentation of sufficient evidence of his death.

9. On 18 August and 11 December 2020, the Trial Chamber pronounced its judgment and sentenced Mr. Ayyash to five concurrent sentences of life imprisonment, while acquitting the other accused.

10. On 12 January 2021, the Prosecutor and the Defence Counsel for Mr. Ayyash filed notices of appeal against the Trial Chamber's judgment of 18 August 2020, and the Defence against the sentencing judgment of 11 December 2020. The Legal Representative of Participating Victims also filed a notice of appeal against the sentencing judgment. The filing of the notices of appeal marked the beginning of the appeals phase in the case.

11. On 24 February 2021, the Appeals Chamber dismissed the notice of appeal filed by the Legal Representative of Participating Victims against the sentencing judgment as inadmissible. The Appeals Chamber authorized the participating victims to participate in the appellate proceedings for the purpose of expressing their views and concerns on issues affecting their personal interests.

12. On 29 March 2021, the Appeals Chamber ruled that the Defence for Mr. Ayyash had no standing to appeal his conviction in his absence, finding that the convicted accused, Mr. Ayyash, as an individual, retained all the safeguards required under international human rights standards, including the right to appeal the judgment if he appeared, or to request a retrial.

13. On 29 March 2021, the Prosecutor submitted the appeal brief comprising eight grounds of appeal in relation to the cases against two of the acquitted accused, Hassan Habib Merhi and Hussein Hassan Oneissi. The Defence Counsels for Mr. Merhi and Mr. Oneissi each filed a brief in response on 31 May 2021. The Appeals Chamber also received submissions in reply from the Prosecutor on 16 June 2021 and observations by the Legal Representative of Victims on 14 June 2021. The Counsel for Mr. Merhi responded to the observations on 25 June 2021.

14. On 12 July 2021, the Appeals Chamber issued a scheduling order to hold an appeals hearing, mandated by rule 185 of the Rules of Procedure and Evidence, from 4 to 8 October 2021. The President of the Special Tribunal for Lebanon, who is also the Presiding Judge of the Appeals Chamber, adopted performance indicators for the whole appellate proceedings and set precise judicial timelines for each procedural step. The President provided monthly updates to the Management Committee on the progress of the judicial proceedings, including on the performance indicators, and informed the Management Committee that all timelines had been met.

15. In 2022, the rendering of the appeal judgment is expected to be completed by the end of July. The revised 2021 expenditure plan and budget for 2022 allocate resources for the completion of the STL-11-01 case by the end of July 2022. However, following relevant milestones (i.e., the appeals hearing for October 2021 and the appeals judgment for July 2022) resources are reduced accordingly.

B. *Ayyash* case (STL-18-10)

16. The “connected” *Ayyash* case (STL-18-10), relates to three attacks against Lebanese politicians, Marwan Hamade, George Hawi and Elias El-Murr, on 1 October 2004, 21 June 2005 and 12 July 2005, respectively.

17. The accused, Mr. Ayyash, was charged with conspiracy to commit a terrorist act, together with a number of other related charges.
18. On 25 February 2021, the Pre-Trial Judge issued a scheduling order setting 16 June 2021 as a tentative date for the start of trial.
19. On 5 March 2021, the Pre-Trial Judge transferred the lists of witnesses and exhibits submitted by the Legal Representative of Participating Victims to Trial Chamber II.
20. On 23 April 2021, the Defence filed their pre-trial brief in response to the Prosecution's pre-trial brief pursuant to rule 91 (I) of the Rules of Procedure and Evidence.
21. On 21 May 2021, the Pre-Trial Judge issued his report under rule 95 of the Rules of Procedure and Evidence, thus formally seizing Trial Chamber II of the case, giving it jurisdiction to proceed to hear the case, and effecting the transfer of jurisdiction between Chambers. The Pre-Trial Judge confirmed 16 June 2021 as the tentative date for the start of trial proceedings, and Trial Chamber II scheduled a pre-trial conference for 10 June 2021.
22. On 1 June 2021, the Registrar filed notice to the President, Judges and Chambers of the Tribunal of the imminent exhaustion of the Tribunal's currently available funds, which would impact the Tribunal's ability to finance the continuation of judicial proceedings beyond 31 July 2021, and ultimately its ability to complete its mandate. The Registrar indicated that, faced with this unprecedented situation, and in order to meet his obligations to administer and service the Tribunal, he had no choice but to activate a process of separation of staff and to initiate drawdown activities. The Registrar indicated that, should funding become available, these plans would be reassessed. The Registrar filed this notice so that the President, Judges and Chambers of the Tribunal would take any steps deemed necessary in relation to the conduct of the matters of which they were seized.
23. On 2 June 2021, the Trial Chamber II ordered the cancellation of the Pre-Trial Conference and the commencement of trial, scheduled for 10 and 16 June 2021, respectively; and suspended all decisions on filings before it, and on any future filings – as well as time limits for filing responses to any filings – until further notice.
24. On 18 June 2021, the Registrar provided an updated notice to Trial Chamber II, in which he informed the Chamber that, despite intensive fundraising efforts and discussions with the Management Committee, additional prospective and reasonably anticipated income would be inadequate to finance all ongoing judicial proceedings to their completion.
25. On 24 June 2021, the Trial Chamber filed an order seeking clarification from the Registrar on the implications of the funding shortfall for trial proceedings and inviting submissions from the Parties and participants on future steps. The Registrar filed a clarification on 30 June 2021, noting, *inter alia*, that the Tribunal's financial situation remained dire, with insufficient funding for judicial activities to continue beyond 31 July 2021.
26. On 13 July 2021, Trial Chamber II requested urgent input from the Security Council, through the Tribunal's President, about the disposition of the "connected" *Ayyash* case (STL-18-10), and continued the temporary stay of proceedings as established in its order of 2 June 2021, until the requested direction is received from the Council.
27. The case continues to be stayed owing to insufficient funding and has no allocated resources in either the revised 2021 expenditure plan or the budget for 2022. The Tribunal does not anticipate any additional funding to proceed with this case to trial, but there is still considerable work necessary to secure the evidence, filings and material related to the suspended proceedings.

III. Completion plan and road map: projected timelines, including a framework for the performance of residual functions, for 2022

28. Early in 2021, the Tribunal expected to complete its full judicial caseload within two years. The appellate judgment in the main *Ayyash et al.* case (STL-11-01) was expected to be issued by mid-2022, and the completion of the pre-trial and trial phase in the “connected” *Ayyash* case (STL-18-10), including the delivery of the trial judgment, was expected towards the end of 2022. Bearing in mind the independent Prosecutor’s purview over ongoing investigatory work or other matters within his mandate, the completion timeline accounted only for active judicial activity. Nevertheless, it was expected that the Tribunal would progressively draw down its activities as the judicial work before the different chambers was completed. However, in view of the financial challenges, during the second and third quarters of 2021, the Tribunal, in consultation with the Management Committee, revised its programme of work.

29. The Tribunal will now commence its residual phase upon completion of the STL-11-01 appeal by the end of July 2022, at the latest, given the stay of proceedings in the “connected” *Ayyash* case (STL-18-10). The United Nations and the Government of Lebanon have agreed, further to consultations with members of the Security Council, on the framework for the performance of residual functions at the Tribunal. The parties have agreed that the residual functions would be primarily limited to the management and preservation of the records and archives of the Tribunal, assistance to national authorities and responses to requests for information and the protection and support of victims and witnesses.

30. The parties agreed that these residual functions will be performed under a “dormant” structure of the Tribunal, that is, the current legal framework establishing the Tribunal will remain in effect and the Tribunal will consist only of minimal administrative offices, backed by an ad hoc court structure under which the judges and senior officials would work primarily remotely, on an as-required basis. It is envisaged that this residual phase would continue until the end of the current mandate period of February 2023, at which time the Agreement between the United Nations and Lebanon may be extended to allow the Tribunal to complete these functions if necessary.

31. In his letter to the President of the Security Council dated 7 September 2021 ([S/2021/796](#)), the Secretary-General informed the Council of the financial difficulties faced by the Tribunal. The Secretary-General indicated his intention to request a subvention from the General Assembly for 2022 to enable the Special Tribunal to complete the appeal proceedings in the *Ayyash et al.* case by July 2022, to draw down and to commence the performance of its residual functions.

32. He also informed the Council that, further to his letter to the President of the Security Council dated 10 February 2021 ([S/2021/149](#)), the United Nations and the Government of Lebanon had agreed on a framework for the performance of residual functions at the Special Tribunal, which would begin following the completion of the appeal in the *Ayyash et al.* case.

33. In her letter to the Secretary-General dated 14 September 2021 ([S/2021/797](#)), the President of the Security Council informed the Secretary-General that the members of the Council had taken note of the intention expressed in his letter, with the understanding that the subvention would be subsequently reimbursed from the voluntary contributions received by the Tribunal, the applicable reporting requirements to the General Assembly would be complied with and the voluntary

nature of the funding arrangement of the Tribunal would not be changed. The members of the Council stressed that contributions from Lebanon, as well as from donors, should remain a major source of funding for the Tribunal, including with regard to its residual functions, and that additional efforts should be made to avoid reliance on subventions in future.

IV. Current financial position and fundraising efforts

34. The financial situation of the Tribunal remains dire. The pandemic has had an adverse impact on the rate at which the voluntary contributions have been secured during both 2020 and 2021 compared with previous years, and the sociopolitical situation in Lebanon has devastated that country's economy, making receipt of its full assessed contribution difficult.

35. On 19 July 2021, the Management Committee approved the Tribunal's 2021 revised expenditure plan, which reflected a reduction of \$10.5 million compared with the approved budget of \$42.2 million. The impact of the financial challenges has been radical. The start of trial in the STL-18-10 case was cancelled 16 days before the opening. Those proceedings remain stayed due to insufficient funds, with no indication of continuing. As a result, beginning in August, the Tribunal commenced with its drawdown process. This included the closure of its office in Beirut in August 2021, the non-extension or amendment of a number of staff contracts as of 1 August 2021, equivalent to a workforce reduction of approximately 155 posts, including general temporary assistance posts, and the review and/or termination of contractual and commercial agreements.

Fundraising efforts in 2021

36. Since the previous report of the Secretary-General, the Tribunal has continued to engage intensively with prospective donors and with its Management Committee. From January to October 2021, there were 15 Management Committee meetings at one of which the Tribunal solicited further contributions. The President and Registrar have held 68 bilateral diplomatic meetings with Management Committee donors, Lebanese officials and other prospective donors or stakeholders. In addition, the Tribunal continued to pursue its working-level diplomatic contacts. By 1 June 2021, these fundraising efforts had generated insufficient indications that there would be available funding for the full budget for 2021.

37. However, further to the Registrar's notice of 1 June 2021 of the imminent exhaustion of currently available funds, and following the Management Committee's approval of the 2021 revised expenditure plan and proposed budget for 2022, the Tribunal received contributions for its core budget for 2021 amounting to \$4.9 million from eight States, with an additional \$0.4 million of pledges from one State to fund the revised 2021 requirements. This includes a contribution from Lebanon for a limited portion of its assessed contribution.

38. Despite the ongoing fundraising efforts, voluntary contributions for the Tribunal have continued to decline over the years, falling from \$22.7 million in 2019 to \$20.5 million in 2020, to an estimated \$8.7 million in 2021. There are currently no confirmed voluntary pledges for 2022 and receipt of the full 2022 Lebanese assessed contribution is not anticipated given the continuing financial crisis in Lebanon.

Utilization of the subvention

39. By its resolution [75/253](#) B, the General Assembly appropriated an additional amount of \$15.5 million under section 8, Legal affairs, of the programme budget for

2021, to supplement the voluntary financial resources of the Tribunal by way of a subvention. The General-Assembly's approval of the subvention allowed the Tribunal to continue to implement its programme of work for a period of time, in accordance with the approved budget for 2021. The release of the subvention to the Tribunal has been made on an incremental basis, based on monthly cash position and projected cash disbursements. The first drawdown from the subvention was partly used to extend critical staff contracts that would otherwise have expired on 30 April 2021. At the time, the Tribunal was still actively preparing for the start of trial in the STL-18-10 case on 16 July 2021, running on a very tight schedule to complete these proceedings within one year and render the trial judgment within six months of the parties' closing arguments. This timeline was consistent with the Tribunal's commitment to complete all judicial work within a two-year period in parallel to drawing down its operations – a commitment which underpinned the Secretary-General's original subvention request.

40. As at October 2021, an amount of \$12.2 million had been released against the approved subvention of \$15.5 million. At the time of writing, it is envisaged that the 2021 subvention will be utilized in full by 31 December 2021, supplementing received and anticipated voluntary contributions. The voluntary contributions, together with the subvention, will be sufficient to cover the overall revised requirements for 2021.

V. Funding requirements of the Tribunal for 2022

41. The budget for 2022 is aligned with the resource requirements for the workplan detailed in section III of the report.

42. The budget for 2022 amounts to \$8.3 million and represents a reduction of \$23.4 million compared with the 2021 revised budget of \$31.7 million. When compared with the budget initially approved for 2021, the budget for 2022 represents a reduction of \$33.9 million, or 80.3 per cent. The budget for 2022 was approved by the Management Committee in July 2021.

43. At the time of reporting, the Tribunal has received no confirmed pledges for 2022. To address the dire funding situation, and bearing in mind the continued socioeconomic crisis in Lebanon, the Secretary-General proposes a subvention of \$8,323,200 to the Tribunal for the period from 1 January to 31 December 2022. The requested subvention reflects the financial resources necessary to secure the operations of the Tribunal during 2022, including the orderly drawdown and transition to a residual phase. The budget for 2022 reflects the absolute minimum requirements necessary for the completion of the appeal and an orderly transition to the residual phase, which will be necessary to preserve the evidentiary materials of the Tribunal and provide support and assistance to victims and witnesses.

44. The budget for 2022 is reflected in tables 1 to 3.

Table 1
Financial resources by component and funding availability

(Thousands of United States dollars)

Component	Expenditures	Approved budget	Approved budget	Revised budget	Resource changes		Proposed budget
	2020	2020	2021 ^a	2021 ^b	Amount	Percentage	2022 ^c
Expenditure/requirements							
A. Chambers	6 646.4	6 444.5	5 228.2	3 705.9	(2 007.9)	(54.2)	1 698.0
B. Office of the Prosecutor	13 500.2	13 650.4	8 326.7	6 166.5	(5 203.1)	(84.4)	963.4
C. Registry	37 335.7	41 288.9	25 247.7	19 485.6	(14 137.0)	(72.6)	5 348.6
D. Defence Office	4 194.5	5 576.4	3 383.4	2 316.7	(2 003.5)	(86.5)	313.2
Subtotal	61 676.8	66 960.2	42 186.0	31 674.7	(23 351.5)	(73.7)	8 323.2
Income							
Fund balance brought forward	13 467.3	13 467.3	7 446.6	7 446.6	(7 446.6)	(100.0)	–
Pledges, contributions and other income	55 656.1	55 656.1	8 724.7	8 724.7	(8 724.7)	(100.0)	–
Amount of subvention authorized	–	–	15 503.4	15 503.4	(15 503.4)	(100.0)	–
Total income	69 123.4	69 123.4	31 674.7	31 674.7	(31 674.7)	(100.0)	–
Surplus/(shortfall)	7 446.6	2 163.2	(10 511.3)	–	(8 323.2)	–	(8 323.2)

^a The approved budget for 2021 for the Special Tribunal for Lebanon amounts to €34,761,270 (equivalent to \$42,186,000, using the exchange rate as at 1 February 2021 of €0.824=\$1). The budget for 2021 was approved by the Management Committee on 2 February 2021.

^b The revised expenditure plan covering 1 August–31 December 2021 in the amount of €5,683,887 was approved by the Management Committee on 19 July 2021, resulting in a total revised expenditure plan for 2021 of €26,638,478 (equivalent to \$31,674,700).

^c The budget for 2022 for a total amount of €6,999,798 (equivalent to \$8,323,200 using the exchange rate of 1 August 2021 of 0.841=\$1) was approved by the Management Committee on 23 August 2021.

Table 2
Requirements by object of expenditure and funding availability

(Thousands of United States dollars)

Component	Expenditures	Approved budget	Approved budget	Revised budget	Resource changes		Proposed budget
	2020	2020	2021 ^a	2021 ^b	Amount	Percentage	2022 ^c
Expenditure/requirements							
Posts	40 003.8	38 874.9	25 622.1	21 055.9	(16 638.2)	(79.0)	4 417.7
Non-staff compensation	3 379.6	3 047.1	3 010.1	2 048.3	(1 164.2)	(56.8)	884.1
Other staff costs	9 816.4	10 309.2	6 045.2	3 439.1	(2 487.9)	(72.3)	951.2
Hospitality	0.7	7.2	–	–	–	–	–
Consultants	1 212.2	3 972.2	1 899.4	1 004.7	(884.6)	(88.0)	120.1
Travel	424.7	1 322.3	348.5	79.1	(20.7)	(26.2)	58.4
Contractual services	1 320.8	3 945.3	2 189.0	1 353.9	(322.6)	(23.8)	1 031.3
General operating expenses	5 152.6	3 957.0	2 482.3	2 370.2	(1 525.5)	(64.4)	844.7
Supplies and materials	222.2	668.2	346.9	214.2	(203.3)	(94.9)	10.9
Furniture and equipment	98.3	466.3	217.1	109.3	(104.5)	(95.6)	4.8
Training	45.5	390.5	25.4	–	–	–	–
Subtotal	61 676.8	66 960.2	42 186.0	31 674.7	(23 351.5)	(73.7)	8 323.2

Component	Expenditures	Approved budget	Approved budget	Revised budget	Resource changes		Proposed budget
	2020	2020	2021 ^a	2021 ^b	Amount	Percentage	2022 ^c
Income							
Fund balance brought forward	13 467.3	13 467.3	7 446.6	7 446.6	(7 446.6)	(100.0)	–
Pledges, contributions and other income	55 656.1	55 656.1	8 724.7	8 724.7	(8 724.7)	(100.0)	–
Amount of subvention authorized	–	–	15 503.4	15 503.4	(15 503.4)	(100.0)	–
Total income	69 123.4	69 123.4	31 674.7	31 674.7	(31 674.7)	(100.0)	–
Surplus/(shortfall)	7 446.6	2 163.2	(10 511.3)	–	(8 323.2)	–	(8 323.2)

^a The approved budget for 2021 for the Special Tribunal for Lebanon amounts to €34,761,270 (equivalent to \$42,186,000, using the exchange rate as at 1 February 2021 of €0.824=\$1). The budget for 2021 was approved by the Management Committee on 2 February 2021.

^b The revised expenditure plan covering 1 August–31 December 2021 in the amount of €5,683,887 was approved by the Management Committee on 19 July 2021, resulting in a total revised expenditure plan for 2021 of €26,638,478 (equivalent to \$31,674,700).

^c The budget for 2022 for a total amount of €6,999,798 (equivalent to \$8,323,200 using the exchange rate of 1 August 2021 of 0.841=\$1) was approved by the Management Committee on 23 August 2021.

Table 3
Post resources

Category	Approved		Revised	2022 Approved budget			
	2020	2021	2021 (from August 2021)	January	July	August	December
Professional and higher							
Judges ^a	11	11	5	5	5	–	–
USG	1	1	1	1	1	–	–
ASG	1	1	1	1	1	–	–
D-2	2	2	2	2	2	–	–
D-1	3	3	1	–	–	1	1
P-5	23	16	9	3	3	–	–
P-4	38	30	15	8	8	3	3
P-3	69	49	27	11	11	2	2
P-2/1	44	28	22	12	12	4	4
Subtotal	192	141	83	43	43	10	10
General service and related							
Field service	12	9	1	–	–	–	–
Principal level	5	4	2	2	2	–	–
Other level	121	74	48	12	10	2	–
Local level	23	17	6	–	–	–	–
Subtotal	161	104	57	14	12	2	–
Total	353	245	140	57	55	12	10

Abbreviations: ASG, Assistant Secretary-General; USG, Under-Secretary-General.

^a Article 2 of the annex to resolution 1757 (2007) provides that the Chambers is to be composed of no fewer than 11 independent judges and no more than 14 such judges.

45. The budget of \$8,323,200 would provide for 57 positions (5 judges, 1 Under-Secretary-General, 1 Assistant Secretary-General, 1 D-1, 2 D-2, 3 P-5, 8 P-4, 11 P-3, 12 P-2, 2 Principal level and 12 General Service (Other level)) and non-post items, such as other staff costs, consultants, travel of staff, contractual services, general operating expenses, supplies and materials and furniture and equipment. The budget proposal for 2022 reflects a decrease of \$23,351,500 under Chambers (\$2,007,900), Office of the Prosecutor (\$5,203,100), Registry (\$14,137,000) and Defence Office (\$2,003,500), compared with the 2021 revised budget. The decrease is mainly attributable to the anticipated completion of the appeal judgment on the *Ayyash et al.* case (STL-11-01), the temporary stay of judicial proceedings of the “connected” *Ayyash* case (STL-18-10) due to the current financial situation of the Tribunal, and the drawdown to a residual phase by 1 August 2022. Upon completion of the appeal, all judges, including the President, and the Prosecutor and the Head of the Defence Office will only work and be remunerated only on an as-required basis.

46. The requested subvention, once approved by the General Assembly, would be disbursed by the Organization to the Registrar of the Tribunal on a periodic basis. The disbursements would be recorded as expenditure in the financial statements, and the corresponding final expenditure would be reported against the 2022 subvention in the financial performance report for 2022. The Registrar, as an appointee of the Secretary-General, would be required, in this regard, to provide the Controller with monthly statements of all expenditure and income of the Tribunal.

47. The Secretary-General would propose to submit a progress report to the General Assembly at its seventy-seventh session on, inter alia, the status of the financial position of the Tribunal, including details on available contributions and preliminary estimates for the utilization of the subvention in 2022.

VI. Conclusions

48. **The Secretary-General welcomes the progress made by the Special Tribunal for Lebanon since inception, and commends its recent response to its financial situation by adapting its scope of work and resource requirements. In this context, and bearing in mind the mandate of the Tribunal, the Secretary-General underscores the continuing importance of completing the appellate proceedings before the Tribunal, ensuring an orderly drawdown of activities and securing limited ongoing residual obligations in a manner that conforms with the terms of the Agreement between the United Nations and the Government of Lebanon.**

49. **The Secretary-General welcomes the provision of 49 per cent of the funding by the Government of Lebanon over the years and acknowledges its commitment to the Tribunal despite the current socioeconomic and financial crisis faced.**

50. **The Secretary-General is deeply concerned that the Tribunal continues to face serious financial challenges just at the critical point of completing its appellate judicial activity. It remains critical for the international community to ensure that the Tribunal has the financial means necessary to complete the appeal and secure and preserve the evidence, ensure the protection of confidential material and the protection of victims and witnesses.**

VII. Recommendations

51. **The Secretary-General requests the General Assembly:**

(a) **To take note of the present report and the use of the approved subvention for 2021;**

(b) To take note of the resource requirements of the Special Tribunal for Lebanon for the period from 1 January to 31 December 2022, estimated at \$8,323,200 for the Tribunal to complete its judicial mandate in the main *Ayyash* case and transition to a residual phase;

(c) To appropriate an amount of \$8,323,200 under section 8, Legal affairs, of the proposed programme budget for 2022 by way of a subvention for the Tribunal, with the understanding that any additional voluntary contributions received would reduce the utilization of the funding provided by the United Nations, which would be reported in the context of the financial performance report on the programme budget for 2022;

(d) To request the Secretary-General to submit a progress report to the Assembly at its seventy-seventh session on the utilization of the subvention in 2022 and the status of contributions for the Tribunal.

Annex I

Summary of follow-up action taken to implement relevant recommendations

Brief description of the recommendation

Action taken or to be taken to implement the recommendation

Report of the Advisory Committee on Administrative and Budgetary Questions (A/75/7/Add.40)

The Advisory Committee notes the two-year completion plan developed by the Tribunal and trusts that detailed information on the emergency drawdown plan will be provided to the General Assembly at the time of its consideration of the present report. In addition, the Committee emphasizes the importance of regularly updating the comprehensive case completion plan and the need to take all necessary measures to expedite case completion, including effective planning, while fully respecting the requirements of the judicial process. (para. 10)

The Advisory Committee notes the lack of information regarding the management of the unused balance. The Committee requested, but at the time of reporting was not provided with, the full text of the Tribunal's budgets for 2020 and 2021. The Committee trusts that the information and justification will be provided to the General Assembly at the time of its consideration of the present report. (para. 14)

As noted in the present report, the Tribunal revised its programme of work from the two-year completion plan to the development of its 2021 revised expenditure plan and budget for 2022, both of which outline the completion of the main STL-11-01 appeal by 31 July 2022 and the Tribunal's transition to a residual phase upon completion of the appeal. All indications show that these timelines will hold. The Tribunal submits to its Management Committee monthly reports generated by its internal auditors on conformity with the budget and adherence to these documents. The expeditious completion of the appeal is being ensured through the application of best and developed practices, strong leadership and commitment of all the Appeals Chamber judges to meet the timelines. In addition, progress is observed against internal deadlines which instill targets to ensure adherence to the projected timelines. The implementation of quantitative performance indicators, with which all the Appeals Chamber judges committed to comply, has revealed the accuracy of the Appeals Chamber's estimates, with the disposition of decisions consistently on or ahead of target. In addition, the President has been updating the Management Committee on a monthly basis regarding the judicial work and its progress.

The Tribunal's approved budget provides a ceiling for appropriations. However, unlike the budget for a fully assessed contribution-funded organization, budget approval does not presume that funding is available. To address the nature of its financing model, the Tribunal has taken a three-pronged approach. First, the Tribunal has sought to maximize income from donors through fundraising efforts. Second, the Tribunal has also sought to minimize expenditure by seeking to remain under budget in each financial year. Third, the Tribunal has supplemented income shortfalls in accordance with policy by drawing on brought forward surpluses created in the initial years of the Tribunal's life before judicial activity started in earnest and when income significantly exceeded expenditure. Therefore, there has been no "unused balance" of funds because income has been substantially lower than both the approved budget and actual expenditure for all but one of the six years preceding 2021. Regulation 5.3 and 5.4 of the

*Brief description of the recommendation**Action taken or to be taken to implement the recommendation*

While noting the significant reduction in the requirements for 2021 compared with 2020, the Advisory Committee is of the view that it is essentially related to the reduced judicial workload anticipated during the case completion phase and the pattern of underexpenditure over the previous budgetary periods. The Committee trusts that the Tribunal could further reduce its costs and enhance its efficiency, including through the further drawdown of its workforce. (para. 15)

Tribunal's Financial Regulations and Rules govern this practice. Specifically, the 2020 cash surplus was credited to the 2021 financial year.

The full text of the Tribunal's budgets for 2020 and 2021 will be provided along with the supplementary information of the present report.

At the time of the previous subvention request (A/75/763), the level of judicial activity in 2021 was not envisioned to be lower in comparison with past years. While the completion of the STL-11-01 trial had allowed some restructuring to be carried out, this did not result in a decrease in judicial workload as it was envisioned that all three Chambers – Pre-Trial, Trial and Appeals – were to be fully engaged for most of 2021.

The pattern of under-expenditure of the budget over previous years does not indicate a possibility for further reductions in 2021. In this regard, reference is made to the above reply on the “unused balance”, as an explanation of the Tribunal's expenditure and budget patterns.

Moreover, the reduction of 37 per cent in the original budget for 2021 was also aimed at maximizing efficiency through structural, procedural and managerial changes as set out in the strategic plan and priorities for 2021, which led to a comprehensive restructuring of the Tribunal.

In addition, once it became clear that the budget for 2021 would not be fully funded, the Tribunal drastically reduced its costs. It altered its anticipated programme of work with the temporary stay of proceedings in STL-18-10 and reduced its workforce by approximately 155 posts (including general temporary assistance posts).

At present, only the bare minimum resources required to complete the STL-11-01 appeal, drawdown to a residual phase and secure ongoing residual obligations remain. Moreover, the Tribunal has discontinued a number of essential services owing to lack of funding. Further stages of workforce drawdown, linked to key procedural milestones, such as the October appeals hearing, have taken place and will continue to take place. The Tribunal is thus currently operating with a skeletal structure, with no ability to effect further reductions.

Brief description of the recommendation

In view of the challenges faced by the Government of Lebanon in maintaining its financial support to the Tribunal, the Advisory Committee trusts that the Secretary-General and the Tribunal will intensify their fundraising efforts, including by broadening the donor base and encouraging the members of the Management Committee and the Group of Interested States to renew their financial efforts. (para. 18)

The Advisory Committee recalls that the President of the Security Council informed the Secretary-General that the members of the Council had taken note of the intention expressed in his letter, with the understanding that the subvention would be subsequently reimbursed from the voluntary contributions received by the Tribunal, the applicable reporting requirements to the General Assembly would be complied with, and the voluntary nature of the funding arrangement of the Tribunal would not be changed (*ibid.*, para. 10). (para. 23)

The Advisory Committee notes that the auditors will complete the audit certification for the year 2019 in March or April 2021, and that the financial statements for 2020 have yet to be finalized. The Committee encourages the Secretary-General to explore the possibility of using the services of the Board of Auditors to audit the accounts and financial statements of the Tribunal for 2021. (para. 27)

The Advisory Committee encourages the Tribunal to make further use of online training and videoconferencing to reduce its costs. (para. 31)

Action taken or to be taken to implement the recommendation

Fundraising efforts have intensified as indicated in the present report, and the Tribunal has continued to work closely with the Secretary-General, the Management Committee and others to maximize income from past and potential donors. From January to October 2021, there were 15 Management Committee meetings in which the Tribunal detailed the financial situation and solicited further contributions. Further, the President and Registrar have held 68 bilateral diplomatic meetings with Management Committee donors, Lebanese officials and other prospective non-traditional donors or stakeholders. This was followed by official fundraising correspondence.

In addition, the Secretariat has engaged in various fundraising efforts, including the Secretary-General's general appeal to Member States in December 2020, as well as raising the issue in high-level meetings with Member States.

At the time of receipt of the 2021 subvention, the Tribunal committed to reimburse the United Nations for all contribution amounts received that exceeded the approved budget. Ultimately the budget was not fully funded, and the Tribunal was required to submit a revised expenditure plan for 2021.

The Tribunal has been sending monthly reports to the United Nations on the use of the subvention, as well as other contributions received.

The certification of the 2019 financial statements was finalized by the External Auditor on 28 July 2021. The audit of the 2020 financial statements is currently ongoing and the certification is expected to be completed towards the last quarter of 2021.

The Tribunal shares this commitment to utilizing cost-effective virtual communication tools. While the Tribunal has not budgeted for any training in its revised 2021 expenditure plan and budget for 2022, cost-neutral online training courses will continue to be encouraged. In addition, all Management Committee meetings in 2021 have been held via videoconference, allowing for cost-effective participation. All other bilateral diplomatic engagement has either taken place in person in The Hague, or through videoconferencing. The Tribunal will continue to prioritize videoconferencing in 2022.

Annex II

Financial status of the Special Tribunal for Lebanon

Table A.1

Financial status of the Special Tribunal for Lebanon as at 31 December 2020

(Thousands of United States dollars)

A. Income	
Contributions received from inception (2007) to 2020	709 269.4
Interest earned from inception and other adjustments or revenue	1 876.0
Other income	4 696.7
Subtotal	715 842.1
B. Expenditure	708 395.5
Fund balance (shortfall)	7 446.6

Table A.2

Financial status of the Special Tribunal for Lebanon for 2021 and projections for 2021 and 2022

(Thousands of United States dollars)

A. Income for 2021	
Available balance brought forward	7 446.6
Contributions received for 2021	6 765.3
Outstanding pledges for 2021 ^a	1 959.4
Anticipated pledges for 2021	—
Amount of subvention appropriated	15 503.4
Subtotal	31 674.7
B. Revised budget for 2021^b	(31 674.7)
C. Estimated surplus/(shortfall) for 2021	—
D. Income for 2022	
Outstanding pledges for 2022	—
Anticipated pledges for 2022	—
Subtotal	—
E. Proposed/approved budget for 2022^c	(8 323.2)
F. Estimated shortfall for 2022 (to be covered by the subvention from the regular budget)	(8 323.2)

^a \$1,602,700 of outstanding pledges are formal grants due for payment by 31 December 2021. The remaining \$356,700 are unwritten grants but confirmed pledges from traditional donors

^b The 2021 revised expenditure plan covering 1 August–31 December 2021 for €5,683,887 was approved by the Management Committee on 19 July 2021 resulting in a total revised expenditure plan for 2021 of €26,638,478 (equivalent to \$31,674,700).

^c The budget for 2022 for a total amount of €6,999,798 (equivalent to \$8,323,200 using the exchange rate of 1 August 2021 of 0.841=\$1) was approved by the Management Committee on 23 August 2021.