



Finance Committee

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Financial implications of establishing the Economic Planning Commission

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Report of the Secretary-General

I. Introduction

1. The present report has been prepared pursuant to the decision of the Council of 18 July 2025, to initiate necessary steps with a view to operationalizing the Economic Planning Commission as a subsidiary organ of the Council in accordance with the relevant provisions of the United Nations Convention on the Law of the Sea and the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982. In that decision, the Council requested the Finance Committee to report to the Council during the second part of its thirty-first session detailing the financial implications of the establishment of the Economic Planning Commission and provide a report on the most practical timelines for the Commission to commence its work.¹

2. Additionally, pursuant to the same council decision of 18 July 2025, the secretariat prepared a proposal for election mechanisms of the Economic Planning Commission, in consultation with the Legal and Technical Commission for technical input only, for consideration by the Council during the first part of its thirty-first session. The Council continues consultations regarding a draft decision on the election mechanisms and it is expected to continue its consideration during the second part of the thirty-first session.

II. Legal and Institutional Context

3. The Economic Planning Commission is a subsidiary organ of the Council. The relevant provisions concerning the Commission are found in articles 151, 163 and 164 of the United Nations Convention on the Law of the Sea and in section 1 of the annex to the 1994 Agreement relating to the Implementation of Part XI of the United

* ISBA/31/FC/L.1

¹ ISBA/30/C/17

Nations Convention on the Law of the Sea of 10 December 1982. These provisions address the establishment, membership and functions of the Commission.

4. Under the Convention and the 1994 Agreement, the Economic Planning Commission is intended to make recommendations to the Council on matters within its competence, including issues of economic planning, financial implications of activities in the Area, and policies relevant to the implementation of the regime for those activities.

5. The functions envisaged for the Economic Planning Commission are distinct from, and complementary to, those entrusted to other organs of the Authority. In particular:

a) The Council retains its decision-making authority under the Convention and the 1994 Agreement;

b) The Legal and Technical Commission exercises technical and environmental advisory functions;

c) The Finance Committee provides advice on administrative and budgetary matters pursuant to section 9 of the annex to the 1994 Agreement; and

d) The Enterprise, once operationalized, shall carry out activities in the Area in accordance with the Convention and the 1994 Agreement.

6. In that context, the Secretary-General in the last two reports provided an update on the operationalization of the Economic Planning Commission, including its financial implications and an indicative five-year workplan of the Economic Planning Commission, which the Council adopted as noted above.²

7. The operationalization of the Economic Planning Commission must therefore be undertaken in a manner that preserves the institutional balance established by the Convention and the 1994 Agreement, avoids duplication of mandates, and ensures clarity in the respective advisory roles of the subsidiary organs of the Council.

III. Indicative budget for establishing the Economic Planning Commission for the financial period 2027–2028

8. It is estimated that the Economic Planning Commission will commence its mandate on 1 January of the following year in which the Council elects the members of the Commission³. The indicative timeline for the implementation of the Commission, as presented in **annex I**, suggests that it will commence its mandate on 1 January 2028. An indicative budget of \$959,000 for the establishment of the Economic Planning Commission in the financial period 2027-2028 is presented in **annex II**. The indicative budget makes provision for secretariat support costs (three staff position; Director, Policy Officer and an Administrative Assistant), non-post costs related to the Commission meetings during the Authority sessions, provisions for technical and analytical studies and costs related to outreach and Inter-Organ Coordination.

9. The position of Director is budgeted at the D-1 level, while the Policy Officer is budgeted at the P-4 level. The position of Administrative Assistant is budgeted at GS-6, which is the normal budget policy for all General Service positions within the Secretariat, regardless of individual post classification.

10. Non-post costs include provision of costs for two meetings of one week each during the Authority's sessions, provisions for consultants which will provide analytical support for the work of the Commission, travel related to Commission's

² ISBA/27/C/25 and ISBA/30/C/17 (adopting ISBA/30/C/11)

³ ISBA/31/LTC/4

experts participating in meetings and provision of costs for the communication of the Economic Planning Commission reports.

11. The indicative budget does not include provision for defraying the travel costs of members of the Economic Planning Commission from developing States to attend the annual sessions of the Authority. In accordance with Financial Regulation 5.5, a dedicated Trust Fund for this purpose may be established by the Secretary-General and reported to the Finance Committee. Such a fund would be financed through voluntary contributions and would not constitute a charge on assessed contributions of Member States.

IV. Practical timelines for the implementation of the Economic Planning Commission

12. In examining the most practical timelines for the commencement of the work of the Economic Planning Commission, the legal framework of the Convention and the 1994 Agreement must be considered, the decision of the Council of 18 July 2025, and the budgetary cycles of the Authority.

13. The commencement of the work of the Commission is contingent upon:

a) The adoption by the Council of the necessary election mechanisms of its members;⁴

b) The election of members in accordance with those mechanisms;

c) The provision of adequate budgetary resources within the approved programme budget; and

d) The availability of appropriate Secretariat support.

14. The timing of elections will directly affect the effective date of commencement of the Commission's mandate. Should elections not be held during 2026, and in the absence of further Council meetings within the thirty-first session for that purpose, the members of the Commission would formally assume their functions at the beginning of 2028.

15. This could create an interim period between the Council's decision to operationalize the Commission and the formal assumption of functions by its members.

16. If such an interim period arises, preparatory work may be undertaken by the Secretariat within existing resources, without prejudging the work programme of the Commission once constituted. Such preparatory activities could include baseline economic analysis, compilation of relevant data, and identification of priority issues for initial consideration.

17. The Authority operates on a biennial programme budget approved by the Assembly. The introduction of a new subsidiary organ requires integration of anticipated costs within the relevant budget cycle. A phased introduction of activities during the first biennium of operation may further support prudent financial management and allow the Council to assess the evolving scope of the Commission's work.

18. An indicative phased work plan and implementation timeline is provided in **Annex I**. The sequencing set out therein is intended solely for planning purposes and does not prejudice decisions of the Council regarding institutional arrangements, scope of work or scheduling.

⁴ ISBA/30/C/17

19. The figures in **Annex I** are indicative and scenario based. Actual financial implications will depend on decisions of the Council regarding membership, meeting frequency, scope of work and Secretariat support structure, and will be subject to approval within the Authority's biennial programme budget by the Assembly.

V. Conclusion

20. The Finance Committee is invited to provide in its report its assessment of the financial implications of the establishment of the Economic Planning Commission and of the most practical timelines for the Commission to commence its work.

Annex I

Indicative practical timeline for the implementation of the Economic Planning Commission

Phase	Activity / Procedural Step	Lead Entity	Indicative Output	Indicative Timeline/Year
Phase I Legal and Institutional Preparations	Adoption of election mechanisms for EPC membership	Council	Council decision on election mechanisms	2026
	Preparation and issuance of invitation to Member States to submit nominations	Secretariat (on behalf of the Council)	Circular note inviting nominations	2026
	Integration of EPC-related requirements within programme budget planning	Secretariat (Administrative Services)	Budget inputs for consideration by the Assembly	2026
	Preparation of background administrative and legal documentation	Secretariat	Supporting documentation for process implementation	2026
Phase II Membership and Structuring	Receipt of nominations from Member States	Secretariat	Compilation of nominations	2026–2027
	Circulation of list of candidates and statements of qualifications	Secretariat	Consolidated list of candidates	2026–2027
	Election of members of the EPC	Council	Council decision appointing EPC members	2027
	Establishment of administrative support arrangements within the Secretariat	Secretariat	Assigned support structure	2027
Phase III Inaugural Activities and Work Programme	Preparatory administrative arrangements prior to commencement of activities	Secretariat	Operational readiness (logistics, documentation)	2027
	Convening of inaugural session of the EPC (following commencement date)	Secretariat / EPC	Inaugural meeting	2028

Phase	Activity / Procedural Step	Lead Entity	Indicative Output	Indicative Timeline/Year
Phase III Inaugural Activities and Work Programme	Adoption of rules of procedure based on the final draft rules of procedure prepared by the Preparatory Commission	EPC	Agreed procedural framework	2028
	Development of five-year workplan	EPC	Agreed procedural framework	2028
	Identification of initial areas for advisory consideration	EPC	Initial work programme (indicative)	2028
Phase IV Integration and Advisory Functions	Provision of advisory inputs on economic and financial matters, as requested by the Council	EPC	Advisory outputs to the Council	2028 onward
	Coordination and exchange of information with other subsidiary organs, as appropriate	EPC / Secretariat	Coordinated inputs across organs	2028 onward
	Preparation of analytical materials, where required	EPC (with Secretariat support)	Background analytical documentation	2028 onward
Phase V Consolidation and Review	Submission of periodic reports to the Council and, as appropriate, the Assembly	EPC	Periodic reports	2028 onward
	Participation in inter-organ exchanges, where appropriate	EPC and other organs	Coordinated recommendations	2028 onward
	Review of workload, working methods and resource requirements	EPC / Council	Adjusted working arrangements, if required	2028 onward / biennial review
Note: The years are indicative and assume that election mechanisms are adopted in 2026, membership is completed in 2027, and the EPC begins substantive activities from 2028. The sequence remains subject to decisions of the Council and relevant budgetary approvals.				

Annex II

Indicative budget for the Economic Planning Commission for the financial period 2027-2028

(United States Dollar)

Budget line	Proposed 2027	Proposed 2028	Total 2027-2028
Salaries & Common staff costs		674,000	674,000
Session costs		100,000	100,000
Consultants		150,000	150,000
Travel		20,000	20,000
Communication of EPC reports		15,000	15,000
Total		959,000	959,000