

# INTERNATIONAL SEABED AUTHORITY

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## Assembly Council



Distr.  
GENERAL

ISBA/5/A/2  
ISBA/5/C/2  
17 June 1999

ORIGINAL: ENGLISH

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Fifth session  
Kingston, Jamaica  
9-27 August 1999

### PROPOSED BUDGET FOR THE INTERNATIONAL SEABED AUTHORITY FOR 2000

#### Report of the Secretary-General

#### I. INTRODUCTION

1. The International Seabed Authority came into existence on 16 November 1994, upon the entry into force of the 1982 United Nations Convention on the Law of the Sea ("the Convention"). Pending the election of the Secretary-General and until such time as the Secretary-General took up his duties and was able to assume administrative responsibility, the Authority continued to use the facilities and staff of the Kingston Office of the Law of the Sea as its interim secretariat. The Secretary-General assumed full administrative responsibility for the Authority with effect from 1 June 1996.

2. The budgetary arrangements first established for the Authority were based on the evolutionary approach as set out in the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea ("the Agreement"). That approach was endorsed by the Finance Committee and the Assembly in the budget adopted for 1997, which stressed the need to take a progressive approach to the establishment of the Secretariat, based on the substantive functions to be carried out by the Authority and the actual needs of member States. The substantive functions of the Authority are clearly defined in the Convention and the Agreement.

3. It should also be recalled that 1998 was the first year during which the budget was to be funded through direct contributions from member States. In both 1996 and 1997, pursuant to the provisions of the Agreement, the administrative expenses of the Authority were met from the regular budget of the United Nations. Because of the evolutionary approach adopted by the Authority, no real benchmark was available in 1997 against which to assess the budgetary requirements of the Authority. As a result some major contributors had under-budgeted their anticipated contributions. In the light of the discussion in the Finance Committee and representations made to the Secretary-General by some

delegations, the budget proposal was revised to take into account the special circumstances of those members. The consequence of this was deliberately to reduce the budget for 1998 as an exceptional measure. In the circumstances, the Secretary-General delayed recruitment to some of the posts approved for 1997 in order to be able to use the savings to meet certain anticipated expenditures for 1998.<sup>1</sup>

4. For 1999, it was possible to present a more realistic budget proposal, based on the number of posts authorized in 1998 and the actual needs of the Secretariat. In the budget proposal for 1997 it had been foreseen that, by 1999, the Secretariat would require a total of 44 posts. However, in the light of experience since 1997, the Secretary-General decided to postpone the request for further posts in 1999 in order to allow more time for the Secretariat to consolidate its resources and evaluate its future staffing requirements. No additional posts were therefore requested in 1999. On the other hand, as a result of the steady build-up of staff and the increase in substantive work performed by the Secretariat, the level of expenditures for non-post requirements was reviewed. It is recalled that the proposed budget for 1999 amounted to \$5,604,100, comprising \$4,228,300 for the administrative expenses of the Authority and \$1,375,800 for conference-servicing requirements.<sup>2</sup> Following discussions in the Finance Committee, a revised proposal amounting to \$5,011,700 was presented and adopted by the Assembly, comprising \$3,811,400 for the administrative expenses of the Authority and \$1,200,300 in respect of conference services.

5. The proposed budget of the Authority for 2000 continues to follow the evolutionary approach. The staffing requirements of the Secretariat have been carefully reviewed in the light of the evolving needs of the substantive work programme of the Authority. It is considered necessary to request one additional post at the General Service level. Increases in non-post requirements have been kept to a minimum, taking into account inflation in the cost of goods and services procured locally.

## II. SUMMARY OF 2000 BUDGET PROPOSALS

6. The Secretary-General estimates that the budgetary requirements of the Authority for 2000 will be in the amount of \$5,679,400, comprising \$4,304,400 for the administrative expenses of the Authority and \$1,375,000 for the conference-servicing requirements. This represents an increase in administrative expenses of \$493,100 (12.9 per cent) over the budget for 1999. A large part of this increase (\$269,000) is attributable to the full costing for salaries and common staff costs of 37 posts. The increase in non-post resources, which amounts to 5.8 per cent over the level for 1999, is attributable to inflation in the cost of goods and services procured locally and the need to advance the substantive work programme of the Authority by convening expert group meetings as recommended by the Legal and Technical Commission. A summary of the resource requirements for 2000 is presented in annex I to the present report.

A. Staff

7. Although the approved establishment of the Secretariat for 1999 was 37 posts (19 at the Professional level and above and 17 General Service), on the recommendation of the Finance Committee and as an exceptional measure for 1999, recruitment against 3 of the posts (2 at the Professional level and above and 1 General Service) was frozen for the year, with the proviso that the posts would be factored into the budget for 2000 as approved posts. In the meantime, recruitment against all other vacant posts was completed during 1998. Following a careful evaluation of the requirements of the substantive work programme of the Authority, the Secretary-General also redeployed some of the posts in the approved establishment to make more efficient use of available resources and to give priority to the substantive work of the Authority. In 2000, the three posts which were frozen in 1999 will be filled in order to complete the internal organization of the Secretariat and advance the substantive work programme of the Authority.

8. One additional post at the General Service level is requested for 2000. It is intended that this post will be deployed in the Office of Resources and Environmental Monitoring to support the information technology capacity of the Authority. The function of the post will be to assist in the programming and administration of the Microsoft Office software package, including maintenance and upgrading, training of users, providing a help desk for users of various software packages on the Authority's local area network and preparing manuals for users of information technology.

9. In the proposed budget for 2000, provision has been made for the full costing of 37 established posts (19 at the Professional level and above and 18 General Service). The post requirements of the Secretariat are summarized in annex II to the present report.

B. Non-post resources

10. During 2000, it is intended to convene two workshops as recommended by the Legal and Technical Commission and by the workshop on environmental impacts held at Sanya, Hainan Island, China, in June 1998. The first workshop will cover the available knowledge on mineral resources other than polymetallic nodules found in the Area, with particular emphasis on polymetallic sulphides and cobalt-rich crusts. The second workshop will be held with the objective of developing a standardized system of data interpretation, as recommended by the group of scientific experts convened by the Authority in March 1999. Other increases in non-post resources have been kept to a minimum, consistent with inflation of the cost of goods and services procured locally and the actual needs of the Secretariat.

C. Conference services

11. Conference-servicing costs have been calculated by the Programme Planning and Budget Division of the United Nations on the basis that two two-week sessions of the Authority will be held in 2000.

### III. WORK PROGRAMME AND ACTIVITIES FOR 2000

12. The Secretariat will continue to provide the services that facilitate the deliberations of the representatives of members of the Authority in the Assembly and the Council as well as the members of the Legal and Technical Commission and the Finance Committee. The work of the Secretariat is carried out by the staff of the Authority, who bring their technical expertise to the integrated approach called for in relation to the administration of the resources of the deep seabed. The main functions of the Secretariat include:

(a) Preparing and submitting draft texts, reports and other documents, analysis, research findings, policy suggestions and recommendations, etc.;

(b) Providing secretariat services to the Assembly, the Council, the Legal and Technical Commission and the Finance Committee; providing information and advice to the bureaux of those organs and bodies and to delegations; and assisting in planning the work of the sessions, in the conduct of the proceedings and in drafting reports;

(c) Providing meeting services (including interpretation, translation, document reproduction services and press releases);

(d) Producing publications, information bulletins and analytical studies;

(e) Organizing and servicing expert group meetings, seminars and workshops;

(f) Disseminating information on the activities and decisions of the Authority;

(g) Programme planning and allocating resources for the effective, economic and efficient performance of the services and functions of the Secretariat.

13. The functions of the four organizational units of the Secretariat indicated below reflect the distribution of the responsibilities enumerated above.

#### A. Office of the Secretary-General

14. The functions of the Office of the Secretary-General are:

(a) To assist the Secretary-General in the implementation of general policy and executive management and direction over the Secretariat;

(b) To coordinate the work of the Secretariat;

(c) To be responsible for the external relations of the Authority;

(d) To be responsible for protocol matters, liaison and representation, organization of official ceremonies and similar functions;

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(e) To maintain up-to-date lists of permanent representatives and other persons accredited to the Authority, issue official identification passes and notify the host Government of arrivals and departures of representatives, including their family members and household staff, accredited to the Authority;

(f) To coordinate with the office responsible for conference services of the United Nations on the conference-servicing (pre-session, in-session and post-session) needs of the Authority;

(g) To ensure the timely preparation, translation, printing and distribution of official documentation.

#### B. Office of Legal Affairs

15. The basic functions of the Office of Legal Affairs are as follows:

(a) Provision of secretariat services to the organs of the Authority;

(b) Provision of legal advice relating to the substantive work of the Authority;

(c) Provision of general legal services to the Authority;

(d) Library and publication services.

16. In 2000, the Office of Legal Affairs will undertake the following specific activities:

(a) Provide secretariat services to the organs of the Authority;

(b) Prepare rules, regulations and procedures for the conduct of activities in the Area;

(c) Draft exploration contracts for approval by the Legal and Technical Commission and the Council;

(d) Assist in the negotiation of the headquarters agreement between the Government of Jamaica and the International Seabed Authority;

(e) Provide general legal services to the Secretariat and advise the Secretary-General as required on legal matters, including providing legal advice on financial, personnel and pension matters, including the interpretation of the Financial Regulations, Staff Regulations, administrative directions and the Rules and Regulations of the United Nations Joint Staff Pension Fund (UNJSPF);

(f) Advise on matters relating to the privileges and immunities of the Authority and its staff, permanent representatives to the Authority and representatives of members of the Authority;

(g) Prepare agreements and memoranda on cooperation with other international organizations and draft relationship agreements between the Authority and other national or international institutions;

(h) Maintain appropriate relations on legal matters between the Authority and the United Nations Office of Legal Affairs and its Division for Ocean Affairs and the Law of the Sea, the Commission on the Limits of the Continental Shelf and the International Tribunal for the Law of the Sea;

(i) Monitor developments relating to the law of the sea generally and, in particular, maintain an up-to-date list of States parties to the Convention and the Agreement;

(j) Conduct research on the legislative history of Part XI of the Convention;

(k) Develop and maintain a library of legal and technical materials relevant to the work of the Authority for use by staff members, members of permanent missions and representatives of members of the Authority;

(l) Manage the production and distribution of the Authority's technical publications, as well as information bulletins on the work of the Authority and decisions of its governing bodies.

17. Once the Mining Code has been adopted by the Council of the Authority, it will be necessary to prepare contracts in respect of the seven registered pioneer investors whose requests for approval of plans of work for exploration were approved by the Council in 1997. During the resumed fourth session of the Authority in August 1998, the representative of the Russian Federation made a request to the Authority to adopt rules, regulations and procedures for exploration for polymetallic sulphides and cobalt-rich crusts. In accordance with article 162, paragraph 2(o)(ii), of the Convention, such rules, regulations and procedures shall be adopted within three years from the date of such a request. In the light of the request made to the Authority by the Russian Federation, the Office of Legal Affairs has commenced work on an initial draft of such regulations and will continue to research this issue during 2000. In addition, the Office will carry out in-depth research and analysis on specific topics related to the Authority's responsibilities under the Convention and the Agreement and prepare a series of studies of the legislative history of Part XI of the Convention to supplement the work carried out by the United Nations Division for Ocean Affairs and the Law of the Sea prior to the establishment of the Authority.

### C. Office of Resources and Environmental Monitoring

18. The basic functions of the Office of Resources and Environmental Monitoring include:

(a) Provision of secretariat services to the organs of the Authority;

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(b) Provision of economic, technical and scientific inputs in the preparation of and monitoring compliance with the rules, regulations and procedures for the conduct of activities in the Area and standards for the protection and preservation of the marine environment;

(c) Implementation of the decisions of the Preparatory Commission relating to the registered pioneer investors and their certifying States;

(d) Development and maintenance of the information technology facilities of the Authority, in particular, its information management systems, central data repository of marine mineral resources of the Area, Polymetallic Nodule Deposit Database (POLYDAT) and databases on exploration technology and developments in the land-based markets of the minerals to be produced from the Area;

(e) Promotion and encouragement of the conduct of marine scientific research with respect to activities in the Area;

(f) Monitoring of trends and developments relating to deep seabed mining activities, including world metal market conditions;

(g) Acquisition of scientific knowledge and monitoring of the development of marine technology relevant to activities in the Area, in particular technology relating to the protection and preservation of the marine environment, and assessment of the available data relating to prospecting and exploration.

19. In 2000, the Office of Resources and Environmental Monitoring will undertake the following specific activities:

(a) Provide secretariat services to the organs of the Authority;

(b) Provide the necessary economic, technical and scientific input to the preparation of the rules, regulations and procedures for the conduct of activities in the Area;

(c) Evaluate and report to the Legal and Technical Commission on the training programmes conducted by registered pioneer investors under the pioneer regime, in particular on those training programmes which the Training Panel of the Preparatory Commission was unable to evaluate;

(d) Further develop and maintain the information technology capacity of the Authority, including:

(i) Developing a database module of all persons trained by the pioneer investors on behalf of the Authority;

(ii) Upgrading the Web site to enable the Authority to publish official documents on its Web site in English, French and Spanish in a downloadable format and to provide authorized access to data and maps relating to the Area;

- (iii) Expanding POLYDAT to include modules on the technology and methodology used in prospecting and exploration for polymetallic nodules and for continuous bathymetric surveys, multi-layer surveys and seismic and geotechnical information;
  - (iv) Upgrading Geographic Information System (GIS) software to produce needed outputs, maps and displays that cannot be displayed with the current software;
  - (v) Implementing a library management application to enhance search capabilities, facilitate cataloguing and circulation of documentation and link the Authority's library to related libraries via the Internet;
  - (vi) Cataloguing and archiving the documentation of the Seabed Committee and the Preparatory Commission on mass storage media; and
  - (vii) Providing training in the use of the various software applications;
- (e) Provide the necessary scientific and technical inputs to assist the Authority in adopting rules, regulations and procedures incorporating applicable standards for the protection and preservation of the marine environment;
- (f) Establish a database to support the Authority's environmental monitoring programme (physical environment, basic biological, oceanographic and meteorological data);
- (g) Prepare a comprehensive report on the ecological risk associated with the conduct of activities for deep-sea polymetallic nodules of the Area;
- (h) Monitor the development of marine technology relevant to activities in the Area, in particular technology relating to the protection and preservation of the marine environment;
- (i) Prepare a report on proposed, tested and patented technologies for prospecting, exploration and exploitation of deep-sea polymetallic nodules of the Area;
- (j) Continue to assess available data relating to prospecting and exploration in the Area generally and, in particular:
- (i) Prepare a report on the status of other solid, liquid or gaseous mineral resources in the Area;
  - (ii) Prepare for and convene a workshop, as requested by the Legal and Technical Commission, on the current developments in and prospects for other solid, liquid or gaseous mineral resources in the Area;
  - (iii) Provide updated reports, topographic and thematic maps on resource evaluation of the Authority's reserved areas, augmenting them with available information from continuous bathymetric, multi-layer and seismic surveys;

(k) Convene a workshop with the objective of developing a standardized system of data interpretation, as recommended by the group of scientific experts convened by the Authority in March 1999.

D. Office of Administration and Management

20. The basic function of the Office of Administration and Management is to provide continuing administrative and management support to the Secretariat in the following areas:

(a) Preparation of proposed budget and performance reports, review and monitoring of expenditures, maintenance of financial statistical data, development and maintenance of parameters for costing proposed budget;

(b) Preparation of the proposed scale of assessments for members of the Authority, monitoring of payment status and preparation of periodic reports on the status of contributions, issuing requests and receipts for contributions, communicating with members regarding outstanding payments;

(c) Administration of bank accounts and reconciliation of bank statements, planning for monthly cash requirements and investing funds, cash management, receiving and recording all payments, effecting all disbursements, recording the collection of monies and other receivables, processing of financial and accounting documents, production of financial statements and monthly allotment reports, recording and preparation of consolidated statements of income and expenditure;

(d) Effecting payment of salaries, related allowances and benefits to staff and consultants, processing income tax reimbursements as required, preparation of reports and statements of earnings, handling pension and insurance matters;

(e) Recruitment of staff, consultants and individual contractors, preparation of vacancy announcements and advertisements, evaluating and interviewing candidates, presentation of a recruitment case to the Appointment and Promotion Board, determination of salary levels and entitlements for new staff members, making offers and arrangements for medical clearance and travel;

(f) Administration of staff regulations and rules, preparation of letters of appointment, review and extension of contracts, issuing personnel actions and travel authorizations, determination and processing of various entitlements including rental subsidy, education grant, home leave and mobility and hardship allowance, administration of attendance and leave, processing of travel claims, counselling and consultation with staff members as needed, handling appeals and disciplinary cases as required and handling classification matters;

(g) Identification of training needs and organization of training;

(h) Maintaining appropriate liaison with the secretariats of UNJSPF, the Administrative Committee on Coordination, the Consultative Committee on Administrative Questions and the International Civil Service Commission and

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monitoring developments within the United Nations common system, particularly relating to policies regarding salaries, pensions, allowances and benefits and finance/budgetary procedures;

(i) Negotiating, preparing and administering contracts for the procurement of supplies, equipment and services; presentation of cases to the Contracts Committee; maintenance of a computerized roster of vendors and completed purchase orders; and processing acquisitions, bids, purchase orders and invoices;

(j) Processing travel/shipment documents and visa applications, customs clearances, and travel/shipment transactions, arranging and monitoring shipments of household goods and personal effects;

(k) Providing stores and control services for expendable supplies; preparation, receiving and inspection of reports; maintaining an inventory of office equipment, furniture and non-expendable supplies;

(l) Operation and maintenance of official vehicles;

(m) Planning, development and implementation of security and safety measures for the premises of the Authority, staff and family members, delegates and other guests to the Secretariat and conference complex; coordination with the relevant local authorities on security and safety matters as well as with the local offices of other international organizations and with the Security Coordinator.

21. In 2000, the Office of Administration and Management will continue to focus on establishing and developing a sound and efficient management foundation in the fields of budget, treasury, finance, accounting, payroll, procurement, human resources, security and general administration. To that end, it will ensure that all administrative procedures are not only in conformity with relevant regulations and rules but also as simple and cost-effective as possible without sacrificing necessary control and checking mechanisms.

22. The Office will prepare financial and staff rules based on the Financial Regulations and Staff Regulations which are expected to be adopted by the Authority in 1999. It will continue to establish and implement a number of administrative policies and procedures in line with the financial and staff regulations and rules and with the standards of the United Nations common system. The Office intends to consider, *inter alia*, the following issues: delegation of authority, performance evaluation, training, procurement, security and safety, and various allowances and benefits.

23. In order to ensure maximum efficiency and cost-effectiveness in its administrative machinery, the processing of financial and personnel actions will be computerized as far as possible and a personnel database will be established for transactions and statistics.

24. The Office intends progressively to replace furniture and equipment inherited from the Kingston Office of the Law of the Sea, much of which has far exceeded the normal depreciation period. Each staff member will be provided

with necessary computer equipment and an adequate level of office equipment and furniture to ensure a safe, comfortable and efficient working environment in compliance with international standards. Proper furnishings for the reception area will also be acquired.

#### IV. WORKING CAPITAL FUND

25. In 1997, the Assembly authorized the establishment of a Working Capital Fund, at a level of approximately one twelfth the approved budget for 1998, with \$196,000 to be paid in 1998 and \$196,000 to be paid in 1999.<sup>3</sup> It is recommended that the level of the Fund be reviewed so that it is maintained at a level equivalent to approximately one twelfth the approved budget for 2000. Based on the current budget proposal, this would require an increase in the Fund of \$81,292. The total of the Fund would be \$473,292.

#### V. ACTION TO BE TAKEN BY THE COUNCIL AND THE ASSEMBLY

26. The Secretary-General recommends the proposed budget for 2000 to the Council and the Assembly. The Council and the Assembly may wish to:

(a) Approve the estimated budgetary requirements for 2000 in the amount of \$5,679,400, as proposed by the Secretary-General;

(b) Approve an increase in the Working Capital Fund of \$81,292 to be paid in 2000; and

(c) Request the members of the Authority to:

(i) Remit their advances to the Working Capital Fund, on time and in full, no later than 1 January 2000; and

(ii) Pay their assessed contributions to the budget for 2000, on time and in full, no later than 1 January 2000.

#### Notes

<sup>1</sup> See ISBA/A/10 and report of the Secretary-General 1997 (ISBA/3/A/4).

<sup>2</sup> See ISBA/4/A/10-ISBA/4/C/6.

<sup>3</sup> See ISBA/3/A/9.

Annex I

INTERNATIONAL SEABED AUTHORITY

SUMMARY OF BUDGETARY REQUIREMENTS FOR THE PERIOD  
 FROM 1 JANUARY TO 31 DECEMBER 2000

(Thousands of United States dollars)

	<u>Amount</u>
Part 1 - Administrative expenses of the Secretariat	
Section 1 Established posts	2 084.3
General temporary assistance	25.0
Overtime	15.0
Consultants	70.0
Ad hoc expert groups	320.0
Common staff costs	881.3
Staff assessment	524.3
Section 2 Official travel	80.0
Section 3 General operating expenses	
Communications	59.3
External printing	56.1
Training	20.5
Library books and supplies	63.5
Official functions	10.0
Acquisition of furniture and equipment	77.1
Rental and maintenance of furniture and equipment	30.0
Supplies and materials	53.0
Audit	16.0
Data-processing services	31.8
Miscellaneous services	30.1
Contingency	20.0
Section 4 Building management	
Rental and maintenance of premises	320.0
Rental of official residence	<u>41.4</u>
	4 828.7
Income from staff assessment	<u>(524.3)</u>
	4 304.4
Part 2 - Conference-servicing costs of the Authority	
Two two-week meetings	<u>1 375.0<sup>a</sup></u>
Total	<u>5 679.4</u>

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<sup>a</sup> 1998 figure used pending final figure from the United Nations.

Annex II

INTERNATIONAL SEABED AUTHORITY POST REQUIREMENTS FOR 2000

	OSG <sup>a</sup>	OLA	OREM	OAM	Total
D-1		1	1		2
P-5	1	1	1	1	4
P-4		1	2	1	4
P-3	2		1	2	5
P-2	1	1		1	3
P-1					
Total Professional and above	4	4	5	5	18
GS7					
GS	2	2	6 <sup>b</sup>	9	19
Total posts	6	6	11	14	37

- <sup>a</sup> OSG - Office of the Secretary-General.  
 OLA - Office of Legal Affairs.  
 OREM - Office of Resources and Environmental Monitoring.  
 OAM - Office of Administration and Management.

<sup>b</sup> Includes one additional post at the General Service level requested for 2000.

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