



## Finance Committee

Distr.: General  
29 May 2019

Original: English

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### Twenty-fifth session

Kingston, 1–26 July 2019

Item 9 of the provisional agenda\*

**Status of the trust funds of the Authority and related matters**

### **Status of the trust funds of the International Seabed Authority and related matters**

#### **Report of the Secretary-General**

#### **I. Introduction**

1. The present report covers the status of trust funds established pursuant to the financial regulations.

#### **II. Endowment Fund for Marine Scientific Research in the Area**

2. The Endowment Fund for Marine Scientific Research in the Area was established by the Assembly in its resolution [ISBA/12/A/11](#). The purpose of the Fund is to promote and encourage the conduct of marine scientific research in the Area for the benefit of humankind as a whole, in particular by supporting the participation of qualified scientists and technical personnel from developing countries in marine scientific research programmes and by providing them with opportunities to participate in international technical and scientific cooperation, including through training, technical assistance and scientific cooperation programmes.

3. As at 22 May 2019, the capital of the Endowment Fund stood at \$3,503,567 (see table 1). The most recent contributions had been received from the Institut français de recherche pour l'exploitation de la mer (Ifremer) (\$5,000), Monaco (\$5,251) and China (\$20,000).

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\* [ISBA/25/FC/L.1](#).



Table 1  
**Status of the Endowment Fund for Marine Scientific Research in the Area as at 22 May 2019**

(United States dollars)

Total capital	3 503 567
Accumulated interest income	702 463
<b>Total income</b>	<b>4 206 030</b>
Expenditure on marine scientific research activities	(582 617)
<b>Total available funds (interest less expenditure)</b>	<b>119 845</b>

### III. Voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee

4. The voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee was established in 2002 (Assembly decision [ISBA/8/A/11](#)).

5. As at 22 May 2019, the cumulative total of contributions to the fund amounted to \$886,464. Since July 2018, contributions have been made by China (\$20,000), Germany (\$25,000), the Netherlands (\$49,928), Norway (\$58,456) and the Philippines (\$2,500). Five contractors made optional voluntary contributions of \$6,000 each in 2019, in addition to paying their annual overhead charges.<sup>1</sup> The fund's total expenditure amounted to \$1,024,152, while expenditure from 1 January to 22 May 2019 came to \$59,211, leaving an available balance of \$69,759. The status of the fund as at 22 May 2019 is summarized in table 2 below.

Table 2  
**Status of the voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee as at 22 May 2019**

(United States dollars)

Contributions	886 464
Grants from the Pioneer Fund/Endowment Fund	195 000
Interest income	13 065
<b>Total income</b>	<b>1 094 529</b>

<sup>1</sup> Those contractors were Global Sea Mineral Resources NV, UK Seabed Resources Ltd., Government of Poland, Nauru Ocean Resources Inc. and Marawa Research and Exploration Ltd.

Expenditure for participants and authorized activities	1 024 152
Bank charges	618
<b>Total expenditure</b>	<b>1 024 770</b>
<b>Total funds available</b>	<b>69 759</b>

#### **IV. Voluntary trust fund to support the participation of members of the Council of the International Seabed Authority from developing States in the meetings of the Council**

6. At its twenty-third session, in 2017, the Assembly requested the Secretary-General to create a voluntary trust fund to support the participation of members of the Council of the International Seabed Authority from developing States in the meetings of the Council (decision [ISBA/23/A/13](#)).

7. As at 22 May 2019, the fund had received contributions totalling \$80,000 from Global Sea Mineral Resources NV (\$20,000), Nauru Ocean Resources Inc. (\$20,000), Ocean Mineral Singapore Pte. Ltd. (\$20,000) and UK Seabed Resources Ltd. (\$20,000). There have been no new contributions since July 2018. The status of the fund as at 22 May 2019 is summarized in table 3.

Table 3

##### **Status of the voluntary trust fund to support the participation of members of the Council of the International Seabed Authority from developing States in the meetings of the Council as at 22 May 2019**

(United States dollars)

Total contributions	80 000
Support to delegates to the Council (as at 22 May 2019)	40 459
<b>Total available funds (contributions less expenditure)</b>	<b>39 541</b>

#### **V. Trust fund for extrabudgetary support for the International Seabed Authority**

8. The Authority receives extrabudgetary funds from member States and other donors to support non-regular activities or activities not funded from the approved budget of the Authority. The support may be given in the form of one-off contributions or funds for multi-year programmes or projects. The support is to be used in accordance with the terms agreed with the respective donors, including reporting and audit requirements. As at 22 May 2019, the total amount of extrabudgetary support received by the Authority amounted to \$754,569, comprising individual grants from the Pew Charitable Trusts (\$36,000), the African Development Bank (\$27,500), the Republic of Korea (\$20,000), the Norwegian Agency for Development Cooperation (\$524,069), the National Environment Research Council (United Kingdom of Great Britain and Northern Ireland) (\$10,000), the Department of Economic and Social Affairs of the United Nations (\$90,000), Monaco (\$17,000) and China (\$30,000).

9. For purposes of financial management and accounting and in order to avoid commingling extrabudgetary contributions with contributions to the general administrative budget of the Authority, the Secretary-General created, in March 2018,

a multi-donor trust fund for extrabudgetary support for the activities of the Authority. The fund was established pursuant to financial regulation 5.5 and is to be administered in accordance with the financial regulations of the Authority, as provided for in financial regulation 5.6. The current status of the fund is shown in table 4.

Table 4

**Status of the trust fund for extrabudgetary support for the International Seabed Authority as at 22 May 2019**

(United States dollars)

Pew Charitable Trusts	36 000
African Development Bank	27 500
Republic of Korea	20 000
Norwegian Agency for Development Cooperation	524 069
Natural Environment Research Council (United Kingdom)	10 000
Department of Economic and Social Affairs of the United Nations Secretariat	90 000
Monaco	17 000
China	30 000
<b>Total contributions</b>	<b>754 569</b>
<b>Total expenditure as per project agreements</b>	<b>123 868</b>
<b>Total available funds (contributions less expenditure)</b>	<b>630 701</b>
Interest	102
Bank charges	88
<b>Total funds available</b>	<b>630 716</b>

10. The proposed terms of reference for the fund are contained in annex I to the present report.

## **VI. Voluntary trust fund for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise**

11. During the first part of its twenty-fifth session, the Council requested the Secretary-General to establish a voluntary trust fund for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General for the Enterprise (decision [ISBA/25/C/16](#)).

12. The fund was established on 1 March 2019. As at 22 May 2019, two contributions had been made to the voluntary trust fund, totalling \$17,500, of which \$14,375 had been spent to date. As at 22 May 2019, the balance stood at \$3,125.

13. The proposed terms of reference for the fund are contained in annex II to the present report.

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## VII. Recommendations

14. The Finance Committee is invited to take note of the present report on the status of trusts funds maintained by the Authority.

15. The Finance Committee is also invited to consider and approve the terms of reference for the trust fund for extrabudgetary support for the International Seabed Authority as contained in annex I to the present report and the terms of reference for the voluntary trust fund for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General for the Enterprise as contained in annex II to the present report.

## Annex I

### **Terms of reference for the trust fund for extrabudgetary support for the International Seabed Authority**

1. The trust fund for extrabudgetary support for the International Seabed Authority was established pursuant to financial regulation 5.5 and shall be administered in accordance with the financial regulations of the Authority as provided for in financial regulation 5.6.
2. The purpose of the fund is to receive extrabudgetary contributions from member States and other donors intended to support non-regular activities or activities not funded from the approved budget of the Authority.
3. Member States, observers, contractors with the Authority, non-governmental organizations, relevant international organizations, academic, scientific and technical institutions, philanthropic organizations, corporations and private individuals may contribute to the fund.
4. The Office for Administrative Services of the Secretariat is the implementing office for the fund and provides the services for its operation in liaison with the substantive offices in charge of the activities supported by the fund and in cooperation with the Executive Office of the Secretary-General.
5. The Secretary-General shall report annually to the Finance Committee on the status of the fund and, as often as may be required, individually to each donor in accordance with the reporting requirements specified in the agreement with each donor. The Secretary-General shall also report annually to the Assembly on the status of the fund.
6. The use of the fund is subject to the conditions that the Secretary-General will issue in compliance with the Financial Regulations of the Authority and amend from time to time in the light of specific terms in the agreements with the donors.

## Annex II

### **Terms of reference for the voluntary trust fund for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise**

1. The voluntary trust fund for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise was established pursuant to financial regulation 5.5 and shall be administered in accordance with the financial regulations of the Authority, as provided for in financial regulation 5.6.
2. The purpose of the fund is to receive voluntary contributions from member States and other donors that are intended to fund the work of the Special Representative of the Secretary-General for the Enterprise.
3. Member States, observers, contractors with the Authority, non-governmental organizations, relevant international organizations, academic, scientific and technical institutions, philanthropic organizations, corporations and private individuals may contribute to the fund.
4. The Office for Administrative Services of the Secretariat is the implementing office for the fund and provides the services for its operation.
5. The Secretary-General shall report annually to the Finance Committee on the use and status of the fund. The Secretary-General shall also report annually to the Assembly on the status of the fund.
6. The use of the fund is subject to the decision of the Council of the International Seabed Authority contained in [ISBA/25/C/16](#) and to the conditions that the Secretary-General will issue in compliance with the Financial Regulations of the Authority and amend from time to time in the light of specific terms in the agreements with the donors.