



Assembly Council

Distr.: General
31 May 2000

Original: English

Resumed sixth session

Kingston, Jamaica
3-14 July

Proposed budget of the International Seabed Authority for the financial period 2001-2002

Report of the Secretary-General

I. Introduction

1. The present report sets out the proposed budgetary requirements of the International Seabed Authority for the financial period 2001-2002. In accordance with the 1982 United Nations Convention on the Law of the Sea ("the Convention") and the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 ("the Agreement"), the administrative expenses of the Authority shall be met by assessed contributions of members of the Authority, until the authority has sufficient funds from other sources to meet those expenses. The present budget will be the first to cover a financial period of two consecutive calendar years, in accordance with the Financial Regulations of the Authority.¹ Members will, however, make annual contributions for each of the two years of the financial period.

II. Summary of budget proposals for the financial period 2001-2002

2. The Secretary-General estimates that the budgetary requirements of the Authority for 2001 and 2002 will be in the amounts of \$5,147,600 and \$5,358,800 respectively. The estimate for 2001 comprises \$4,397,600 for the administrative expenses

of the Authority and \$750,000 for conference-servicing requirements. The estimate for 2002 comprises \$4,531,800 for the administrative expenses of the Authority and \$827,000 for the conference-servicing requirements. A summary of the proposed administrative budget for the financial period is contained in the annex to the present report.

3. It will be noted that no increase is proposed in the overall budget for 2001. Indeed, the Secretary-General is proposing a modest reduction in the budget of 1 per cent. However, some adjustments are proposed to the allocation of funds under the various parts of the budget, in order to better reflect the priorities in the work programme of the Authority. An increase is projected in the budget for 2002 as a result of incremental increases in the fixed costs of salaries, common staff costs and conference-servicing costs, calculated on the basis of standard methodologies used by the United Nations, as well as to allow for inflation in the cost of goods and services procured by the Authority.

4. The proposed budget makes provision for the full costing of 37 established posts (19 at the Professional level and above and 18 General Service). No additional posts have been requested during the financial period. However, in order to reflect the original organizational structure of the secretariat, one D-1 post has been upgraded to the D-2 level.

5. With respect to the meetings of the Authority during the financial period, the proposed budget allows for one two-week session of the Authority in 2001 and one three-week session of the Authority in 2002. Allowance is made for one additional week of meetings in 2002, since it will be necessary during 2002 to consider the work programme for the following financial period as well as to carry out substantive work on the proposed regulations for prospecting and exploration for polymetallic sulphides, as requested by the Assembly. The conference-servicing costs have been calculated on the basis of the standard costings used by the United Nations.

III. Work programme and activities during the financial period 2001-2002

6. The secretariat is organized into four main functional areas: Office of the Secretary-General, Office of Administration and Management, Office of Legal Affairs and Office of Resources and Environmental Monitoring. The general functions of the secretariat include:

(a) Providing secretariat services to the organs of the authority, including interpretation, translation and documentation, planning the work of the sessions of the Authority and in drafting reports;

(b) Preparing reports, draft texts, analyses, research findings, policy proposals and recommendations;

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

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

(e) Disseminating information on the work of the Authority;

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

7. Some of the specific substantive tasks to be performed by the secretariat during the financial period 2001-2002 include:

(a) Completion of the rules, regulations and procedures for prospecting and exploration for polymetallic nodules;

(b) Preparing and issuing contracts to those investors whose applications for approval of plans of work for exploration were considered approved by the Council and monitoring the implementation of those contracts;

(c) Formulation of rules, regulations and procedures for exploration for massive polymetallic sulphide deposits and cobalt-bearing ferromanganese crust deposits;

(d) Continued evaluation of marine mineral data for the Area and the conduct of resource assessments;

(e) Continued development of environmental baselines for monitoring the effects of the conduct of activities on the marine environment;

(f) Preparation of a comprehensive report on the implementation and evaluation of the training carried out by the registered pioneer investors pursuant to resolution II and legislative studies on specific aspects of the Convention and the Agreement;

(g) Preservation, indexing and digitization of archival material relating to the Third United Nations Conference on the Law of the Sea, the Preparatory Commission and the Authority.

8. The following sections provide further detail on specific activities identified in the proposed budget.

A. Workshops

9. It is proposed to convene two workshops during the financial period. The first workshop, to be convened in 2001, would have as its objective the development of a standardized system of data interpretation, as recommended by the group of scientific experts convened by the Authority in March 1999. The second workshop, to take place in 2002, would be intended to develop a model programme for collaboration and cooperation in marine scientific research related to activities in the Area. In the light of experience in previous financial periods, the costs associated with the proposed workshops are estimated at \$189,000 in 2001 and \$194,700 in 2002.

B. Establishment of a central data repository

10. In addition to the data and information on the reserved areas, there are publicly available non-proprietary data and information on polymetallic nodules in other parts of the Area. Since their discovery, thousands of samples have been collected in all oceans. The repositories of these data are widespread and in many cases not readily accessible to all potential users. There is also no uniform format for the data. A similar situation exists for a number of the other mineral resources to be found in the Area. These include data and information on seafloor massive polymetallic sulphides and seafloor cobalt-bearing ferromanganese crusts.

11. During 2001 and 2002, the secretariat proposes to establish a central data repository for all marine minerals of the Area. It is intended that such a database would be accessible by all members of the Authority, would include quantitative resource assessments of the various mineral resources and would enable the Authority, among other things, to process the information for the purposes of preparing technical reports, producing CD-ROMs and uploading to the Authority's web site.

12. The costs associated with the establishment of the central data repository are estimated at \$60,000 in 2001 and \$61,800 in 2002. On that basis, it is anticipated that the database system will be operational with regard to polymetallic nodules by the end of 2001 and that work would have been completed in the following areas:

(a) Establishment of the appropriate interfaces between the database and the authority's web site, including interrogation software which will provide access to the database over the Internet and security measures which will protect the integrity of the data;

(b) Development of protocols, procedures and measures used to compile data and verification of their transcription and representation in the database system;

(c) Acquisition of data from all institutions with which the Authority has corresponded;

(d) Input of all acquired data and information on polymetallic nodules,

(e) Test of the web interface to ensure its proper operation.

13. The second phase of the development of the central data repository will be implemented in 2002. This will include the acquisition of all non-proprietary data and information on seafloor massive polymetallic sulphides and cobalt-bearing ferromanganese crust deposits, development of the necessary protocols, procedures and measures to compile the data and verify their accurate transcription and representation in the database system and the inputting of all such data and information. It is anticipated that by the end of 2002, the database system will be operational with regard to seafloor massive polymetallic sulphides and seafloor cobalt-rich ferromanganese crust deposits.

C. Marine mineral data

14. The secretariat will continue to develop POLYDAT, the Authority's database on polymetallic nodules in the areas reserved for the Authority. The data and information currently contained in POLYDAT were provided by the pioneer investors upon their registration by the Preparatory Commission. One of the important uses of POLYDAT is in the conduct of resource assessments and in this regard the secretariat undertook, during 1999, a systematic review of POLYDAT, including a critical analysis of the information and data that it contains. It was found that a number of important elements were missing from the database and the secretariat intends therefore to seek to establish a cooperative arrangement with the registered pioneer investors in order to obtain from them the necessary complementary data and information. This would enable the secretariat to complete a resource assessment of all reserved areas during 2001.

D. Environmental database

15. With regard to the Authority's responsibilities in relation to the protection of the marine environment, a variety of information and data have to be collected and analysed to establish the baseline conditions of the marine environment in potential mine sites within the Area. Parameters relating to the physical, chemical and biological characteristics of water masses from the ocean surface to the near seafloor have to be collected and studied to evaluate the baseline conditions in such areas. To support the work of the organs of the Authority, in particular the Legal and Technical Commission, during 2001, it is intended to develop

environmental databases containing, *inter alia*, information on the basic biology of the deep sea benthos in the Clarion-Clipperton fracture zone and in the Central Indian Ocean basin. During 2001, it is expected that databases on the distribution of fauna and faunal densities will be established. During 2002, it is expected that the database on the spatial distribution of oceanographic parameters in the two areas would also have been established.

E. Compilation and dissemination of information on developments in marine science, technology and policy

16. One of the most important functions of the Authority is to disseminate data and information relating to marine science and technology. The Authority plans therefore to increase its efforts to acquire scientific knowledge and 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, as well as to collect data and information on mineral resources other than polymetallic nodules in the Area which are subjects of research and investigation.

17. One of the mechanisms the Authority intends to use to better carry out its function of disseminating information on scientific research is the publication of a bulletin containing a precis of current information from various sources on important developments in marine science, technology and policy as well as analyses of trends and developments with respect to seabed mining. This will help to focus the attention of the international community on significant events in relation to activities in the Area.

IV. Scale of assessment for the contributions of members to the administrative budget

18. It is proposed that, as in previous years, the scale of assessment for the contributions of members of the Authority to the administrative budget be based on the scale of assessment for the regular budget of the United Nations, as adjusted by the Authority. It should be noted that, in accordance with regulation 4.3 of the Financial Regulations, any balance from the

appropriations for the previous financial period is to be surrendered. Accordingly, savings effected from the budget of 1998 and 1999 would be credited against the contributions due from member States in respect of the financial period 2001-2002.

19. Nicaragua became a member of the Authority during 2000. The Secretary-General will request the Finance Committee to make a recommendation concerning the contributions of Nicaragua towards the administrative budget of the Authority for 2000, to be credited as miscellaneous income in accordance with regulation 5.2 of the Financial Regulations.

V. Status of the Working Capital Fund

20. In its report to the Council and the Assembly at the fifth session, the Finance Committee recommended that the level of the Working Capital Fund be maintained at its current level of \$329,000.² It must be noted, however, that the actual level of the Working Capital Fund is far less than the approved level because a number of members of the Authority have failed to pay their assessed contributions to the Fund. As at 31 May 2000, the actual level of the Fund was \$272,692 (69 per cent of the approved level). It is suggested that one way to improve the situation would be to authorize the Secretary-General to utilize part of the accumulated surplus from the previous financial period to make up the shortfall in the Working Capital Fund until such time as the arrears of contributions have been paid and also to raise the level of the Fund.

VI. Action to be taken by the Council and the Assembly

21. The Secretary-General recommends the proposed budget for the financial period 2001-2002 to the Council and the Assembly. The Council and Assembly may wish to:

(a) Approve the estimated budgetary requirements for 2001 and 2002 in the amounts of \$5,147,600 and \$5,358,800 respectively, as proposed by the Secretary-General;

(b) Authorize the Secretary-General to transfer part of the accumulated surplus from the previous financial period to make up the shortfall in the

Working Capital Fund until such time as the arrears of contributions to the Fund have been paid;

(c) Authorize the Secretary-General to establish the scale of assessment for 2001 and 2002 based on the scale used for the regular budget of the United Nations for 2000 and 2001, as adjusted by the Authority, respectively;

(d) Request the members of the Authority to pay their assessed contributions to the budget for 2001, on time and in full, no later than 1 January 2001;

(e) Request the members of the Authority to pay their assessed contributions to the budget for 2002, on time and in full, no later than 1 January 2002.

Notes

¹ ISBA/6/A/3.

² ISBA/5/A/8-ISBA/5/C/7.

nnex

International Seabed Authority

Summary of budgetary requirements for the period from 1 January 2001 to 31 December 2002

(Thousands of United States dollars)

		2000	2001	2002
Part 1 — Administrative expenses of the Secretariat				
Section 1	Established posts	2 064.3	2 215.2	2 281.7
	General temporary assistance	25.0	27.6	28.4
	Overtime	15.0	22.4	23.1
	Consultants	70.0	74.5	76.7
	Ad hoc expert groups	160.0	189.0	194.7
	Central data repository	0.0	60.0	61.8
	Information on seabed and ocean floor	0.0	25.0	25.8
	Common staff costs	871.3	903.7	930.8
	Staff assessment	518.8	548.7	565.2
	Staff assessment — credit	-518.8	-548.7	-565.2
Subtotal, Section 1		3 205.6	3 517.4	3 622.9
Section 2	Official travel	80.0	88.0	90.6
Subtotal, Section 2		80.0	88.0	90.6
Section 3	Communications	59.3	69.3	71.4
	External printing	56.1	63.1	65.8
	Training	20.5	32.7	33.7
	Library books	50.0	53.0	54.6
	Official hospitality	10.0	10.9	11.2
	Acquisition of furniture and equipment	77.1	84.0	86.5
	Rental and maintenance of furniture and equipment	30.0	32.7	34.1
	Supplies and materials	53.0	57.8	60.2
	Miscellaneous services	30.1	35.7	37.2
	Data-processing services	31.8	40.9	42.1
	Audit fees	16.0	16.0	16.5
	Contingency	10.0	10.9	11.2
Subtotal, Section 3		443.9	507.0	524.5

		2000	2001	2002
Section 4	Building management	361.4	285.2	293.8
Subtotal, Section 4		361.4	285.2	293.8
Total, Part 1		4 090.9	4 397.6	4 531.8
Part 2 — Conference-servicing costs of the Authority				
	Conference services	1 110.0	750.0	827.0
Total, Part 2		1 110.0	750.0	827.0
Total, administrative budget		5 200.9	5 147.6	5 358.8
<i>Estimated income</i>				
	Bank interest	25.7	40.0	40.0
Total, net budget		5 175.2	5 107.6	5 318.8