ASSEMBLY HEARS SECRETARY-GENERAL’S REPORT AND BEGINS DEBATE ON ORGANIZATION’S WORK

Heightened interest in marine minerals of the deep seabed is one major factor in the significant increase in the International Seabed Authority’s workload over the past year, the Secretary-General Nii Allotey Odunton (Ghana), said in his annual report to the Authority’s Assembly in Kingston this morning.

Mr. Odunton, who is a year into his second four-year term as head of the Authority, reported an increase in its membership to 165 (164 States and the European Union) since the last session. He said the number of permanent missions to the Authority in Kingston had also increased. Given the workload of the Authority, the Secretary-General said the Assembly might wish to consider, in due course, the introduction of a formal mechanism for the discussion of issues concerning the relationship between the host country, Jamaica, and the Authority as exists with many other international organizations.

The Secretary-General’s 26-page report (ISBA/19/A/2), submitted under article 166, paragraph 4, of the 1982 United Nations Convention of the Law of the Sea, covers, among others, an overview of the Authority’s work, relations with the host Government, administrative matters, as well as budgetary and financial issues. It also deals with matters the Authority is seized with, such as status of contracts for exploration, ongoing exploration and future exploitation of marine minerals in the Area.

Secretary-General’s report to Assembly

The Protocol on the Privileges and Immunities of the International Seabed Authority entered into force on 31 May 2013. Thirty-six States have become parties to the Protocol which provides essential protection to representatives of members who attend or travel to or from meetings of the Authority. Making reference to paragraph 56 of the General Assembly resolution 67/78, the Secretary-General called upon members that had not done so to consider ratifying or acceding to the Protocol.

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Overview of Authority’s work

The report states that interest in marine minerals in the deep seabed continues to grow, resulting in a significant increase in the Authority’s workload over the past year. In 2012, five applications for exploration contracts were approved, and it is expected that seventeen would have been issued by the end of 2013.

The first exploration contracts issued by the Authority in 2001 and 2002 will expire in 2016 and 2017, with the expectation that the contractors in a position to do so, would proceed to exploitation. The report asserts that the situation creates a number of challenges for the Authority, including the need for progress on the development of an appropriate fiscal regime on exploitation. Adequate measures would also have to be put in place to protect the marine environment.

Other challenges include implementation of article 82, paragraph 4 of the Convention (payments and contributions with respect to the exploitation of continental shelf beyond 200 nautical miles), as well as capacity-building and the promotion and encouragement of marine scientific research. The Secretary-General noted that since the establishment of the Authority in 1994, the structure of the secretariat had remained unchanged. Given its increased workload, particularly in the areas of contract administration and supervision, it was anticipated that a proposal would be submitted in 2014 to restructure the secretariat, possibly to include a contracts management unit.

Membership of the Authority

There were 165 members of the Authority (164 States and the European Union) as at 31 May 2013, including three new States which had ratified or acceded to the Convention between September 2012 and January 2013 – Swaziland, Ecuador and Timor-Leste. As at the same date, there were 144 parties to the 1994 Agreement relating to the Implementation of Part XI of the Convention. The Secretary-General reported there were 21 members of the Authority (unchanged since 2012) that became parties to the Convention prior to the adoption of the Agreement but had still not become parties to it.

Since the eighteenth session, Bangladesh and Panama had established permanent missions to the Authority.

Relations with host Government

The relationship between the Authority and the host country, Jamaica, is dealt with in a headquarters agreement approved by the Assembly in 1999. The terms and conditions under which the Authority occupies the part of its headquarters building allocated to it are set out in a supplementary agreement between the Authority and the Government of Jamaica.

The Secretary-General’s report drew attention to long-standing problems about the age and poor condition of the air-conditioning unit, elevators and windows of the headquarters buildings. Despite renovation and repair work carried out by the Government, the report
observes that the long-standing problems of the headquarters building remained unresolved as at May 2013.

It points out that unlike many other international organizations, there is no formal mechanism in place for the discussion of issues concerning the relationship between the host country and the Authority (such as the United Nations Committee on Relations with the Host Country, United States, established by General Assembly resolution 2819 (1971), and the Diplomatic Committee in Geneva).

Cost-saving measures

The Secretariat continued to implement cost-saving and efficiency measures, including an electronic publications strategy and increased inter-agency cooperation in administrative matters. With respect to the latter, the Secretariat is working with a number of local United Nations common system agencies and programmes to develop a strategic alliance to streamline business practices. The proposed common services plan will cover such areas as human resources management, information and communications technology, finance, procurement and common premises.

The Authority was notified on 6 January 2013 by the International Civil Service Commission that it had become a full participant in the United Nations common systems of salaries, allowances and other conditions of service, with all associated benefits and obligations. The Authority participated in the seventy-sixth session of the Commission, held in New York from 25 February to 8 March this year. The Secretary-General explained that participation in the common system allowed the Authority to work together with organizations such as UNDP, UNEP and FAO to take advantage of cost-saving practices such as bulk-purchasing.

Financial matters

The Authority is currently operating on a $14,312,948 budget (2013-2014) – an increase of 9.9 per cent over the previous budget - approved by the Assembly at its eighteenth session last year. As at 23 July 2013, 78.8 per cent of the value of contributions to the 2013 budget due from member States and the European Union had been received from 44.4 per cent of the Authority’s membership. Contributions outstanding from member States for prior periods (1998-2012) amount to $364,736. Those members numbered 39 as at 23 July 2013. As at that same date the balance of the Working Capital Fund stood at $527,121 against an approved level of $560,000.

Contributions totalling $398,939 have been paid to the **Voluntary Trust Fund** since its establishment in 2002. The last contribution was made on 4 July 2013 by China in the amount of $20,000. Norway made a donation of $150,000 in October 2012 by Norway. The Fund facilitates the participation of members of the Finance Committee and the Legal and Technical Commission from developing countries. The total amount paid out of the Fund to date is $466,900, according to the report.
The **Endowment Fund for Marine Scientific Research in the Area**, established in February 2008, promotes and encourages the conduct of collaborative marine scientific research in the international seabed Area. As at 23 July 2013, the capital of the Fund stood at $3,402,038 with the latest contribution of $10,000 from the United Kingdom. To date, a total of $398,879 has been disbursed from the interest accrued on the capital in the form of awards for projects. A total of 52 scientists or Government officials from developing countries have, to date, been beneficiaries of financing support from the Endowment Fund.

**Library and publications**

The Secretary-General noted that the Satya N. Nandan Library contained the largest collection of research materials pertaining to the law of the sea, and deep seabed mining. During the reporting period, 110 books and more than 460 journal issues were acquired. Over the past two years, the secretariat has worked closely with the registry of the International Tribunal for the Law of the Sea to identify possible areas for collaboration. One outcome is the implementation of a partnership arrangement under the auspices of the United Nations System Consortium for cost-sharing with respect to online subscription databases.

To meet the challenge of the prohibitive cost of traditional print format publications, and in keeping with trends within the global publishing industry, the secretariat plans to launch in 2013 a new publications strategy utilizing a combination of print-on-demand and electronic publications technology.

**Website**

As the quantity of information on the Authority’s website continues to grow there is an urgent need to redesign it to ensure that it can continue to serve the needs of member States efficiently. Popular social media feeds (Twitter, Facebook and Rich Site Summary (RSS)) were added to the website, in order to increase public awareness of the Authority.

**Sensitization seminars**

The Authority has received three offers to host sensitization seminars, the primary means for its outreach programmes. The offers, made by Chile, Mexico and the African Union, will be considered in the context of the current biennium and the biennium 2014-2015, according to the Secretary-General’s report.

The seminars are aimed at informing Government officials, marine policy makers and scientists of the Authority’s work, and to promote the participation of scientists in developing countries in marine scientific research in the Area. Since 2007, the Authority has convened six regional sensitization seminars in Manado, Indonesia (March 2007); Rio de Janeiro, Brazil (November 2008); Abuja, Nigeria (March 2009); Madrid, Spain (February 2010); Kingston, Jamaica (March 2011); and New York, USA (February 2012). Mexico has offered to host the next seminar to take place in November 2013.
In closing, the Secretary-General bemoaned the fact that many people did not know anything about the International Seabed Authority and its functions. He announced a plan to establish a small museum on the ground floor of the Authority’s offices. The Secretariat would undertake a study of the resources it would take to accomplish this task.

The Secretary-General announced plans for the celebration of the 20th anniversary of the establishment of the Authority in 2014.

**Statements on Secretary-General’s report**

Many delegations welcomed the three new members to the Authority, and Uganda extended a special welcome to Swaziland as a land-locked State.

Speaking on behalf of the CANZ group (Canada, Australia, and New Zealand) the representative of Australia pointed to the issues and challenges raised in the first proposal for a joint venture with the Enterprise. CANZ said it looked forward to detailed advice from the secretariat, the Legal and Technical Commission (LTC) and the Finance Committee on issues relating to the operation of the Enterprise. The group also said it welcomed the improvement in the quality of environmental data reported to the Authority by the contractors. As exploration contracts approached their 15 year expiration date, the group said the reporting was essential for ensuring that contractors had achieved key milestones and requisite standards before positive consideration was given to any requests to extend existing contracts or to move to the exploitation stage.

The representative of Trinidad and Tobago said he was encouraged by the fact that more States and other entities were recognizing the Authority as the only legitimate body to administer the resources of the Area. This recognition was manifested by the growing number of applications to obtain contracts for exploration as well as the recent proposal submitted by a mining company to form a joint venture with the Enterprise. He expressed concern, however, at the failure of some members to pay their assessed contributions which were “essential in assisting the Authority to properly discharge its mandate.” He added that attendance at the annual sessions was also important as the lack of a quorum could “delegitimize” the work of the Authority. The importance of paying assessed contributions was a point reiterated by a number of other delegations.

Japan expressed satisfaction that the Council had approved a plan of work for exploration of cobalt-rich ferromanganese crusts submitted by Japan Oil, Gas and Metals National Corporation (JOGMEC). He said the Authority could count on the full cooperation of the government of Japan to ensure the efficient implementation of the contractor’s activities. He also announced a donation of $44,760 from his government to the Voluntary Trust Fund to facilitate the participation of members of developing countries in the Legal and Technical Commission.

Bangladesh, Mexico and Trinidad and Tobago echoed the Secretary-General’s appeal for all coastal States to deposit such charts or relevant information describing the outer limits of their continental shelf, pursuant to article 84, paragraph 2, of the Convention, once such limits had

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been established in accordance with relevant provisions of the Convention. Without this information, they said, it would not be possible to establish the geographic limits of the Area, which the Authority was mandated to manage for the benefit of all States. The Philippines representative informed the Assembly that relevant information for his country had already been deposited with the United Nations and would be submit to the Secretary-General in due course.

Cameroon and Mexico were among the members who addressed the subject of the workshop convened in Beijing last November which focused on the implementation of article 82 of the Convention (Payments and contributions with respect to the exploitation of the continental shelf beyond 200 nautical miles). The Mexican representative said that the article was very complex and it was necessary to continue the discussion on its content and scope. Japan and Norway felt there would be time to discuss article 82 when this part of the Convention became a reality, but that there were more pressing issues before the Authority at this time.

The Argentine representative advocated for work on the elaboration of the exploitation code for polymetallic nodules to begin at the Authority’s next session in 2014. Being one step ahead of events, he said, was the foundation of good management. This sentiment was also expressed by Cameroon, Japan, Myanmar, Norway, the Philippines and South Africa.

Endorsing a suggestion made by Argentina, the representatives of Brazil, Chile and Spain requested that all documents which formed the basis of the work of the Finance Committee be available to delegations via the website or in the conference hall.

Spain welcomed the announcement by the Secretary-General that members’ assessed contributions might decrease as a result of new revenues from contractors in the form of contract administration fees. The representative warned against premature celebrations as much depended on the number of contractors that would agree to pay the fee.

Pointing out that capacity-building was at the heart of the ability of developing countries to benefit from the oceans resources, Bangladesh called for a comprehensive assessment to be conducted on the capacity-building needs of States in relation to ocean affairs and the law of the sea.

The United Kingdom said the Authority was about to enter a new and challenging phase of its development with the exploitation of minerals on the horizon, but it was confident that the Secretary-General was capable of meeting those challenges. Germany pledged continued productive cooperation as evidenced by their hosting of the taxonomy workshop in June 2013.

Myanmar noted that despite its challenges, the Authority was functioning well and executing its duties of administering and supervising contracts. The delegation said it was encouraged to see developing countries showing more interest in putting forward their applications for plans of work for exploration as sponsoring States. India also expressed satisfaction with the way in which the Authority and its organs were functioning, and was confident that the Legal and Technical Commission would be able to complete its work at next year’s session.
Brazil described as a “very positive step” the draft decision of the Assembly, approved by the Council, on a system to recover costs arising from the Authority’s administration and supervision of contracts. The delegation also supported the positions held by the CANZ group on the need for more information on issues related to the operation of the Enterprise. Brazil presented an update on The Digital Atlas of the South Atlantic Ocean, a joint initiative of the Brazilian Geological Survey (or CPRM) and the International Seabed Authority. The Atlas was a repository of digital datasets that provided a structural map of the South Atlantic Ocean, a morphotectonic map of the South Atlantic Ocean, and information on data sources and how this data was processed.

Ambassador Tommy Koh of Singapore expressed his support for the plan to establish a museum at the Authority, which would be an effective means of raising awareness as well as research resource and educational tool. He lamented that although seventy per cent of the world was covered by oceans and seas, “we know more about outer space than ocean space.” The idea of setting up a museum drew support from Bangladesh, Chile, Senegal and Uganda.

Brazil supported the Secretary-General’s plans for the 20th anniversary commemoration of the establishment of the Authority, and suggested that locally-based permanent representatives could provide support.

The Assembly heard a statement from Alice Hicuburundi, Senior Legal Officer at the Division for Ocean Affairs and the Law of the Sea (DOALOS) of the United Nations Office of Legal Affairs. She gave an update of oceans-related meetings that were held at the UN Headquarters during the past year. These included:

- Meetings of States Parties to the Convention;
- Ad Hoc Working Group of the Whole;
- Ad Hoc Open-ended Informal Working Group on biodiversity (including intersessional workshops);
- United Nations Open-ended Informal Consultative Process on Oceans and the Law of the Sea;
- Commission on the Limits of the Continental Shelf.

The Authority was represented at a number of those meetings by Secretary-General Odunton (Ghana).

The Assembly will continue discussion on the Secretary-General’s report when it meets in Kingston tomorrow, 25 July, at 10 am.