

Annex II: Status of implementation by the Finance Committee of the relevant high-level actions and associated outputs for the reporting period 2021-2023

No. High-level action	Outputs for 2021-2023			
	Description	Responsibility of the FC	Status ¹	Comments
Strategic Direction 1: Position role of the Authority in global context				
Strategic direction 2: strengthen the regulatory framework for activities in the Area				
2.1.1 Promote the development of rules, regulations and procedures covering all phases of deep sea mining activities	(ii) Facilitate consultation on and a review of available options to be taken into consideration for deciding on the financial model	Coordinating organ (in partnership with LTC)	On going	During 27 th and 28 th sessions of the Council, in 2022 and 2023, the Open-ended Working Group in Respect of the Development and Negotiation of the Financial Terms of a Contract held its fourth, fifth, sixth and seventh meetings (ISBA/27/C/21 , ISBA/27/C/21/Add.1 , ISBA/27/C/21/Add.2 and ISBA/28/C/11). The FC held a joint meeting with LTC in July 2022 to discuss the potential budgetary implication of the development of regional environmental management plans.
Strategic direction 7: ensure equitable sharing of financial and other economic benefits				
7.1.1 Develop and implement, on a non-discriminatory basis, rules, regulations and procedures for the	Conduct a study on the equitable sharing of financial and other	Associated organ	Ongoing	At its remote meeting on 24 May 2022 and its formal in-person meeting from 13-15 July 2022, the FC continued discussions on the equitable

¹ The different status used to assess the progress of each high-level actions and/or associated outputs are regrouped in three categories, namely: (i) “completed”, (ii) “in progress”, and (iii) “on hold”. In order to reflect the different status of completion, particularly the fact that some outputs are recurring, two different sub-categories of progress status have been identified. One relates to the “ongoing” nature of some outputs, understood as requiring ongoing attention and adjustment. The other one relates to the fact that in some cases, because the output is to be reported against a specific reporting period or action, the status of completion is “achieved”.

equitable sharing of financial and other economic benefits derived from activities in the Area.	economic benefits from deep seabed mining			<p>sharing of financial and other economic benefits derived from activities in the Area. The FC considered the Secretary-General's report on the outcomes of discussions from the last meetings of the Council and Assembly on the report of the Committee (ISBA/27/FC/2).</p> <p>During the twenty-seventh session, the Council and the Assembly considered the report of the Finance Committee (ISBA/27/A/8- ISBA/27/C/36) and requested the FC to develop a detailed proposal for the establishment of a seabed sustainability fund as an alternative or adjunct to the direct distribution of monetary benefits derived from activities in the Area.</p> <p>In response to this request, A report provides a draft proposal for the establishment of a seabed sustainability fund, as well as key guiding questions to support the discussion of the FC at its meeting during the twenty-eighth session of the Authority (ISBA/28/FC/4).</p>
7.1.2 Develop equitable sharing criteria for benefits distributed through the Authority pursuant to article 82 (4) of the Convention	No output against this action	Associated organ	In progress	<p>Between 2019 and 2022, several reports were issued by the Secretary-General and the Committee in relation to the question of distribution of payments and contributions under article 82(4) of UNCLOS. During this period, the FC considered questions relating to article 140 of UNCLOS (equitable distribution of benefits from activities in the Area) and article 82(4) in parallel. The FC submitted a report to the 26th session, in July 2021, in which it set out its main conclusions and recommendations and provided a series of</p>

				<p>guiding questions for consideration by the Council and the Assembly (ISBA/26/A/24-ISBA/26/C/39).</p> <p>A specific report was prepared by the Secretariat on development of rules, regulations and procedures on the equitable sharing of payments or contributions pursuant to article 82, paragraph 4 of UNCLOS for the consideration by the FC at the 28th session (ISBA/28/FC/3).</p>
Strategic direction 8: improve the organizational performance of the Authority				
8.1.1 Identify opportunities to strengthen management culture, reduce risk and introduce best practices through the planning, development and implementation of organizational reforms	(vii) Report the exact cost for supervising and administering the contracts for exploration	Associated organ (in partnership with Assembly & Council)	Ongoing	<p>The FC was provided with a report on the status of overhead charges for the administration and supervision of contracts for exploration and their reflection of costs actually and reasonably incurred (ISBA/26/FC/3). The report was provided in response to a request by the Committee, at its 24th session, to develop a revised methodology for the calculation of overhead charges that would capture the actual cost of administering the contracts on an accrual basis of accounting. The Committee noted that the revised methodology was an improvement over the previous methodology and provided a sound basis for moving forward. The Committee decided to recommend an increase in the annual overhead charge to \$80,000, effective 1 January 2021.</p>
8.1.4 Provide, as far as practicable, capacity development for staff to ensure that skills and	(ii) Allocate the resources necessary to support capacity development for staff	Associated organ	Ongoing	<p>In the context of the budget, the FC provided (recommended) budgetary resources for the training of staff. (ISBA/26/A/5/Add.1/Rev.2-</p>

aptitudes meet the evolution and emerging needs of member States				ISBA/26/C/18/Add.1/Rev.2 , and ISBA/27/A/3/Add.1/Rev.1- ISBA/27/C/22/Add.1/Rev.1). The training has been carried out in line with the Secretary-General's Bulletin on learning and development policy (ISBA/ST/SGAB/2018/3).
8.1.5 Develop, implement, enhance, support and manage information systems and standard operating procedures in support of a knowledge- and information-based organization	(ii) Endorse a proposal for the development, maintenance and enhancement of the communications and information technology services (e.g., secured access and website)	Associated organ	Ongoing	In the context of the budget, the FC provided (recommended) budgetary resources for the programme on data management and information technology in the years 2021-2023 (ISBA/26/A/5/Add.1/Rev.2- ISBA/26/C/18/Add.1/Rev.2 , and ISBA/27/A/3/Add.1/Rev.1- ISBA/27/C/22/Add.1/Rev.1)
8.2.2 Implement and keep under review working methods and processes of the organs of the Authority	(iv) Review the financial rules and regulations, as needed	Associated organ	On going	In the context of the budget, the FC provided (recommended) budgetary resources for the IPSAS/enterprise resource planning. (ISBA/26/A/5/Add.1/Rev.2- ISBA/26/C/18/Add.1/Rev.2 , and ISBA/27/A/3/Add.1/Rev.1- ISBA/27/C/22/Add.1/Rev.1)
8.3.1 Adopt, implement and keep under review measures for the effective, efficient and transparent utilization and management of the Authority's resources	(ii) Ensure the timely submission of financial reports	Associated organ	On going	Financial statements are made publicly available on ISA website.
	(iii) Report on the status of the various voluntary trust funds	Associated organ	On going	See ISBA/26/A/10-ISBA/26/C/21 ; ISBA/26/A/10/Add.1-ISBA/26/C/21/Add.1 ; ISBA/27/A/8-ISBA/27/C/36 ;

	(v) Issue a report, with recommendations, of the Finance Committee	Organ responsible	Ongoing	See ISBA/26/A/10-ISBA/26/C/21 ; ISBA/26/A/10/Add.1-ISBA/26/C/21/Add.1 ; ISBA/27/A/8-ISBA/27/C/36 ; An additional report will be issued in July 2023.
8.4.2 Undertake regular assessment of long-term options for financing the Authority's operations	Report on potential long-term options for financing the Authority's operations	Associated organ (in partnership with Assembly / Council / FC)	Achieved	<ul style="list-style-type: none"> <p>In 2021, the Secretary-General submitted a report to the FC on the future financing of the Organization by 2030 (ISBA/26/FC/7). The Finance Committee considered the report during the 26th session and requested an update of the report for its consideration in 2023. (ISBA/26/C/21-ISBA/26/A/10).</p> <p>The updated report on Financing of the ISA and forecast budgetary requirements 2025-2030 was issued in December 2022 (ISBA/28/FC/2).</p> <p>In 2022, the FC also discussed the report of the Secretary-General for the review of the terms of reference of the Endowment Fund for Marine Research (ISBA/27/FC/3) and made recommendations to the Assembly to replace it with the ISA Partnership Fund (ISBA/27/A/8-ISBA/27/C/36). This recommendation was endorsed by the Assembly and the ISAPF became operational on 1st January 2023 (ISBA/27/A/10).</p>