

International Seabed Authority

Press Release

Tenth Session
Kingston, Jamaica
24 May – 4 June 2004



Council (AM)

SB/10/13
2 June 2004

COUNCIL PROPOSES SATYA NANDAN AND CHARLES D'AWOL AS CANDIDATES FOR ELECTION AS AUTHORITY'S SECRETARY- GENERAL - ADOPTS AUTHORITY'S BUDGET AS IT CONCLUDES 2004 SESSION

The Council of the International Seabed Authority, wrapping up its session for 2004, this morning adopted a decision to propose to the Assembly the incumbent Satya N. Nandan and Charles Manyang D'Awol, Ambassador of Sudan to Norway, as candidates for election as Secretary-General of the Authority.

The Council's recommendation will now go to the Assembly which is scheduled to vote on Thursday, 3 June on the two candidates.

In another action this morning, the Council formally endorsed a \$10,816,700 budget for the operations of the Authority in the 2005-2006 biennium and recommended its adoption also by the Assembly.

The Council adjourned until its next session in 2005, its discussion of the draft regulations on prospecting and exploration for polymetallic sulphides and cobalt-rich crusts in the international seabed Area prepared by the Authority's Legal and Technical Commission.

The candidates

Ambassador Nandan of Fiji, who is seeking a third term, was elected as the first Secretary-General of the Authority in March 1996. Prior to that time, he had represented Fiji at the Third United Nations Conference on the Law of the Sea which produced the 1982 United Nations Convention on the Law of the Sea. A former Secretary for Foreign

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Affairs of Fiji, he subsequently served as Special Representative of the Secretary-General of the United Nations for the Law of the Sea from 1983 to 1992, heading the United Nations Office for Ocean Affairs and Law of the Sea. (See Biographical Note in Press Release SB/10/14).

Ambassador Charles Manyang D'Awol, who is a nominee of the African Union, was a member of the Sudanese delegation at all sessions of the United Nations Conference on the Law of the Sea from 1975 through 1981, During that period he served as Rapporteur of the Third Committee of the Conference, dealing with preservation and protection of the marine environment, scientific research and transfer of technology. He also served on the Preparatory Commission for the International Seabed Authority and for the International Tribunal for the Law of the Sea (1983-84). In August 1999, Ambassador Manyang D'Awol was elected to serve as Council President of the International Seabed Authority. (See Biographical Note in Press Release SB/10/15).

2005-2006 Budget

Acting without a vote, the Council also decided to:

- ask the Secretary-General to transfer the accumulated surplus from the previous financial period to reduce the amount of assessed contributions for 2005 and 2006;
- authorize the Secretary-General to transfer for each year, 2005 and 2006, between appropriation sections up to 30 per cent of the amount in each section;
- authorize the Secretary-general to establish the scale of assessments for 2005 and 2006 based on the scale used for the regular budget of the United Nations for 2004 and 2005 as adjusted by the Authority, respectively, taking into account that the maximum assessment rate will be 22 per cent and the minimum rate 0.01 per cent.

The Council decided that for Canada and Lithuania, which became members of the Authority in 2003, the rate of assessment and the amounts of contribution to the general administrative fund and the Working Capital Fund shall be as recommended in paragraph 18 of the Finance Committee's report (document ISBA/10/A/6-ISBA/10/C/7).

It appealed to members of the Authority and those that are no longer members following the termination of provisional membership on 16 November 1998, to pay the arrears in their contributions to the budget of the Authority and to the Working Capital

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Fund as soon as possible, and requests the Secretary-General to inform the members concerned of the appeal.

The Council authorized the Secretary-General to advance up to a further \$US10,000 in 2005 from interest from the Pioneer Fund to supplement the voluntary trust fund if required.

On the question of a pension entitlement of the Secretary-General, the Council decided to provide the Secretary-General with the option to choose between the United Nations Joint Staff Pension Fund or the "ICAO arrangement" as set out in document ISBA/9/FC/R.1. If the Secretary-General chose the "ICAO arrangement" he should inform the Assembly of the choice upon election.

Finally, the Council also decided to approve the Supplementary Agreement between the International Seabed Authority and the Government of Jamaica regarding the headquarters of the Authority and the use of the Jamaica Conference Centre complex.

Continuation of debate on new regulations

The Council resumed consideration of the draft regulations on prospecting and exploration for polymetallic sulphides and cobalt-rich ferromanganese crusts in the international Seabed Area. The draft regulations (ISBA/10/C/WP.1) was prepared by the Legal and Technical Commission (LTC) and presented at the meeting yesterday of the 36-member Council.

General comments and concerns focused on the size and nature of allocated area and process of relinquishment, protection and preservation of the marine environment, and the need for more background documentation to assist delegations in studying the technical aspects of the draft. Council members said they needed time to study the document and consult with their governments.

Brazil and Spain agreed that the draft regulations presented the Authority with new opportunities in a new staging area. Chile echoed Spain's call for extremely careful and prudent evaluation of the draft before any action was taken.

A primary concern for Portugal was the contractors' responsibility for the marine environment. The representatives wanted the regulations to guarantee that contractors

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would be responsible for damage caused by their activities, even beyond the period of the contract for exploration. Papua New Guinea felt the draft regulations gave contractors the freedom to monitor their own activities. The representative recommended the appointment of an independent monitoring board to support the new regulations since small countries lacked the necessary technology to scrutinize activities near their coasts.

Examining the draft, India felt parts of the regulations would present contractors with economic challenges in theory and practice. Commenting on regulation 12, the member from India questioned the feasibility of defining an exploration zone consisting of contiguous blocks. He said it would be difficult for a contractor to find a zone with 200 blocks, in accordance with regulation 17, given the nature of the resources in question.

Concerning the size of area relinquishment stipulated in regulation 27, India said it would not make economic sense for a contractor to keep only 25% of the number of blocks allocated after ten years, and suggested retention of 50% instead.

Responding to some issues raised in the discussion, the Secretary-General explained that regulation 12, which stipulated the total area covered by each application for approval of a plan of work, was designed to discourage exploration of only deposit-rich areas. On regulation 27, Mr. Nandan said the nature of the deposits requires that large areas would have to be discarded, making 25% retention more than adequate for mining operation.

Indonesia requested that the Legal and Technical Commission prepare some brief explanatory notes relating to all the new issues and terms now brought before the Council in their consideration of the new draft regulations on sulphides and crusts. He felt that such notes would be useful to delegates when they took the draft regulations back to their respective governments for closer examination. In response, the Secretary-General undertook to communicate with members of the Commission so that a document could be prepared for circulation to all council members before the eleventh session.

Indonesia also suggested that it be made clear in regulation 21 that the 250,000 United States dollars fee, for processing applications for approval of a plan of work for exploration, belonged to the Authority. China suggested that the documents that were used to draft the regulations be made available to members of the Council to make it easier study.

President of the Council, Mr Baïdy Diène (Senegal) said preliminary discussion on the draft covered a range of topics, which would be considered further when the Council meets next year.

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In other matters, Australia announced that Canada, which had become a signatory to UNCLOS and the Agreement relating to Part XI at the end of 2003, would replace his country as a member of the Council for Group C, in accordance with an agreement reached in 1995 between the two countries. Canada will serve until the end of 2006.
