

President of the Council  
International Seabed Authority

15 December 2020

Excellencies,

I wish to refer to my letters dated 30 November 2020 and 3 December 2020 concerning the budget of the International Seabed Authority which the Council has agreed to consider as a time-sensitive issue before the end of December 2020.

Further to my letter dated 3 December 2020 and following consultations with the Bureau of the Council, it was agreed that I would consult with the Secretary-General of the International Seabed Authority with a view to proposing a way forward on the consideration of the proposed budget.

It was also agreed in the Bureau that, in doing so, due regard had to be paid to the need to respect the integrity of the decision-making processes in line with the 1994 Agreement and the applicable Rules of Procedure, while taking due account of the comments made by some Members which raised objections to the "Draft decision of the Council of the International Seabed Authority relating to the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts" as contained in ISBA/26/A/10-ISBA/26/C/21, Annex I and to the "Draft decision of the Council of the International Seabed Authority relating to the budget of the Authority for the financial period 2021-2022" as contained in ISBA/26/C/L.4.

At the outset, I wish to express my gratitude for the spirit of cooperation and the trust that was placed in me throughout my consultations. I must also recall the time constraints which are imposed on us owing to the sequential consideration by the Assembly of this matter before the end of December 2020.

**Draft decision of the Council of the International Seabed Authority relating to the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts" as contained in ISBA/26/A/10-ISBA/26/C/21, Annex I**

As regards the objections raised to the Draft decision of the Council of the International Seabed Authority relating to the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts as contained in ISBA/26/A/10-ISBA/26/C/21, Annex I, in light of the exchange of views so far it appears to me that further consultations are required, including with the Bureau, and I propose to defer further consideration of this matter for a week in order to allow those consultations to take place.

**Draft decision of the Council of the International Seabed Authority relating to the budget of the Authority for the financial period 2021-2022 (ISBA/26/C/L.4)**

Following a very constructive exchange of views with delegations, I requested the Secretary-General, taking into account the exceptional circumstances in which we find ourselves, to identify

further reductions in the proposed budget, which he has now done. In proposing these further reductions, the Secretary-General has also made it clear to me that the budget, as further revised, reflects the minimum realistic budget to ensure the continued operations of the Authority. The budget reflects no additional expenditure (zero growth) in the General Administrative Budget. Additional reductions have been made in the programme budget which will also have implications for the capacity of the Authority to deliver on its mandate. Savings from the 2020 budget will be applied to further reduce member State contributions.

In light of the efforts made by the Secretary-General, I wish to submit to the Council a further revised budget proposal which is contained in ISBA/26/A/10-ISBA/26/C/21/Add.1/Rev.1. In line with those adjustments and with the hope that these will reach consensus among Members of the Council, I have made some minor revisions to the draft decision of the Council of the International Seabed Authority relating to the budget of the Authority for the financial period 2021-2022 (ISBA/26/C/L.4). These revisions are indicated in the enclosed document ISBA/26/C/CRP.2 which I am pleased to circulate herewith.

In light of this, I am pleased to propose to place under silence procedure for adoption the Draft decision of the Council of the International Seabed Authority relating to the budget of the Authority for the financial period 2021-2022 (ISBA/26/C/L.4, as amended in the enclosure in this letter (ISBA/26/CRP.2)).

The draft decision will be deemed adopted by the Council if no objections are received by 5 pm Jamaica time on 18 December 2020. Objections to the draft decisions should be done in a letter or a note verbale addressed to the President of the Council. Such correspondence should be sent in an email to [Council2021@isa.org.jm](mailto:Council2021@isa.org.jm) (cc: [ola@isa.org.jm](mailto:ola@isa.org.jm)).

I will convey the outcome of the silence procedure concerning the draft decision by a letter addressed to the Members of the Council.

Please accept, Excellencies, the assurances of my highest consideration.



Rear Admiral (Retd.) Md Khurshed Alam  
President of the Council of the International Seabed Authority

Enclosure: ISBA/26/C/CRP.2