SEABED COUNCIL RECOMMENDS $12,516,500 BUDGET FOR AUTHORITY’S 2009-2010 OPERATIONS; APPROVES SCALE OF ASSESSMENT FOR CONTRIBUTIONS

The Council of the International Seabed Authority, meeting in Kingston, this afternoon recommended a $12,516,500 budget for the Authority’s operations for the biennium 2009-2010, along with a United Nations model scale of assessment of members’ contributions. (A $11,782,400 budget was adopted in 2006 for the inter-governmental body’s work for 2007-2008).

The Assembly is scheduled to consider the Council’s recommendations on Thursday, 5 June.

Hasjim Djalal (Indonesia), Chairman of the Finance Committee, introduced the report whose recommendations were based on proposals made by the Authority’s Secretary-General, Satya N. Nandan.

The Council later resumed its consideration of the draft regulations on polymetallic sulphides, taking up Regulation 35 (Emergency orders).

Finance Committee’s report

In its report (ISBA/14/A/7–ISBA/14/c/6), the Finance Committee also made the following recommendations to the Council and the Assembly of the Authority:

Note should be taken that the agreed annual contribution of the European Community would be increased from $80,000 to $100,000, and would be reviewed every four years;

The Authority’s members should be urged to pay their assessed contributions for 2009 and 2010 on time and in full;
The Secretary-General should be authorized to transfer up to $60,000 from the interest accrued from the Endowment Fund to supplement the Voluntary Trust Fund in 2009, and eventually to return the advance made by the Pioneer Investor Fund in the amount of $135,000 to the Endowment Fund. The Secretary-General was also to be authorized to transfer the accumulated surplus from the previous financial period (2007-2008) to reduce the amount of assessed contributions for the financial period 2009-2010.

On other matters, the Finance Committee expressed its concern about the outstanding contributions from the Authority’s members for prior periods (1998 to 2007) in the amount of $291,958, and requested the Secretary-General to continue to use his discretion to recover the amounts due.

The Committee again recommended that the Authority’s Assembly shall encourage observers attending and participating in the meetings of the Authority to make voluntary contributions to the Authority’s budget, considering that they benefited from its facilities.

Discussion on the report

Members of the Council confined discussion on the report to control of the budget and transfer of funds between appropriation sections, outstanding contributions from members for prior periods, and voluntary contributions to the Authority’s budget.

Responding to questions raised by India on expenditure control and transfer of funds, the Secretary-General noted that the Authority was able to realize savings from delayed staff replacement which are returned to the budget. To work with the reduced allocation for communications, he said the Secretariat would make adjustments or move funds from other sections. He explained that consultants were used for their expertise in scientific and administrative matters. The Finance Committee Chairman reiterated that it was recommended that the Secretary-General be authorized to transfer between appropriation sections, up to 20 percent of the amount in each section.

France welcomed the zero growth budget recommended to the Council for approval by the Finance Committee, and said it was pleased that the European Community would increase its contribution. Trinidad and Tobago sought clarification on a recommendation contained in paragraph 14 of the report that the Authority “encourages observers attending and participating in the meetings of the Authority to make voluntary contributions to the budget of the Authority, considering that they benefited from the facilities of the Authority”. The representative of Trinidad and Tobago questioned the legal basis for such a request, noting that the financial regulations of the Authority stipulated that only its members could contribute to the budget.

India, Jamaica, Viet Nam, the Netherlands, Fiji and Canada weighed in on the issue raised by the member from Trinidad and Tobago. Council President Liesbeth Lijnzaad (Netherlands) argued that the issue was purely editorial and suggested that the word “budget” in paragraph 14 of the report could be replaced with “income”. Mr. Nandan explained that Article 171 (Funds of the Authority) make it clear that contributions to the Authority’s budget must come from its members, but that it also allowed the Authority to receive voluntary contributions.
from observers. Canada agreed with the representative from the Netherlands who suggested that the phrase “to the general administrative fund” would solve the problem.

Jamaica made a suggestion that the recovery of outstanding contributions from members for periods between 1998 and 2007, in paragraph 13 of the report be repeated as a recommendation in paragraph 18.

Before recommending the report of the Finance Committee to the Assembly, the Council decided that the word “budget” be taken as a drafting error and would not be included in paragraph 14, and that two additional sub paragraphs would be added to the list of recommendations contained in paragraph 18 as follows:

(h) Authorize the Secretary-General to transfer between appropriation sections up to 20 percent of the amount in each section.

(i) Urge members to pay outstanding contributions for previous years.

**Draft regulations on sulphides**

The Council then resumed its consideration of the draft regulations on polymetallic sulphides, taking up regulation 35 (Emergency orders). The regulation sets out how the Secretary-General and the Council shall respond to notification of an incident that “has caused, is causing or poses a threat of serious harm to the marine environment.”

The Council first focused on paragraph 3 of the provision, which deals with the temporary measure to be taken by the Secretary-General and, in particular, the time-frame of these measures. This paragraph reads:

3. Pending any action by the Council, the Secretary-General shall take such immediate measures of a temporary nature as are practical and reasonable in the circumstances to prevent, contain and minimize serious harm or the threat of serious harm to the marine environment. Such temporary measures shall remain in effect for no longer than 180 days, or until the Council decides at a regular session or a special session for that purpose and within that timeframe, what measures, if any, to take pursuant to paragraph 6 of this regulation, whichever is the earlier. **If the Council has not taken such a decision within 180 days, the Secretary-General may extend temporary measures for a further period of no longer than 180 days.**

India objected to the time-frame of 180 days. It preferred the wording of regulation 32, paragraph 2 of the regime for polymetallic nodules, which stipulates: “Such temporary measures shall remain in effect for no longer than 90 days, or until the Council decides what measure, if any, to take ……, whichever is earlier.”

India’s representative said the new wording might create a difficult situation: What would happen, he asked, if the Council did not act, even after the second 180-day period had elapsed? China and Viet Nam supported India’s position.
On the other hand, a number of delegations, including Argentina, Mexico and the Netherlands, supported the new wording of paragraph 3. Australia said that the 180 day period was a way to provide maximum protection until the Council could meet. New Zealand explained that the change sought to address what was perceived by several delegations to be a gap in the polymetallic nodule regulations. They felt that there was a danger that the Council would not be able to meet inter-sessionally and the 90 day temporary measures imposed by the Secretary-General could lapse.

As no consensus could be reached on the issue, the President of the Council requested the delegations who had taken part in the debate to work together on a revision to incorporate both sides of the discussion.

The Council will continue its review of the draft text, tomorrow, Wednesday, 4 June.

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