A budget of $17,130,700 for the International Seabed Authority for financial period 2017-2018 was approved by its executive Council, meeting in Kingston this afternoon. The budget, recommended in a report of the Finance Committee, was less than the amount proposed by the Authority’s Secretary-General, but included an increase of $100,000 in the Working Capital Fund spread evenly over the next two bienniums.

The Secretary-General’s proposed budget for the biennium was in the amount of $17,966,900, representing an increase of 14.1 per cent over the figure for the previous period. The Committee’s recommended budget reflected a reduction in this increase to 8.81 per cent. Under the new format, the budget was broken down into two sub-sections: administrative and conference services expenditures and programme expenditures.

Decision of the Council

By its decision, (ISBA/22/C/L.2) which took account of the recommendations of the Finance Committee, the Council recommended that the Seabed Authority’s supreme body, the Assembly, adopt the following draft decision:

1. Approves the budget for the financial period 2017-2018, in the amount of $17,130,700 as proposed by the Secretary-General;

2. Takes note of the high rate of increase in conference services costs and the cost-saving measures in this regard, and requests the Secretary-General to initiate high-level consultations with the United Nations on this issue and to prepare a report on conference services costs for the Committee in 2017;
3. Approves the investment of the Authority’s Endowment Fund for Marine Scientific Research in the Area with the United Nations Treasury;

4. Also approves an increase in the Working Capital Fund by $100,000 to a total of $660,000 and for the increase to be spread evenly over the next two bienniums, to be determined using the Authority’s current scale of assessments applied to the total value of the Working Capital Fund;

5. Takes note of the Authority’s progress in implementing the International Public Sector Accounting Standards (IPSAS);

6. Authorizes the Secretary-General to establish the scale of assessments for 2017 and 2018 on the basis of the scale used for the regular budget of the expenses of the United Nations for 2016 and 2017, respectively, taking into account that the ceiling assessment rate will be 22 per cent and the floor rate 0.01 per cent;

7. Also authorizes the Secretary-General, for 2017 and 2018, to transfer between appropriation subsections of the administrative budget and between individual programmes, up to 20 per cent of the amount in each subsection, section or individual programme;

8. Takes into account the Committee’s comments on the interim report on the periodic review of the Authority pursuant to article 154 of the United Nations Convention on the Law of the Sea and comments of the Review Committee established to oversee the review;

9. Urges the members of the Authority to pay their assessed contributions to the budget on time and in full;

10. Notes with concern the increasing amounts of outstanding contributions, appeals yet again to the members of the Authority to pay outstanding contributions to the budget of the Authority from previous years as soon as possible, and requests the Secretary-General, at his discretion, to continue his efforts to recover these amounts;

11. Strongly encourages members to make voluntary contributions to the Endowment Fund and Voluntary Trust Fund of the Authority.

**Report of the Finance Committee**

Finance Committee Chairman Olav Myklebust (Norway), introduced the Committee’s report (ISBA/22/A/7)-(ISBA/22/C/19) to the Council.

In the report, the Finance Committee requested the Assembly and the Councils to take account of its comments on the interim report on the periodic review of the Authority pursuant to article 154 of the United Nations Convention on the Law of the Sea, and comments of the Review Committee itself.
The Review Committee was set up by the Assembly at its 21st session last year to undertake a general and systematic review of how the international regime of the Area had operated in accordance with Article 154 of the United Nations Convention on the Law of the Sea. The Committee’s mandate also included reviewing the manner in which the various organs and subsidiary bodies of the Authority had operated in practice. The Review Committee, which is expected to submit its final report to the Assembly at the twenty-third session in 2017, was assisted by private consultants.

Discussion on the Report

Debate by members of the Council focused primarily on measures to reduce costs, particularly on the administrative and conferences services side of the budget.

India, while supporting the revised budget, suggested there might be room for further reduction while ensuring that the Authority had adequate funds to fulfil its mandate. Japan said that as the member paying the largest contribution to the Authority’s budget it welcomed all efforts by the Secretary-General at rational cost-cutting. Brazil said that while the nominal increase was clearly presented in the budget his delegation wanted to know what the real increase would be.

South Africa, while praising the Authority’s role in delivering meaningful and tangible capacity building to developing States, said more initiatives on that were needed in African States. The delegation said contributions to the Endowment Fund and Voluntary Trust Fund were important to the process. This view was echoed by Cameroon.

Australia expressed support for an annual budget linked to and driven by a strategic plan, with a focus on key priorities, including the drafting of exploitation regulations and environmental management plan.

Bangladesh called for further streamlining of conference costs and a strategy for the collection of arrears in contributions. The representative of France commended the Finance Committee on decreasing the percentage growth of the budget and pointed out that his country advocated zero growths in the budgets of organizations of which it was a member. While the ratio of the Authority’s administrative costs to programme costs was in keeping with what obtained in other United Nations organs, he warned that “we must remain vigilant” with regard to spending. He called for the expenditure of the Authority to be better documented, justified and explained.

Responding to members’ comments, the Secretary-General suggested that efforts to reduce conference services costs might include the reduction of interpreting services at meetings of the technical bodies of the Authority in cases where all six official languages would not be necessary.

With regard to the intervention from Australia, the Secretary-General noted that strategy was generated from the Council and the Assembly which guided the actual work of the Authority and that the Legal and Technical and Technical Commission played a useful role in that regard.
The Committee Chairman also responded to Brazil, explaining that the Committee did not examine the budget in terms of real increase because two currencies were involved in the calculation; the discussions were conducted in terms of nominal growth.

In his remarks, the Chairman of the Committee noted that it intended to continue its practice of inviting the Chair of the Legal and Technical Commission to report on current matters before the Commission with financial implications, as it had proved very useful.

The Council will meet tomorrow morning, 15 July, to take up the report of the Chair of the Legal and Technical Commission.

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