



Finance Committee

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Kingston, 10-12 July 2024

Item 9 of the provisional agenda*

Proposed budget of the International Seabed Authority for the financial period 2025–2026

Budgetary implications of a second periodic review of the international regime of the Area pursuant to article 154 of the United Nations Convention on the Law of the Sea

Report of the Secretary-General

1. In its decision ISBA/28/A/16 of 28 July 2023, the Assembly of the International Seabed Authority decided to include as an item on the agenda of the Assembly for the twenty-ninth session of the Authority in 2024, the periodic review of the international regime of the Area pursuant to article 154 of the Convention, with a view to adopting a decision. The Assembly also requested the Finance Committee to consider and provide recommendations on the budgetary implications of a periodic review.
2. The present document provides estimates of the costs of a periodic review based on an analysis of the costs of the first periodic review conducted in 2016-2017 and the draft terms of reference for the second periodic review proposed by the delegation of Germany in an explanatory memorandum submitted to the Assembly in 2023 (ISBA/28/A/INF.8, Encl. I and II). The present document is presented as a supplement to the proposed budget of the Authority for the financial period 2025-2026 and indicates the additional cost of a periodic review over and above the budget proposed by the Secretary-General.
3. Article 154 of the Convention provides as follows: “Every five years from the entry into force of this Convention, the Assembly shall undertake a general and systematic review of the manner in which the international regime of the Area established in this Convention has operated in practice. In the light of this review the Assembly may take, or recommend that other organs take, measures in accordance with the provisions and procedures of this Part and the Annexes relating thereto which will lead to the improvement of the operation of the regime.”
4. The terms of reference and methodology for the first periodic review were set out in a document adopted by the Assembly (ISBA/21/A/9/Rev.1). In summary, a review committee was established, comprising the President and Bureau of the Assembly, the

* ISBA/29/FC/L.1

President of the Council and (as observers) the coordinators of the regional groups. The review committee appointed consultants who carried out a review under the supervision of the review committee before presenting an interim report, which was then opened for comments by the Secretariat and subsidiary organs of the Authority. The consultants then revised the report in the light of the comments received and the debate in the Assembly on the interim report. Bearing in mind the outcomes and findings from the process, the review committee, with the assistance of the consultants, then prepared a final report with recommendations for the Assembly to consider with a view of approving and implementing the report and recommendations at its following session.

5. Based on the proposal made by Germany, it is envisaged that the second periodic review would broadly follow the same format. Accordingly, the estimated costs have been assessed on that basis.

6. The main cost elements of the periodic review are as follows:

- a. Consultancy: selection by open international tender of a qualified consultancy group to support the work of the review committee.
- b. Travel: support for travel and DSA for the consultants, the chair of the review committee and (potentially) the members of the review committee from developing countries.
- c. Translation of documents: translation of the summary findings of the review committee, relevant decisions of the Assembly, comments by the relevant organs of the Authority and the final report and recommendations of the review committee.
- d. Indirect support costs: Secretariat administrative costs for supporting the periodic review process.

7. Table 1 provides an assessment of the estimated costs of the proposed periodic review, based on available information concerning the actual costs of the first periodic review in 2016-2017. It should be noted that these allowances are subject to change depending on, for example, the scope and nature of the consultancy requirement to be determined by the review committee and the number and length of documents to be produced as official documents for translation. In producing the table, the secretariat has taken into account the comments and suggestions made by members of the Finance Committee during the informal webinar held on 7 March 2024. In that meeting, one member suggested that international consultancy costs should not be underestimated. Others highlighted the importance of face-to-face meetings for the review, whilst noting that a review might not be considered a priority at this time.

8. Subject to the decision of the Assembly concerning the periodic review, it is recommended that the costs of the periodic review would form a separate and additional appropriation for the budget of the Authority for the financial period 2025-2026, to be financed by an additional assessed contribution by members of the Authority for the financial period 2025-2026 only. In this way, the additional extraordinary costs of the periodic review would not contribute towards an ongoing increase in the overall budgetary requirements of the Authority and would not establish a new baseline for assessed contributions by member States. At the same time, it must be recognized that it would not be possible to accommodate the costs of the Article 154 from the proposed budget for 2025-2026.

Table 1

Estimated cost of periodic review pursuant to article 154

		<i>Proposed 2025</i>	<i>Proposed 2026</i>	<i>Total 2025-2026</i>
Section 6	Periodic review			
Consultancy	Actual consultancy cost for first periodic review was \$200,000 over two years. Now estimated at \$300,000 adjusted for inflation.	150,000	150,000	300,000
Travel (DSA and air tickets)	Allowance for chair of review committee and members from developing countries	25,000	26,000	51,000
Documentation	Estimate based on translation of 17,260 words (8 documents) specifically dedicated to first periodic review but using 2024 translation costs	30,000	32,000	62,000
Indirect support costs (13%)		26,650	27,040	53,690
Total, section 6		231,650	235,040	466,690