



**CALL FOR PROPOSALS FOR A STUDY ON THE SCOPE, PURPOSE AND
ADMINISTRATION OF A GLOBAL FUND FROM THE FINANCIAL PAYMENTS FROM
DEEP SEABED MINING**

9 September 2020

1. The International Seabed Authority (ISA) is an autonomous international organization established under the United Nations Convention on the Law of the Sea of 10 December 1982 (the Convention) and the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea (the 1994 Agreement). The ISA is the organization through which States Parties to the Convention shall, in accordance with the Convention, organize and control activities in the Area, particularly with a view to administering the resources of the Area.
2. The ISA is seeking a consultant with requisite experience in economics and related fields to undertake a study in line with the Terms of Reference of work in the Annex to the present call and invites proposals to be submitted via email to cosg@isa.org.jm not later than **18 September 2020**.
3. Proposals should not exceed 1,500 words and should thoroughly and sufficiently demonstrate the competence and expertise of the applicant to meet the requirements contained in the Annex. Proposals should equally reflect a clear methodology on the deliverables for the study as well as proposed costs. All proposals will be reviewed by a committee and the outcome will be communicated to applicants using the contact details provided.

Annex

Terms of Reference

for a consultancy to undertake a study on the scope, purpose and administration of a global fund from the financial payments from deep seabed mining

Background

1. The Finance Committee of the International Seabed Authority (ISA) is in the process of developing recommendations on an appropriate mechanism for the equitable sharing of the financial benefits (in the form of royalties) generated by seabed minerals exploitation in the international seabed Area.

2. The work undertaken so far on this topic has led to the development of two substantive reports presented to the Committee in July 2019 and April 2020 respectively, and to the development of three alternative formulae for fair and equitable allocation to individual member States of a given sum of royalties available for distribution. The formulae under consideration are based on the calculation of each country's population as a percentage of the world's total; using established measures in a manner fully consistent with Aristotle's principle of equity or proportionality. This distribution would then be adjusted through a social distribution weight in such a way as to redistribute income from higher income States Parties to the developing countries referenced in Article 140 of the United Nations Convention on the Law of the Sea.

3. As an adjunct to the above distribution formula, or as an alternative, the Committee is also exploring the concept of a 'Seabed Sustainability Fund' (this term is used as a placeholder without prejudice to the nature and scope of such a fund). Although further work is needed to develop the purpose of this fund, the overall philosophy behind its establishment is to channel part, or all, of the financial benefits generated by seabed minerals exploitation into programmes, projects and activities that are consistent with the status of seabed minerals as the common heritage of mankind. This could contribute to:

a. supporting and enhancing knowledge about the deep-sea, as a global public good. This could include allocation of funding to support specific activities aimed at increasing scientific understanding and knowledge on the marine environment of the Area, develop the capacities of developing States to ensure sustainable development of deep seabed mining (DSM) (such as enlarging the number of nationals with seabed technical competence), support research and development of new technology that minimizes the environmental impact of DSM and facilitate research on marine genetic resources of organisms found in the deep sea.

b. promoting global public goods that benefit all of humanity, such as adaptation or mitigation of climate change, scientific knowledge about new technology and the deep-sea ecosystem and biodiversity conservation, or epidemiologic surveillance are well known to be underprovided, and would benefit from such funding sourced from all humanity. Achievement of the Sustainable Development Goals, or other development benchmarks

agreed upon by all 193 United Nations members, could also serve as a basis for support provided by the fund.

Objectives

5. The Committee gave preliminary consideration to this issue at its meetings in July 2020. It requested the secretariat to provide it with a report further developing the concept of a global fund, which should include, inter alia, the following elements (i) how such a fund could be set-up, (ii) how such a fund could be administered, and (iii) what options there may be for monitoring and evaluation of outcomes. The report should include an overview of how other neutrally sourced funds are administered by international bodies in order to learn about the strengths and weaknesses of current or past attempts. The Committee emphasized the importance of leveraging other organizations' practices, looking both at the efficiency and equity, studying empirical evidence and learning from their experience. Examples such as the United Nations Environment Programme (UNEP), the Global Environment Facility (GEF), the Consultative Group on International Agricultural Research (CGIAR) and the World Health Organization (WHO) were suggested as potential sources of reference and possible partners in the future. The Committee also emphasized the need to base its considerations on the objectives of the Convention, the potential timeline before the ISA would begin to receive royalties, and the ISA strategic plan for 2019-2023, specifically the aspects of development assistance, promoting autonomy and regional distribution among appropriate stakeholders.

Scope of work

6. The study should cover the following matters:

(a) What could be the scope and purpose of a global fund,¹ based on the objectives contained in the Convention, the ISA Strategic Plan for 2019-2023 and taking into account of the discussions held in the Committee and the ISA Council;

(b) How a global fund could be administered and managed, taking into account the ISA's Financial Regulations and governing bodies, as well as what lessons may be learned from the management of comparable funds, including, for example: the United Nations Joint Staff Pension Fund, the International Oil Pollution Compensation Funds, the United Nations Environment Programme (UNEP), the Global Environment Facility (GEF), the Consultative Group on International Agricultural Research (CGIAR) and the World Health Organization (WHO);

(c) What governance options could be considered for regulating access to the global fund, for example, in terms of supporting projects on a national or regional basis;

¹ The amount of the fund is unknown, as the level of payments will fluctuate depending on the pace of mining activity. Clearly, in the early years of production, payments will be lower, which suggests that the fund will build up over time. This raises the question (to be addressed in the report) whether initial payments should be held in trust until such time as the amount in the Fund is sufficient to meet its objectives. For the purposes of its discussions and modelling, the Finance Committee has assumed that, at a steady state of production, the Fund would receive gross revenue of US\$500 million per annum.

(d) What options could be considered for monitoring and evaluation of outcomes and expected results; and

(e) Provide an overview of how other neutrally sourced funds are administered by international bodies in order to learn about the strengths and weaknesses of current or past attempts.

Deliverables

7. The consultant will be required to produce a report covering the above matters. The report should not exceed 10,000 words in length (approx.) and should include an executive summary and references, although supporting material may be provided in annexes. The consultant may be required to participate in a virtual meeting with the Finance Committee, of approximately two hours duration, to present the main conclusions of the report and for this purpose may be required to produce a slide presentation.

Timelines

8. The work will be undertaken based on the following anticipated timelines:

- a) Start date: upon signature of the contract
- b) First draft: 30 October 2020
- c) Review of first drafts by Secretariat: 5 November 2020
- d) Final study provided by the consultant: 16 November 2020

Modalities of work

9. The Consultant will report and receive guidance from the Senior Policy Officer who, after close consultation and cooperation with the relevant offices within the Secretariat and the Committee, will review and approve the deliverables/outputs. All deliverables should be submitted in English.

10. The work shall be performed at the consultant's home base; the consultant will be required to meet remotely with ISA Secretariat staff on issues related to the deliverables. Where travel is deemed necessary, a round trip airline ticket (economy) as per prevailing ISA policies on official travel and DSA at the prevailing ICSC rates established on the travel days would be provided to the consultant.

11. The Secretariat will make reasonable and practical efforts to facilitate the production of timely, accurate and useful outcomes by promptly responding to the consultant's queries and providing the necessary reference material as identified by the consultant where feasible.