The Assembly of the International Seabed Authority, meeting in Kingston this afternoon, heard the report and recommendations of the Finance Committee (ISBA/21/A/6; ISBA/21/C/15) presented by its Chairman Olav Myklebust (Norway). The Assembly also resumed deliberation which began at the morning meeting, on the report of the Secretary-General, outlining the work of the Authority for the year.

The Chair said the Committee had taken note of the report on the budget performance for the financial period 2013-2014, and the first five months of 2015. He reported that the Committee had sought clarification on a number of issues including the use of consultants and had been satisfied with all the explanations offered by the Secretariat. The Committee also expressed its appreciation to the Secretary-General on the efforts being made to effect savings in the budget of the Authority and requested him to continue those efforts and to submit a report on the same topic in 2016.

Regarding the low rate of return on the Endowment Fund, the Committee recommended that the Secretary-General consult with the United Nations Joint Staff Pension Fund and other United Nations bodies, as well as an investment counsellor, on the steps that might be taken to generate a higher rate of return. The Committee requested the Secretary-General to report in 2016 on the status and outcome of those consultations and to make recommendations on the investment of the Endowment Fund. It further reminded the Secretary-General of its request in 2014 that a report be prepared on the possibility, from a legal perspective, of considering advances from the Endowment Fund to the Voluntary Trust Fund as grants.

The Committee discussed ways and methods to modernize the presentation of the budget so as to enhance transparency and strategic planning and as a result, a new budget format was developed and is contained in the annex of its report.

Following the presentation of the report, the Assembly agreed, on the recommendation of its president, to defer the adoption of the report until the Council had completed its consideration of the item.

The President then introduced agenda item 10 on the terms of reference for the periodic review of the international regime of the Area pursuant to article 154 of the Convention, (ISBA 21/A/4). Under that article, the Assembly is required every five years from the date of entry into force of the Convention (1994), to undertake a general and systematic review of the manner in which the international regime of
the Area established by the Convention had operated in practice. In his annual report to the twentieth session the Secretary-General had drawn the attention of the Assembly to the provision of article 154 and after the general debate, the Assembly decided to revisit the matter in more detail in 2015. The President suggested that speakers might wish to make comments on the item as part of their interventions on the Secretary-General’s report.

**Discussion on Secretary-General’s Report**

The representative of Argentina, speaking on behalf of the Latin American and Caribbean States, said the formulation of an exploitation code marked a major milestone in achieving the mandate and responsibilities of the Authority. The increase in the volume of work would require additional resources, he said, and urged members to pay their contributions. He highlighted the need for the documents which form the basis of the work of the Finance Committee to be accessible to delegations, since these documents are not confidential in nature. He welcomed the results of the workshops organized by the Authority in India and the Republic of Korea.

The representative of Japan said his delegation intended to continue its constructive engagement in the work of the Authority to adopt a rational exploitation code with a good balance of “exploitation” and “environment”. Discussions on the Code should be based on the accurate evaluation of its economic efficiency, taking into consideration the technical and economic difficulties in exploiting mineral resources in the Area. On the question of the overhead charge, he said the presence of contractors in arrears would lead to unfairness in relation to those who paid regularly. He appealed to those in default to pay immediately and retroactively to resolve such unfairness. He requested the Authority to ensure transparency through the disclosure of the balance sheet of the overhead charge.

Japan’s representative recalled that Japanese contractors, Japan Oil, Gas and Metals National Corporation (JOGMEC), had offered its first training programme last month for trainees from the Gambia, Bangladesh and Jamaica, after signing a contract for exploration for cobalt-rich ferromanganese crusts in January 2014. Japan hoped that the trainees would play an active role in maritime affairs in their home countries by taking advantage of the programme.

Germany welcomed the progress made by the Authority throughout the past twelve months and during the current session. He praised the Legal and Technical Commission for its hard work on the “immense project” of developing a regulatory framework for deep seabed exploitation and said his delegation fully supported the deliverables and action plan and the target date set.

France congratulated the Authority on its new website which was described as an effective tool to raise awareness at a reasonable cost. His delegation stressed the importance of the taxonomy and standardization workshops and welcomed the Authority’s approach of cooperating with OSPAR, IMO and other organizations. He supported the Secretary-General’s suggestion of developing a fact sheet to explain the Authority’s work in terms of protecting the marine environment. The representative said he understood the impatience of those who were eager to see the exploitation phase but exploitation could only start once regulations were established. Benefits would be shared once the necessary legal, technical and economic conditions were in place.

Referring to the periodic review required under Article 154 of the Convention, Fiji felt it was high time for this general and systematic review of the Authority’s operation was constituted. It was the considered view of the Fiji delegation that the review should be overseen by the Assembly, through its President and Bureau. The delegation also felt that independent consultants should be appointed to conduct the reviews, and that consultants should be selected by and report to the Assembly. Fiji envisaged that the review should be completed by the commencement of the 23rd session.
India said the significant rise in approvals of contracts for plans of work in the Area was
testimony to the efficient and commendable work by the Legal and Technical Commission. The
delegation said India was privileged to have hosted a workshop on polymetallic nodule exploration last
October, in association with the Authority, the focus of which included the need for standardization of
resource data, special aspects of nodule deposits that should be addressed in resource reporting standards,
and implementation of best practices in the nodule resource evaluation. India joined other States in
welcoming Palestine as the newest member of the Authority.

The representative of Kenya said his country encouraged structured interaction between the
various actors, including the Authority and contractors involved in the exploration and future exploitation
of mineral resources in the Area. There was need for clear guidelines for such interaction. With the
drafting of a regulatory framework for mineral exploitation in the Area, together with the formulation of
draft procedures and criteria for extension of exploration contracts, it was time for the Authority to put in
place mechanisms to activate the Enterprise, which would serve as the Authority’s mining operator.

He proposed that specific measures should be considered to encourage State Parties to deposit a
copy each of their charts or lists of geographical coordinates with the Secretary-General of the United
Nations, and in the case of those showing the outer limit lines of the continental shelf, with the
Authority’s Secretary-General, pursuant to article 84, paragraph 2 of the United Nations Convention.

The United Kingdom representative said these were exciting times to be part of the Authority as
the organization was moving in the right direction towards its purpose in beginning to elaborate the
mining code. He also welcomed the signing of the Memorandum of Understanding with the Pacific
Community.

Singapore commended the work of the Authority’s Secretariat in view of its “logistical and
resource limitations” and urged members of the Authority in arrears of their assessed contributions to
fulfil their obligations. The delegation listed the redesigned website, free availability of the Authority’s
publications, sensitization seminars to promote awareness of its work, and a proposed museum among
initiatives to increase awareness of the important work of the Authority.

China commended the Legal and Technical Commission and the Secretariat for the revised draft
regulatory framework and action plan which together formed a good foundation for formulating
regulations. A balance must be maintained, the delegate noted, between protection of the environment and
the need to proceed towards exploitation.

Cuba said that as a state party to UNCLOS, his country placed great value on the Convention as
an instrument for the maintenance of international peace, security and sustainable development. The
representative acknowledged that Cuba was a sponsoring state of activities in the Area but had no current
legislation governing the responsibilities and obligations relating to deep sea mining outside national
jurisdiction. He explained that his country was in the process of incorporating measures as part of the
implementation of current mining legislation.

Ghana’s representative said her delegation associated itself with the statement made on behalf of
the African Group by the representative of South Africa. She urged members of the Authority to work
together in identifying the gaps and challenges involved in the development of the regulations on
exploitation. Ghana remained ready to work with other delegations on the priority areas in the coming
months. She commended the Secretary-General for the efficient and effective manner he had administered
the finances of the Authority, as well as the efforts he was making to achieve gains and savings. Ghana
welcomed the workshop on taxonomic method and standardization of microfauna in the Clarion-
Clipperton Fracture Zone. The outcome of the workshops should be addressed in the nearest future. Seminars and sensitization of the Authority were of great interest to her delegation. She announced that Ghana was ready to host a planned seminar for members of the Economic Community of West African States (ECOWAS) which had earlier been cancelled due to unforeseen circumstances. She said she would meet with the Secretariat to firm up the arrangements.

Bangladesh said that with the formulation of three sets of regulations for exploration the Authority had achieved much in 21 years. The representative hoped that the procedures and criteria for extension of contracts could be agreed upon at the current session. He joined others in welcoming the training programmes that had been organized and called for more sensitization seminars to promote awareness of the work of the Authority and greater knowledge of the marine environment in his part of the world.

The representative of Myanmar stressed the urgent need for the development of the regulatory framework for the exploitation at the critical time of transition from exploration to exploitation. He commended the Legal and Technical Commission for producing a comprehensive draft text. As a country with a long coastline of about 1,200 miles, he said Myanmar attached special importance to the United Nations Convention on the Law of the Sea and followed with great interest, the work of the Authority. It regularly contributed its share of the Authority’s budget.

Its involvement with the Convention would be deepened as it had become one of the countries which had made submissions to the Commission on the Limits of the Continental Shelf. He stressed that the Area of deep sea exploitation as defined by the Convention should also take into account limits of national jurisdiction, including the delineation of the continental shelf extending beyond 200 nautical miles from the baseline of the territorial sea. The Authority must ensure that the proposed areas of exploration or exploitation fell clearly outside such areas of possible extension.

The delegation of the Republic of Indonesia said it would encourage the Authority to continue to be guided by the principle of sustainability in formulating the regulatory regime, to ensure the seabed resources would also benefit future generation. Indonesia said it was interested in hosting a sensitization seminar for the Asia-Pacific region next year and would be discussing the plans with Secretariat and seeks the support of member states.

Commenting on the report of the Secretary-General, the Philippines delegation said the work of the Authority was “an integral part of maintaining the rule of law, stability, and order in the world’s oceans”. Philippines underscored the need for States Parties to the United Nations Convention on the Law of the Sea to match their commitment to uphold global governance in the world’s oceans with actions that promoted the letter and spirit of the Convention. The delegation amplified the call by the Secretary-General for States Parties to contribute towards providing greater clarity on their marine entitlements, and for coastal States to deposit charts and list of exact geographic coordinates with the Authority.

The representative of Brazil reaffirmed his country’s support to the statement made by the representative of Argentina, on behalf of CELAC (or GRULAC, as it was formerly known). Brazil believed it would be desirable to have more permanent missions to the Authority, as it would send a clear message to the international community of the relevance of its work. In addition, by establishing a mission in Kingston, member States made a gesture to express gratitude to Jamaica which had generously welcomed the Authority in its capital.

Brazil encouraged the development of a more efficient mechanism of consultation between the permanent representatives in Kingston and the Secretary-General. As the activities of the Authority grew
in scope and complexity, the support that Permanent Missions could provide to the work of the Secretary-General grew in importance. It was Brazil’s view that the consultative group would be of great assistance to the work of the Authority, as the Secretary-General would be able to rely on the support of a group of willing and able contributors that could help him approach his growing responsibilities. On the extension of exploration contracts, Brazil recalled that it was the responsibility of both the Council and the Assembly to discuss and decide on the final procedures and criteria on the matter.

Norway, noting that the role of the Authority was developing, said there was still a lot to be done to ensure equitable sharing of deep seabed resources. The representative stressed the urgency for the creation of a mechanism to assess the impact of mining on the marine environment and for a mining code to be completed.

The Assembly resumes debate on the report of the Secretary-General tomorrow morning, 22 July.