

International Seabed Authority

Press Release



Thirteenth Session
Kingston, Jamaica
9 - 20 July 2007

Council (PM)

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17 July 2007**

SEABED COUNCIL RECOMMENDS ADOPTION OF ENDOWMENT FUND GUIDELINES AND PROCEDURES

The Seabed Council this afternoon recommended the adoption by the Assembly of the terms of reference, guidelines and procedures for the International Seabed Authority Endowment Fund as it took note of the report of the Authority's Finance Committee.

Hasjim Djalal, Indonesia, Chairman of the Finance Committee, introducing the Committee's report, said it took note of the balance of the Endowment Fund which stood at \$2,750, 523 as at 30 June 2007. (The initial capital of the Fund consisted of the balance remaining as at 18 August 2006 from the application fees paid by the registered pioneer investors).

The Committee at three meetings on 12 and 13 July (behind closed doors), also considered the status of the Voluntary Trust Fund, the audit report of the Authority, the appointment of independent auditor and the assessed contributions of five new States members of the Authority.

Also discussed were the terms and conditions of service for the Secretary-General, the estimated cost of an intersessional meeting of the Legal and Technical Commission and the adoption by the Authority of the International Public Sector Accounting Standards.

Earlier the Council took note of a report by the Secretary-General concerning the credentials of its members.

The Council will next meet tomorrow morning, Wednesday 18 July, to continue its discussion of the draft regulations for exploitation and exploration of polymetallic sulphides in the international seabed area.

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Finance Committee report

Annexed to the report of the Finance Committee were the terms of reference, guidelines and procedures of the Endowment Fund which was established at the 12th Session of the Authority in 2006.

The purposes of the Fund are to promote and encourage the conduct of marine scientific research in the international seabed Area for the benefit of mankind as a whole by supporting the participation of qualified scientists and technical personnel from developing countries in marine scientific research programmes.

Contributions to the Fund may be made by the Authority, members of the Authority, other States, relevant international organizations, academic, scientific and technical institutions, philanthropic organizations, corporations and private persons.

An application for assistance from the Fund shall be submitted by a developing country member of the Authority. The Secretary-General may accept an application from any other country provided that the application would benefit scientists from developing countries.

The secretariat of the Authority shall administer the Fund, while a panel of six to nine eminent persons in the law of the sea and its implementation shall be appointed by the Secretary-General to evaluate applications and make recommendations for the award of assistance from the Fund.

The Finance Committee took note of the balance of the Voluntary Trust Fund of \$65,537 as at 30 June 2007. The Committee recommended that the amount of \$135,000 that had been advanced to the Voluntary Trust Fund from the application fees paid by the registered pioneer under resolution II of the Third United Nations Conference on the Law of the Sea since the Fund's establishment should be considered as a contribution to it.

The Committee also took note of the report on the Authority's finances for 2006 prepared by its auditors, Deloitte and Touche, who were recommended for reappointment for a further two years to audit the 2007 and 2008 accounts.

The Finance Committee expressed concern at the outstanding contributions from members for prior periods (1998 to 2006) in the amount of \$302,218, and requested the Secretary-General to continue his efforts to recover those amounts. The Committee recommended to the Assembly to encourage observers attending and participating in the meetings of the Authority to make voluntary contributions to its budget. It also requested the Secretary-General to approach the European Commission about a possible increase in its contributions to the Authority's budget.

Commenting on the report, the representative of the European Commission said it was prepared to make a voluntary contribution of 80,000 United States dollars towards the Authority's budget, and asked the Secretariat to make a formal request for the funds.

Supporting the recommendation to encourage observer nations to contribute Jamaica noted that observers consumed as much of the Authority's resources as its members.

Returning to consideration of the sulphides regulations, Mexico submitted a revised amendment to **Regulation 23** paragraph 4 (b) which reads as follows:

“(b) bis provide, as necessary, in accordance with paragraph 7 of regulation 35, and adequate guarantee to comply with emergency orders of to assure that the Council can take such emergency measures.”

Questions about the wording of the redrafted amendment prompted Council President Raymond Wolfe (Jamaica) to suggest that Mexico and other delegations which raised issues, including Australia, Germany and the Netherlands, meet to work out a compromise.

Regulation 26, rights of the contractor, which was discussed at this morning's meeting of the Council, was approved pending minor amendments to the Spanish text of the draft.

Decision on provisions in **Regulations 27**, which covers size of area and relinquishment, and discussion of **Regulation 28**, duration of contracts, was suspended pending further consideration by the Council.

Regulations 29, Training; **30**, periodic review of the implementation of the plan of work for exploration; **31**, termination of sponsorship, and **32**, responsibility and liability, were adopted without discussion.

Regulation 33, titled, “Protection and preservation of the marine environment”, stirred lengthy debate over a suggestion by Spain to include “biodiversity” to the title of the regulation and to one of its provisions.

Brazil maintained that the definition of the marine environment contained in regulation 1 paragraph 3 c) was an all-encompassing description and should not be changed. The Secretary-General endorsed Brazil's position and suggested that adding qualifications to the term might weaken its meaning. In the light of the views put forward by the Netherlands and Brazil, and in the interest of moving toward consensus, Spain agreed to the original wording in the title and paragraph 1 of **Regulation 33**. The paragraph was approved.

Speaking on paragraph 2, Australia representative said that his delegation had drafted new wording to reflect some of the language agreed by the General Assembly in respect of fisheries. However, discussion on this matter was deferred as the representative said he was willing to re-examine the proposal in the context of today's discussions.

Paragraph 3 of the regulation was approved with an amendment bringing the language in line with changes made to the first paragraph of **Regulation 5** at an earlier meeting. The paragraph stipulates that contractors take measures “to prevent, reduce and control pollution and

other hazards to the marine environment arising from its activities in the Area, applying a precautionary approach and best environmental practices.”

With regard to paragraph 4, The Netherlands proposed moving the definitions for “impact reference zones” and “preservation reference zones” to **Regulation 1**. However, the paragraph was left unaltered at the suggestion of Kenya, whose representative maintained that the definitions facilitated a clearer understanding of the paragraph.

Uganda, supported by Kenya and the United Kingdom, argued that paragraph 4 should address the preservation of “cultural zones”. He made particular reference to sites where human remains might be discovered during exploration activities. The United Kingdom asked whether the Authority had power to prevent further mining in such cases. The Secretary-General suggested that those three delegations could work together on formulating a paragraph to address this issue, to be added to **Regulation 37**, which deals with the preservation of discoveries of an archaeological or historical nature.

With regard to the impact reference zones and preservation reference zones, China sought clarification on where those would be located. If they were located within the exploration area, he argued, they would not serve the purpose of preservation. The Secretary-General agreed that there was an element of vagueness with reference to the zones and suggested the need for clearer definitions and guidelines on where the zones should be established.

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