



Finance Committee

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Agenda item 11

Costs of participation in meetings of the International Seabed Authority by observers

Possible financial contributions from observers of the International Seabed Authority to cover the costs of their participation in meetings

Note by the secretariat

1. At the twenty-fifth session of the International Seabed Authority, the Finance Committee considered the question of possible financial contributions by observers, in particular States that were not yet members of the Authority, to cover the costs of their participation in meetings of the Authority (ISBA/25/A/10-ISBA/25/C/31, sect. IX.A). While the Committee recognized that the services provided to observers had costs, it expressed concern about the potential implications that a fee imposed on observers could have, including for their attendance. In that context, the Committee requested the secretariat to prepare information on the practices followed by other organizations on that matter for its consideration at its twenty-sixth session.
2. Accordingly, in the present note, the secretariat seeks to provide an overview of the practices followed by different organizations. In determining which practices may be relevant, the secretariat was guided by the intergovernmental character of the Authority and its substantive mandate. The note therefore provides information on the practice of intergovernmental organizations and treaty bodies, including within the United Nations system, in particular but not limited to, those having a mandate in ocean affairs, including natural resources management. In the preparation of the note, both global and regional organizations were considered. The relevant rules of procedure, financial regulations and decisions of governing bodies of the various organizations were reviewed and, where necessary, their secretariats consulted.
3. An overview of the practices followed by the intergovernmental organizations considered is provided in the first part of the present note. The key findings of the assessment of the options available to the Authority are presented in the second part. In the final part of the note, the recommendations for consideration by the Committee are set out.



I. Overview of the practices of various intergovernmental organizations

4. The practices of the various organizations¹ considered for the present note as they relate to contributions requested from observers to cover the costs of their participation in meetings are not uniform. The organizations range from those which do not require such contributions² to those requiring contributions from certain categories of observers only.

5. An overview of the key features of the practices followed is provided below, and additional details, including on the amounts charged, are contained in annex I.

A. Organizations requiring contributions from observer States

1. Global organizations and treaty bodies

6. At the United Nations, States which are not Members but which become parties to the Statute of the International Court of Justice or treaty bodies financed from United Nations appropriations, such as the Meeting of States Parties to the United Nations Convention on the Law of the Sea, contribute to the expenses of such bodies at rates determined by the General Assembly. Similarly, observer States which participate in organs or conferences financed from United Nations appropriations, such as the intergovernmental conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction, are also required to contribute to the expenses of such organs or conferences at rates determined by the Assembly, unless the Assembly decides with respect to any such State to exempt it from the requirement of so contributing.³ There are currently two such States, namely the Holy See and the State of Palestine. In its resolution 58/1 B, the General Assembly decided that the flat annual fee percentage of the Holy See should be fixed at 50 per cent of the notional rate of assessment and, by its decision 68/548, further decided that the State of Palestine shall be called upon to contribute towards the expenses of the Organization on the basis of the same procedure.⁴

7. Among the related organizations of the United Nations,⁵ observer States in the World Trade Organization (WTO) also have an obligation to make a financial contribution for the services provided to them, which include not only include participation in meetings of WTO bodies but also access to the main WTO document series and technical assistance from the WTO secretariat in relation to the operation of the WTO system in general, as well as to negotiations on accession to the Agreement establishing the World Trade Organization. In that example, the contribution is fixed at a value of 0.015 per cent of the total WTO budget, which is

¹ A list of organizations reviewed in the preparation of the present note is contained in annex II.

² These include a number of relevant United Nations specialized agencies, funds and programmes such as the United Nations Environment Programme (UNEP), the Food and Agriculture Organization of the United Nations (FAO), the International Maritime Organization (IMO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), including its Intergovernmental Oceanographic Commission. The regional seas organizations reviewed also do not charge any observer fee.

³ Financial Regulations and Rules of the United Nations, regulation 3.9.

⁴ The assessment base equals the total net assessment for the United Nations regular budget for the year, adjusted for tax refunds. Information on the calculation and rates for 2020 and previous years can be found at www.un.org/en/ga/contributions/nonmember.shtml.

⁵ The Authority is considered a United Nations related organization. See www.un.org/en/pdfs/un_system_chart.pdf.

the same as the minimum annual contribution made by the lowest-contributing WTO Members.⁶

8. Outside of the United Nations system, the International Whaling Commission charges a fee per individual per observer and per meeting for the attendance of non-member Governments at its meetings, determined annually by the Commission (see annex I).⁷

2. Regional organizations and treaty bodies

9. Comparable requirements exist at the regional level. The financial regulations and rules of procedure of some regional fisheries management organizations provide that non-contracting Parties pay fees for their participation in meetings. For example, under the Convention for the Strengthening of the Inter-American Tropical Tuna Commission (Antigua Convention)⁸ and the International Commission for the Conservation of Atlantic Tunas,⁹ non-party observer States are charged a fixed fee per meeting and per entity (for a certain number of representatives with an additional charge for additional representatives, and up to a certain number of representatives in the case of the Commission). The fee is to cover additional costs attributable to their attendance. The amount of the fee is determined annually by the head of the secretariat or by the organization's relevant bodies in the context of the budget year (see annex I).

B. Organizations requiring contributions from non-governmental organizations and intergovernmental organizations

10. Within the United Nations common system, intergovernmental organizations and non-governmental organizations (NGOs) are not normally required to make financial contributions. The practices of those organizations and treaty bodies, within and outside of the United Nations system, that impose fees are as set out in this section, usually consisting of a fixed fee per organization and/or delegate per meeting.

1. Global organizations and treaty bodies

11. Under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, which is administered by the United Nations Environment Programme (UNEP), a fixed amount per meeting and per entity (for a certain number of representatives with an additional charge for additional representatives) is required for all observer organizations. This includes NGOs and intergovernmental organizations, other than the United Nations and its specialized agencies. The objective is to cover the costs of their participation in meetings of the Conference of the Parties and meetings of the subsidiary bodies. In addition, international visitors attending meetings of the Conference of the Parties are also charged a fee.¹⁰ The amounts payable are determined in each budget year (see annex I).

12. While the rules of procedure of the Conference of the Parties to the Convention on the Conservation of Migratory Species of Wild Animals, also administered by

⁶ Rules of procedure for sessions of the Ministerial Conference and meetings of the General Council, rule 10 and annex 2; financial regulations of the World Trade Organization, regulation 9.

⁷ International Whaling Commission, rules of procedure and financial regulations (as amended by the Commission at the 67th meeting, September 2018).

⁸ Antigua Convention, annex 2, on the principles and criteria for the participation of observers at the meetings of the Commission, para. 10.

⁹ Guidelines and criteria for granting observer status at meetings of the International Commission for the Conservation of Atlantic Tunas, paras. 5 and 6.

¹⁰ See Convention on International Trade in Endangered Species of Wild Fauna and Flora, resolution Conf. 18.1.

UNEP, include a provision allowing for the charging of fees to NGO observers,¹¹ such a fee has never been implemented.¹²

13. The International Telecommunication Union (ITU), which is a United Nations specialized agency with a mixed membership of States and private bodies, requires non-member companies and organizations participating in conferences and Assembly meetings to pay a participation fee which is calculated by dividing the budget of the Conference or Assembly by the number of classes of contributions of all member States of the Union. The classes of contributions range from 1/16 and 1/8 for the least developed countries to 40 units for other ITU member States. The value of one contributory unit is currently SwF 318, 000 (approximately \$350,000).¹³

14. Outside of the United Nations system, the International Whaling Commission charges a fixed fee per meeting and per entity (for a certain number of representatives with an additional charge for additional representatives) for the attendance of observers at its meetings, determined annually by the Commission. The fee applies to intergovernmental organizations, except those with which the International Whaling Commission has reciprocal arrangements whereby each organization can attend the meetings of the other free of charge, including regional integration organizations and NGOs. The rates charged to intergovernmental organizations and regional integration organizations on the one hand and to NGOs on the other differ (see annex I).¹⁴

15. A slightly different approach is taken by the International Union for Conservation of Nature and Natural Resources, which does not have observers but rather has four different categories of membership.¹⁵ For each category there is a corresponding dues scale, determined by the World Conservation Congress of the Union.¹⁶ For States, government agencies and political and/or economic integration organizations members of Union, the dues are calculated on the basis of the scale of assessments for the apportionment of the expenses of the United Nations.¹⁷ For intergovernmental organizations and NGOs members of the Union, the calculation of the dues is based on the latest annual audited financial statements together with a reconciliation to the declaration of operating expenditure.¹⁸

¹¹ Rules of procedure for meetings of the Conference of the Parties to the Convention on the Conservation of Migratory Species of Wild Animals (as adopted at the thirteenth meeting of the Conference of the Parties), rule 2. International visitors are visitors who are not observers and neither nationals of the host of the meeting of the Conference of the Parties nor students. Unlike observers, international visitors are not granted the right to speak at meetings.

¹² Email exchange with the secretariat of the Convention on the Conservation of Migratory Species of Wild Animals.

¹³ International Telecommunication Union, financial regulations and financial rules, art. 7.

¹⁴ International Whaling Commission, rules of procedure and financial regulations (see footnote 7).

¹⁵ Category A: (a) States and government agencies; (b) political and/or economic integration organizations; category B: (c) national non-governmental organizations; (d) international non-governmental organizations; category C: (e) indigenous peoples' organizations; and category D: (f) affiliates.

¹⁶ See International Union for Conservation of Nature and Natural Resources statutes, art. 20 (f).

¹⁷ See International Union for Conservation of Nature and Natural Resources statutes, art. 22.

¹⁸ Operating expenditure is defined as the expenditure arising in the course of ordinary activities of the organization and which is considered to be recurrent and annual. Among the items identified as being part of such a category are: audit fees; bank interest and charges; building rental; cleaning; communication costs (Internet, phone, fax, etc.); consultants; depreciation; equipment; insurance; information technology costs; legal and professional fees; meetings and workshops; monitoring and evaluation; printing and publication costs; provisions and write-offs; repairs and maintenance; security; staff salaries and benefits; sundry administrative costs (office supplies, etc.); training; translation and interpretation; vehicles and fuel, water, electricity, gas, etc.

2. Regional organizations and treaty bodies

16. Under the Antigua Convention, the International Commission for the Conservation of Atlantic Tunas and the Northwest Atlantic Fisheries Organization¹⁹ require NGO observers to pay fixed fees, determined annually by the head of the secretariat or in the context of the budget year, to cover additional costs attributable to their attendance at meetings. The fee is applied per meeting per entity (for a certain number of representatives with an additional charge for additional representatives, and up to a certain number in the case of the Commission), sometimes taking into account the duration of the meeting (see annex I). In that regard, the Organization's secretariat indicated that the fees, which range from Can\$ 30 to Can\$ 75 (approximately \$23 to \$57) per entity per meeting, are usually nominal and may cover such items as registration, documentation, coffee breaks or receptions, while most other costs for convening the meeting are fixed and not influenced by observer attendance.

C. Conclusion from review of practice

17. In conclusion, the regulations and practices of the intergovernmental organizations reviewed reflect some diversity. Most intergovernmental organizations do not require that observers, whether States, intergovernmental organizations or NGOs, make financial contributions to cover the costs of their participation in meetings. Those organizations that require contributions have adopted different modalities for the calculation of such contributions.

18. The modalities for the calculation of such contributions differ and include: assessed flat annual contributions; contributions based on the percentage of the organization's total budget; contributions based on the percentage of the total meeting costs; and fixed fees per meeting per entity (up to a certain number of delegates with an additional charge for additional representatives). Assessed annual contributions are generally required from observer States, while fixed fees appear to be most commonly applied to intergovernmental organizations and NGOs. According to the information available to the Secretariat, such fixed fees are based on the actual meeting cost or pre-determined annually or at the beginning of the budget cycle, and sometimes take into account the duration of the meeting.

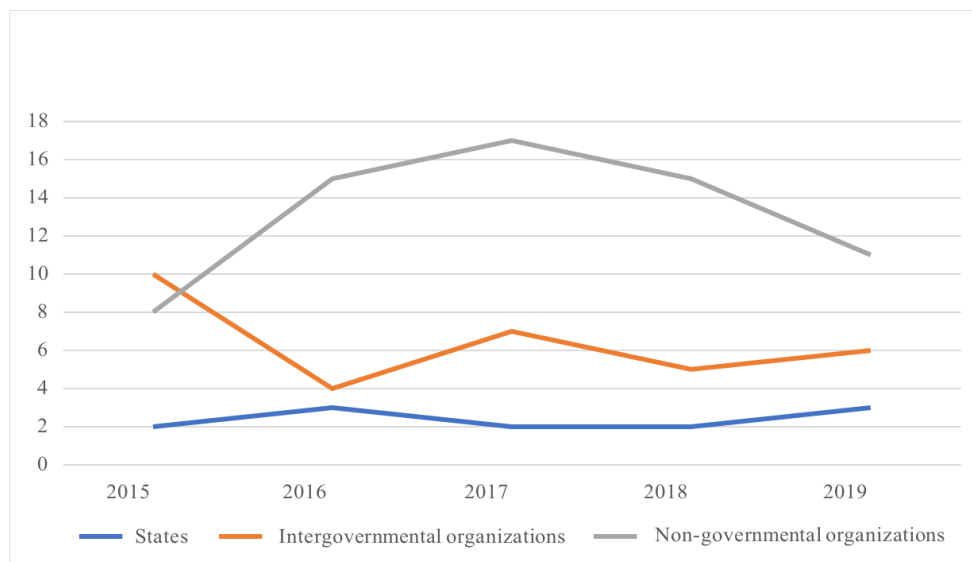
19. The existence of reciprocal representation agreements or service by an organization's representatives on expert panels convened by the organization making the charge are factors that may be taken into account to exempt certain organizations from contributions in a number of cases.

II. Options available to the Authority

20. As at September 2020, the Authority has 92 observers, including 30 observer States, 32 intergovernmental organization and 30 non-governmental organizations. Many of these observers do not actually attend the sessions of the Authority. Figure I shows the pattern of attendance in the number of participating entities by category of observer from 2015 to 2019.

¹⁹ Northwest Atlantic Fisheries Organization, rules of procedure for observers to meetings of the Organization (Commission and Scientific Council).

Figure I
Number of participating entities per categories of observers (2015–2019)



21. The Authority has reciprocal representation agreements with eight entities (seven intergovernmental organizations and one NGO)²⁰ through relationship agreements or memorandums of understanding. In accordance with the practices outlined above, it is usual for organizations in reciprocal status to exempt one another from the payment of fees.

22. In relation to observer States, in the light of the practice in other organizations, the following options may be considered. The first option would be to charge observer States 50 per cent of the Authority's notional rate of contribution, in line with United Nations General Assembly decision 68/548. Applying that formula to the 2020 budget and to the four observer States that have attended between 2015 and 2019, this could produce income to the Authority amounting to \$763,358. Table 1 shows separately the applicable amounts for each State. The second option would be to apply the WTO practice, and charge a fee to observer States corresponding to 0.010 per cent of the contribution to the budget of the Authority, representing the lowest contribution by member States. For 2020, this would equate to a contribution of \$665 for each attending observer State, yielding a total income of \$1,596.

Table 1
Scenario for contributions from non-member States based on the formula in General Assembly resolution 58/1 B

<i>Notional assessment based on 50 per cent of the Authority's 2020 budget and scale of assessment</i>	
Colombia	\$9,575
Holy See	\$33
United States of America	\$731,444
Venezuela	\$24,204

²⁰ United Nations; Asian-African Legal Consultative Organization; International Hydrographic Organization; IMO; Intergovernmental Oceanographic Commission of UNESCO; OSPAR Commission established by the Convention for the Protection of the Marine Environment of the North-East Atlantic and the North-East Atlantic Fisheries Commission; Pacific Community; International Cable Protection Committee.

23. The basis for any assessed contributions to be levied on non-member States would need to be a decision of the General Assembly, analogous to Assembly resolution 58/1 B, on the basis of a recommendation by the Finance Committee.

24. In the case of intergovernmental organizations and NGOs with which the Authority does not have reciprocal representation agreements, the Committee may consider a nominal fee that would be calculated taking into consideration the cost of the sessions incurred by security services, interpretation, documentation and other miscellaneous costs that include administrative support costs. Assuming a flat fee of \$1,000 for that purpose and taking into account the average level of attendance by intergovernmental organizations and NGOs from 2015 to 2019,²¹ it is estimated that this could produce income of around \$15,400. Again, the imposition of such a fee would require a decision of the Assembly, on the recommendation of the Finance Committee.

25. In all cases, the income from fees charged or assessed on observers would be treated as miscellaneous income under financial regulation 7.1 and used to reduce member State contributions for the year following that in which it is received. It should be noted that there would be administrative costs incurred in administering any such system and in collecting assessments, which might also result in arrears and accounts receivable.

26. There is insufficient data to draw any conclusion concerning the impact that mandatory financial contributions could have on future attendance. It should be noted, however, that very few of the 30 observer States to the Authority regularly attend meetings.

III. Recommendations to the Committee

27. The Finance Committee is invited to take note of the information contained in the present note and provide such further direction as may be necessary.

²¹ Attendance varies year by year, but the average attendance is 3 intergovernmental organizations (excluding those with which the Authority has reciprocal observer arrangements) and 12 NGOs.

Annex I

Summary of the modalities for calculation and amounts of the financial contributions required from observers by organizations and treaty bodies

<i>Organization/treaty body</i>	<i>Instrument</i>	<i>Category of observer from which financial contribution is required</i>	<i>Mode of determination of the amount of the financial contribution</i>	<i>Amount and modality (e.g., annual; per meeting) of the contribution</i>
Global bodies				
Convention on International Trade in Endangered Species of Wild Fauna and Flora	Conference of the Parties resolution 18.1 on financing and the costed programme of work for the Secretariat for the triennium 2020–2022	Intergovernmental organizations (except the United Nations and its specialized agencies) NGOs	Amounts payable are determined every budget triennium by the Conference of the Parties.	A flat fee per meeting of the Conference of the Parties as follows (2020–2022 triennium): <ul style="list-style-type: none"> • \$600 for the first delegate • \$300 for any additional delegate • \$100 for international visitors (per meeting of the Conference of the Parties) A flat fee per subsidiary body meeting of \$100 for each observer participant
Convention on the Conservation of Migratory Species of Wild Animals	Rules of procedure for meetings of the Conference of the Parties (As adopted at the thirteenth meeting of the Conference of the Parties)	NGOs	Amount determined by the standing committee	No charges have been implemented to date (June 2020).
International Telecommunication Union (ITU)	Constitution and financial regulations and financial rules of ITU	Observer organizations	The value of the contributory unit is fixed by the Plenipotentiary Conference and is currently SwF 318,000 for one unit (as at May 2020).	The amount payable by organizations is determined per meeting by dividing the budget of the Conference/ Assembly by the number of classes of contributory units of all Member States of the Union.

<i>Organization/treaty body</i>	<i>Instrument</i>	<i>Category of observer from which financial contribution is required</i>	<i>Mode of determination of the amount of the financial contribution</i>	<i>Amount and modality (e.g., annual; per meeting) of the contribution</i>
International Whaling Commission	Commission's rules of procedure and financial regulations (as amended by the Commission at the 67th meeting, September 2018)	Non-member Governments Intergovernmental organizations (except those with which the Commission has reciprocal arrangements for the exchange of observers) Regional integration organizations NGOs	Flat fee per meeting determined annually by the Commission	For 2020, the fees per meeting are as follows: <ul style="list-style-type: none"> • Non-member Governments, regional integration organizations and international governmental organizations: £835 per individual per observer. • Non-governmental organizations: £628 for the first representative per entity and £309 for each additional representative.
United Nations	Financial Regulations and Rules of the United Nations	Observer States	A flat fee is determined annually by the Assembly, based on a percentage of the applicable rate of assessment.	Holy See: \$14,027 (annual in 2020) State of Palestine: \$112,213 (annual in 2020)
World Trade Organization (WTO)	Rules of procedure for sessions of the Ministerial Conference and Meetings of the General Council Financial Regulations of WTO	Observer States	0.015 per cent of the total WTO budget, which is the same as the minimum annual contribution made by the smallest WTO members.	SwF 29,325 (annual figure as at 2020)

<i>Organization/treaty body</i>	<i>Instrument</i>	<i>Category of observer from which financial contribution is required</i>	<i>Mode of determination of the amount of the financial contribution</i>	<i>Amount and modality (e.g., annual; per meeting) of the contribution</i>
Regional bodies				
Convention for the Strengthening of the Inter-American Tropical Tuna Commission (Antigua Convention)	Principles and criteria for the participation of observers at the meetings of the Commission	Non-contracting parties NGOs	Determined by the Director	A fee of \$500 for 2 representatives from each non-contracting party to the Commission and NGO (per meeting) An additional \$350 is charged per head for additional participants (per meeting).
International Commission for the Conservation of Atlantic Tunas	Guidelines and criteria for granting observer status at Meetings of the Commission	Non-contracting parties NGOs	Determined in the triennium budget of the Commission	Fixed fee of \$500 for up to 2 representatives (per meeting) An additional \$350 for 1 additional representative (per meeting) The maximum number of delegates allowed per observer entity is 3 individuals (per meeting).
Northwest Atlantic Fisheries Organization	Rules of procedure for observers to meetings of the Organization (Commission and Scientific Council)	NGOs	Determined annually by the Executive Secretary depending on the meeting venue and duration	Nominal fixed fee per meeting ranging from Can\$ 50.00 to Can\$ 100.00 per attendee (per meeting).

Annex II

International organizations reviewed in the preparation of the present note

1. Antarctic Treaty Consultative Meeting
 2. Commission for the Conservation of Southern Bluefin Tuna
 3. Commission for the Protection of the Marine Environment of the North-East Atlantic
 4. Permanent Commission of the South Pacific
 5. Convention on International Trade in Endangered Species of Wild Fauna and Flora
 6. Convention on Biological Diversity
 7. Convention on the Conservation of Migratory Species of Wild Animals
 8. Food and Agriculture Organization of the United Nations
 9. Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization
 10. International Commission for the Conservation of Atlantic Tunas
 11. International Maritime Organization
 12. International Telecommunication Union
 13. International Whaling Commission
 14. Mediterranean Commission on Sustainable Development
 15. Northwest Atlantic Fisheries Organization
 16. Pacific Regional Environment Programme
 17. South Pacific Regional Fisheries Management Organization
 18. United Nations
 19. United Nations Conference on Trade and Development
 20. United Nations Development Programme
 21. United Nations Environment Programme
 22. World Trade Organization
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