



## EMBASSY OF BRAZIL

Kingston, 2<sup>nd</sup> December 2020

To  
Rear Admiral (Retd.) Md Khurshed Amal  
President of the Council of the International Seabed Authority

Dear President,

Following the two recent informal Webinars (Council and Assembly) with the President of the Finance Committee, GRULAC has had virtual meetings to discuss the budget proposal and the Council's draft decision in document ISBA/26/C/L.4.

As all Authority members are aware, most - if not all - countries are facing severe economic constraints due to the COVID-19 pandemic. The World Economic Outlook (WEO) of the International Monetary Fund (IMF) has projected an average 8.1 % decrease in the GDP of Latin American and the Caribbean countries for the year 2020. All the Governments of the countries of Latin American and the Caribbean have implemented strict austerity measures. Despite the promising news about COVID-19's vaccines still under testing, there's no guarantee that the world economy will soon be back to its normality.

GRULAC believes that the Authority should also adjust its budget to the critical economic situation of its Member States, taking into account the fact that the present financial constraints will not be relieved in the short - or even the medium - run. Under our governments' current economic stress, it is quite challenging to justify external expenses, which have no positive direct impact on addressing the COVID-19 pandemic's economic consequences.

In this context, GRULAC reckons that the ISA budget for the biennium 2021-2022 should not be increased; on the contrary, it should be lower than the pre-crisis 2019-2020 budget.

The new reality is an opportunity to innovate and at the same time rationalize and streamline the expenses of the Authority, as some delegations mentioned during the two Webinars mentioned above.

For example, we have been able to hold webinars and meetings virtually. We can now limit travel to those cases in which the physical presence is a must and continue promoting the virtual participation of ISA's Secretariat. Our region believes that the Authority can reduce costs without impacting its efficiency and efficacy, postponing some expenses for the next budget cycle when we hope the world will recover and improve economic growth.

Therefore, GRULAC representatives who are members of the Council have decided to break the silence on the draft decision in document ISBA/26/C/L.4 and request the Secretariat to submit a revised proposal, not later than 18th December, including reduction and savings in items that are non-essential or that can be postponed until the year 2022.

GRULAC would appreciate it if you could circulate the present letter to the other Council members and explore ways and means to promote formal virtual debate to address the concerns on the proposed level of the budget for 2021-2022.

Please accept, Excellency, the assurances of my highest consideration.

  
Carlos den Hartog  
Permanent Representative of Brazil to ISA  
Coordinator of GRULAC