

# International Seabed Authority

**Press Release**



**Sixteenth Session  
Kingston, Jamaica  
26 April - 7 May 2010**

**Council (AM)**

**SB/16/11  
3 May 2010**

---

## **SEABED COUNCIL RECOMMENDS BUDGET OF \$13,014,700 FOR AUTHORITY'S 2011-2012 OPERATIONS**

The Council of the International Seabed Authority, meeting in the final week of the Authority's sixteenth session in Kingston, this morning approved a decision recommending the adoption by the Assembly of a total budget of \$13,014,700 for the Authority's 2011-2012 operations as proposed by its Secretary-General.

In another action, the Council by draft decision (ISBA/16/C/L.2) decided to adopt and apply provisionally, pending the approval by the Assembly, the revisions to the staff regulations of the Authority as contained in an Annex of the text. The Council also recommended the approval by the Assembly of the revisions to the Staff regulations of the Authority.

### **Budget**

By its decision, based on the recommendations of the Authority's Finance Committee contained in document ISBA/16/A/5-ISBA/16/C/8, the Council also decided that the Authority's Assembly should authorize the Secretary-General to establish a scale of assessments for contributions by members to the 2011 and 2012 budgets based on the scale used by the United Nations for 2010. The maximum rate will be 22 per cent and the minimum 0.01, with the rate of 16.587 per cent applied to the assessment of Japan's contribution.

The Secretary-General will also be authorized, for 2011 and 2012, to transfer between appropriation sections up to 20 per cent of the amount in each section.

By the Council's decision, the Assembly would urge members of the Authority to pay their assessed contributions to the budget on time and in full.

The Assembly would also decide to increase the level of the Authority's Working Capital Fund to \$560,000 as recommended by the Finance Committee.

**- more -**

---

### Finance Committee Report

The Finance Committee's report sets out the proposed budgetary requirements for the International Seabed Authority for the financial period 2011-2012. Contributions to the budget will be made on annual basis for each of the two years.

According to the report, the Secretary-General estimates that the Authority's budgetary requirements for 2011 and 2012 will be \$6,457,900 and \$6,556,800, respectively, totalling \$13,014,700. The estimate for 2011 comprises \$5,437,400 for the Authority's administrative expenses and \$1,020,500 for conference-servicing requirements. The estimate for 2012 comprises \$5,487,300 for administrative expenses and \$1,069,500 for conference-servicing.

The proposed budget for 2011 represents an increase of 1.5 per cent in nominal terms over that for 2010, while the 2012 budget also represents the same percentage in nominal terms over the 2011 budget. The Finance Committee notes, however, that the United Nations inflation factor for 2011 is 2.4 per cent, while the inflation projection of the Government of Jamaica for 2011-2012 is between 10 and 15 per cent. More than 10 per cent of the budget is subject to local inflation. "Taking these factors into account, in real terms, the proposed budget for 2011-2012 shows a decrease in the region of 0.9 per cent compared with the previous biennium", the Committee adds.

It attributes the increase in the 2011-2012 biennium budget to three objects of expenditure: established posts; common staff costs and building management. With respect to the latter, it states that the Government of Jamaica, which owns the Authority's headquarters building, has, for the first time, increased the maintenance costs by 63 per cent from 1 January 2010. At the same time the United Nations had informed the Authority that it would seek an increase of 30.5 per cent in the rent of the Authority's New York Office in the U.N. complex. It was therefore proposed to increase this budget line by \$102,100 (15.8 per cent) for the biennium to reflect those changes.

The Finance Committee outlined the costs of the Authority's work programme during the 2011-2012 financial period. These cover budgetary requirements for the following: consultants, promotion and encouragement of the conduct of marine scientific research; ad hoc expert group meetings, Central Data Repository and Geological Model. The Authority has held 11 workshops to date, and additional workshops, seminars and expert group meetings will be convened in 2011 and 2012. The Authority will hold a three-day group of experts' meeting in 2012 to initiate discussions on an exploitation code for polymetallic nodule mining in the Area.

The scale of assessment for contributions to the Authority's budget for 2011 and 2012 was based on that for the regular budget of the United Nations for 2010. According to the report, the Assembly and the Council adopted the Finance Committee's recommendations that the maximum assessment rate for the budget should be 22 per cent and the minimum 0.01 per cent. The Committee recommends that the scale for 2011 and 2012 should remain at those figures as the scale was based on that of the United Nations for 2010.

It explains that due to the fall in Japan's Gross National Product its assessed rate would be 16.587 per cent based on its prorated contribution to the United Nations 2010 regular budget.

- more -

The Secretary-General will apply any accrued savings from the 2009-2010 biennium budget to reduce assessed contributions for the 2011-2012 biennium budget in accordance with the Authority's Financial Regulations, the report states.

On the Status of the Working Capital Fund of the Authority, the Finance Committee notes that as at 28 February 2010, an excess of \$144.51 had been received and credited to miscellaneous income in accordance with the Authority's financial regulations. The amount approved by the Assembly for the level of the Working Capital Fund was \$438,000. The Finance Committee suggested the approval of a new amount of \$560,000.

### **Proposed amendments to Authority's Staff Regulations**

At the outset of the Council meeting, the Legal Counsel of the Secretariat gave a brief background to the proposed amendments set out in the Note by the Secretary-General document ISBA/16/C/4. He explained that the amendments to the Regulations had become necessary following changes to the United Nations Staff Regulations, on which those of the Authority were based, and in particular by the abolition of the United Nations Administrative Tribunal which took effect from 31 December 2009, and the reform of the system of administration of justice within the Organization.

The Staff Regulations of the Authority were approved by the Assembly on 10 July 2001 (ISBA/7/A/5), having been applied provisionally since 2000 following their adoption by the Council at the sixth session. Prior to 2000, the Authority had applied, *mutatis mutandis*, the Staff Regulations of the United Nations in accordance with the Assembly's decision of 29 August 1996 (ISBA/A/15).

The amendments under discussion were proposed in order to: (a) recognize the competence of the new United Nations Appeals Tribunal to hear and pass judgement on applications filed by staff members of the Authority; and (b) at the same time, reflect a number of changes that have been made to the Staff regulations of the United Nations since those of the Authority were adopted.

Previously, in implementing the Staff Regulations, the Authority, like the International Tribunal for the Law of the Sea and a number of the specialized agencies of the United Nations, had accepted the jurisdiction of the United Nations Administrative Tribunal for the resolution of disputes between staff members and the Authority.

On 24 December 2008, the General Assembly adopted resolution 63/253 which made changes in the administration of justice at the United Nations. One of the major changes is the abolition, with effect from 31 December 2009, of the joint appeals boards and the United Nations Administrative Tribunal and the establishment of two newly-constituted tribunals - the United Nations Dispute Tribunal and the United Nations Appeals Tribunal. This had implications for the Staff Regulations of the Authority, the Legal Counsel said.

Since the new system of justice did not automatically apply to the so-called Article 14 entities, including the Authority, the United Nations had presented those entities with two options: (1) to retain one level of judicial review by the United Nations Appeals Tribunal, acting essentially similarly to the former Administrative Tribunal; or (2) to accept the jurisdiction of both the United Nations Dispute Tribunal and the United Nations Appeals Tribunal and to participate fully in the new system.

- more -

The single-tier option was deemed preferable on the grounds that it was easy to implement, relatively cost-efficient and similar to the current system used by the Authority. In addition, the administrative structures and organizational changes which would likely be necessary in order to accommodate a transposition of the new United Nations model to the Authority seemed somewhat onerous given that only two appeals have been lodged with the Authority's Joint Appeals Board, and only one case had reached the Administrative Tribunal.

Furthermore, anticipated costs for the Authority to participate in a two-tier system of formal justice would be high, since it would be required to contribute to the costs of the first-tier Disputes Tribunal on an ongoing basis. On the other hand, for access to the Appeals Tribunal, the Authority would be charged a flat fee per case of \$9,600, which could be absorbed within the current budgetary resources.

The Secretariat of the Authority therefore confirmed its intention to the United Nations to retain, subject to confirmation by the Council and the Assembly, a single-tier judicial review under the new United Nations system. An administrative agreement between the Authority and the United Nations was concluded in February 2010. The text of the agreement is set out in annex I of ISBA/16/C/4 and proposed changes to article XI of the Staff Regulations of the Authority are set out in annex II.

The Legal Counsel noted that once the amendments to the Staff Regulations were approved, it would also be necessary to make consequential amendments to the Staff Rules of the Authority. These would be made following the conclusion of the sixteenth session.

Other amendments to the Staff Regulations included the abolition of the 100, 200 and 300 series of the Staff Rules (a system which the Authority never applied, but was reflected in its Staff Regulations and Rules for the sake of consistency with the United Nations); formal recognition of a right to paternity leave; and formal recognition that sexual exploitation and sexual abuse constitute serious misconduct and thus justify summary dismissal.

The representative of Cameroon expressed the view that the proposals outlined in the Secretary-General's note had been thoughtfully prepared and the decision proposed was "entirely appropriate." He urged the Council to adopt the revisions to the Staff Regulations "without further ado" and to recommend their approval by the Assembly. This position was endorsed by Nigeria and the decision (ISBA/16/C/L.2) was adopted by the Council by consensus.

The Annex to the Council's draft decision reads as follows:

**"Amendments to the Staff Regulations of the International seabed Authority**

In Staff Regulation 1.1 (e) there shall be substituted the following:

*The Staff Regulations apply to all staff at all levels holding appointments under the Staff Rules.*

In Staff Regulations 6.2 there shall be substituted the following paragraph:

*The Secretary-General shall establish a scheme of social security for the staff, including provisions for health protection, sick leave, maternity and paternity leave, and reasonable compensation in the event of illness, accident or death attributable to the performance of official duties on behalf of the Authority. The Secretary-General may make group life insurance available to staff members on a voluntary basis.*

In Staff Regulation 10.2 there shall be substituted the following paragraph:

*The Secretary-General may impose disciplinary measures on staff members whose conduct is unsatisfactory. The Secretary-General may summarily dismiss a member of the staff for serious misconduct. Sexual exploitation and sexual abuse constitute serious misconduct.*

In Staff Regulation 11.1 there shall be substituted the following paragraphs:

*There shall be a two-tier formal system of administration of justice.*

In Staff Regulation 11.2 there shall be substituted the following paragraph:

*The Secretary-General shall establish a neutral first instance process with staff participation to take a decision upon any appeal by staff members against an administrative decision alleging the non-observance of their terms of appointment, including all pertinent regulations and rules.*

In Article XI of the Staff Regulations, there shall be inserted the following Regulations 11.3:

*The United Nations Appeals Tribunal shall, under conditions prescribed in its statute, hear and pass judgement upon applications from staff members alleging non-observance of their terms of appointment, including all pertinent regulations and rules.”*

### **Scale of assessment**

Debate on the Scale of Assessment for 2011-2012 followed the presentation of the Finance Committee's report which had listed (Annex III) the assessed contributions of members for 2011. Uganda, Mexico, Cameroon, Cuba, Nicaragua, Tanzania, South Africa, and Spain sought clarification on whether or not there was a change in the methodology used to determine the new scale of assessment, and if the principle of nations' capacity to pay was followed.

Mexico said the Spanish version of the Financial Committee's report did not clearly outline the way the scale was determined, and that if there were changes, the delegation would need to seek advice from its capital.

Cameroon made observations on the basis of a decision by the Group of 77 and China last month at the United Nations in New York in favour of adopting the same methodology used by the United Nations for the 2007-2009 scale to prepare the scale of assessments for 2011-2012 contributions to the Authority's budget. Of great concern to the Group of 77 was that the capacity to pay should be strictly adhered to and serve as the basis for arriving at a practical and scientifically based scale of assessments. The representative of Cameroon pointed to Japan's prorated contribution of 16.587 to the budget of the Authority based on its assessed United Nation's contribution, and questioned whether Japan was assessed above its payment capacity.

Japan expressed appreciation for Cameroon's presentation saying it helped towards better understanding of how the scale was assessed.

India, Nigeria, Australia, Germany, New Zealand, Czech Republic, Canada, Namibia, the United Kingdom, Russian Federation, Bangladesh, Indonesia, Chile, Spain, Senegal, Viet Nam, and Fiji all said they accepted the results of the assessments as reported by the Finance Committee.

India said that unless the rules were changed, the current methodology in arriving at individual scale of assessments applied. Indonesia, taking note of the assessed contributions in Annex III of the report, said 76 countries would pay \$641, an increase of \$69 on the previous year. Fifteen countries would contribute more than \$100,000 each, all told representing 80% of the budget. Indonesia cautioned the Council that if a decision was not taken the Authority might not have a budget with which to operate in the ensuing years.

The explanation by Indonesia (Chairman of the Finance Committee) generated further approval of the Finance Committee's methodology in the scale of assessment for members of the Authority, and a consensus took shape.

The Council president adjourned the meeting to allow those delegations that needed to consult with their capitals to do so. Upon resumption, Mexico and Spain said they would join the consensus. Mexico, however, requested that the Council's record should reflect reservations by some nations.

The Council will take up agenda item 7 when it resumes for the afternoon session. That item is a "Proposal to seek an advisory opinion from the Seabed Disputes Chamber of the International Tribunal for the Law of the Sea pursuant to article 191 of the United Nations Convention on the Law of the Sea on matters relating to the responsibility and liability of sponsoring States.

\* \* \* \* \*