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**Proposed budget for the International Seabed Authority for
the financial period 2017-2018****Report of the Secretary-General****I. Background**

1. The strategic framework and budget for the financial period 2017-2018 has been prepared according to the revised budget format recommended by the Finance Committee in 2015 (see [ISBA/21/A/6-ISBA/21/C/15](#)) and pursuant to Assembly decision [ISBA/21/A/10](#). The new budget format continues with an administrative section but now includes a programme section covering the six programme areas identified by the Finance Committee. The new budget format will be kept under review and is expected to evolve over time.

2. In recommending the new format, the Finance Committee noted that the advantages would enhance accountability, transparency and strategic decision-making and enable detailed reporting on the results achieved in each programme area ([ISBA/21/A/6-ISBA/21/C/15](#), para. 28).

II. Introduction

3. The present report sets out the proposed budgetary requirements for the International Seabed Authority for the financial period 2017-2018. The Secretary-General, taking into account the increased workload under the Authority's priority items for the completion of the exploitation code for polymetallic nodules and the increased conference-servicing costs, estimates the budgetary requirements of the Authority for 2017 and 2018 at \$9,068,300 and \$8,898,600, respectively. The estimated amounts for 2017 comprise \$6,286,100 for administrative expenses, \$2,100,000 for conference-servicing requirements and \$682,200 for programme requirements. The estimated requirements for 2018 comprise \$6,070,300 for administrative expenses, \$2,120,000 for conference-servicing requirements and \$708,300 for programme requirements. A summary of the proposed administrative and programme budget for the financial period 2017-2018, totalling \$17,966,900, is contained in annex I.



4. The proposed budget for 2017-2018 represents an increase of 14.1 per cent in nominal terms over the approved budget for 2015-2016. The 2018 budget represents a 1.9 per cent decrease from the proposed 2017 budget in nominal terms. It should be noted that inflation for 2017-2018 is projected by the Government of Jamaica to be between 3 and 7 per cent, with more than 10 per cent of the budget subject to local inflation.

5. The increase in the budget for the biennium 2017-2018 is attributed mainly to the increase in conference services costs by \$1.288 million and, in particular, the work in relation to programme 2.4, Data management (resource and environment), on the development of a data management strategy. The workload of the Authority focuses on six programmes with priority deliverables identified by the Council in 2015 and includes the development of a mineral exploitation code, the supervision of ongoing exploration contracts, the work arising from the applications for approval of plans of work for exploration, and future work on regulations for the exploitation of polymetallic nodules.

6. As in previous budgets, it is proposed that, as some of the programmes and their activities may overlap, the Secretary-General be authorized to transfer between appropriate subsections of the administrative budget, between individual programmes and between the administrative and programme budget sections up to 20 per cent of the amount of each subsection, section or individual programme.

III. Summary of administrative budget proposals for the financial period 2017-2018

Section 1. Administrative and conference services expenditures

Subsection 1. Administrative expenditures of the secretariat

Established posts

7. The Authority presently has 37 posts. In 2014, the Authority undertook a job classification exercise for the Professional posts, which concluded that three posts, namely those of the Executive Officer, the Human Resources Officer and the Senior Security Officer, should be audited. In 2015, a United Nations classification consultant conducted an audit of those three posts and concluded that two of the posts were correctly graded and recommended that the Executive Officer post be upgraded from the P-5 level to the D-1 level.

8. Four additional posts, which would increase the total staffing of the Authority to 41, are proposed to support the secretariat in the following programme capacities:

(a) Data Analyst (P-3): this post is needed to manage programme 2.4, Data management (resource and environment), respond to data requests and supervise one General Service Data Entry Assistant;

(b) Scientific Affairs Officer (National Professional Officer): a Scientific Affairs Officer is needed to support programme 2.2, Protection of the marine environment, as the total workload in the Office of Resources and Environmental Monitoring has increased with the need to review 27 contractor annual reports. The Scientific Affairs Officer will perform analytical work, applying principles and techniques of a variety of disciplines to matters concerning the protection of the

marine environment, including habitat status and baseline studies. The Scientific Affairs Officer will evaluate project plans (e.g. 5-year working plans of contractors) and policies (Authority regulations) to forecast their impact on the environmental management plan of the Authority in the Area;

(c) Training Coordinator (National Professional Officer): a Training Coordinator is needed to support programme 2.3, Management of contracts. The post is needed to support the implementation of the training opportunities that contractors are required to provide under plans of work for exploration and training opportunities offered under the Authority's Endowment Fund for Marine Scientific Research in the Area. The volume of work is expected to continue to grow, with 27 contractors each submitting two training opportunities per year. The secretariat is required to discuss the details of training programmes with contractors, advertise opportunities and process and list suitable candidates for a possible total of 54 training programmes, for selection by the Legal and Technical Commission, each year;

(d) Data Entry Assistant (General Service): the Data Entry Assistant, under the supervision of the Data Analyst, will support programme 2.4, Data management (resource and environment). Responsibilities will include scanning, digitizing and documenting the historical data and new information gathered from contractors and other external sources.

Consultancies

9. Consultancies for the administrative budget will be needed for editing and translation services, information technology and equipment support services, to review the recommendations of the International Civil Service Commission, and to reclassify and review the job descriptions of General Service staff.

Common staff costs

10. The common staff costs budget line has consistently been overspent and underbudgeted for, owing primarily to the higher-than-expected education grant payments for the dependants of staff and higher-than-expected home leave costs due to the increased number of dependants and higher-than-expected cost of travel to the country of home leave. From 2013 to 2015, expenditure on common staff costs, including education grants and other benefits, ranged from \$1.45 million to \$1.55 million per year. Common staff costs are expected to remain elevated because of the number of staff and the number of benefits to which staff are eligible. In 2018, three Professional staff will retire, which will result in moving, separation and repatriation costs estimated to total \$230,000.

Training

11. In the report of the Secretary-General under article 166, paragraph 4, of the United Nations Convention on the Law of the Sea of 22 May 2013 (ISBA/19/A/2), it was stated that there was minimal provision for staff training and professional development within the regular budget of the Authority. Consequently, the training budget in 2015-2016 was increased by \$10,900 from that in 2013-2014, to a total of \$63,000. In 2015-2016, language, security, accounting skills and information technology training was provided to staff. No budget increase is proposed for 2017-2018.

Official travel (non-programme)

12. Travel charged to the administrative budget will include travel not specifically related to a programme. The administrative budget for travel in 2017-2018 is expected to amount to \$197,800. These administrative budget-related travel expenses include travel by senior staff to attend the sessions of the United Nations General Assembly, to participate in conferences on biodiversity of areas beyond national jurisdiction, to participate in conferences on managing impacts of deep-sea resource exploitation and to participate in meetings and conferences with the International Maritime Organization.

Communications

13. Communication costs have consistently increased over the years, especially costs related to Internet, e-mail maintenance and backup services. Nevertheless, the investments made by the Authority in 2013-2014 and 2015-2016 have resulted in efficiency gains and lead to no proposed budget increase in 2017-2018.

Library books

14. The annual subscription cost has increased over the past five-year period by an average of 8 per cent. The increased budget in 2015-2016 allowed the library to continue working towards providing high-quality access to journal resources and considerably strengthened the research capacity and capability of the library and the resource base available to staff. Continued collaboration with the International Tribunal for the Law of the Sea allows for an economical method to gain access to a number of resources. The Authority will pay half the cost for the resources accessed through the United Nations System Electronic Information Acquisition Consortium, which allows for access to select scientific resources, which would otherwise be prohibitively expensive to acquire within the present budget allocation. The increase of \$4,000 for the 2017-2018 financial period will allow the library to continue to meet the increased subscription and other operating costs.

Information technology

15. The increase of \$221,600 for the biennium 2017-2018, to a total of \$393,100, reflects costs for the following:

(a) Infrastructure: the current office servers, procured in 2011, are at their capacity limits and experience more frequent hardware failures. Procurement of replacement servers with increased processing speed and storage capacity is needed to manage the rapidly expanding media files and records archives. This non-programme-related information technology infrastructure is estimated to cost \$69,000;

(b) Infrastructure for programme 2.4, Data management (resource and environment): the hardware, software and information technology infrastructure needed for the data management strategy to be implemented during the biennium is estimated to cost \$209,400. This cost includes network storage, server, software, switches, firewall and other related equipment;

(c) Networking components: the current switches, which were procured in 2003, have exceeded their normal service life. The estimated cost is \$18,000;

(d) Multimedia: replacing the current 10-year-old equipment hub in the briefing room and equipment in the Secretary-General's conference room acquired in 2004 is estimated to cost \$29,000;

(e) New desktops, laptops and printers are estimated to cost \$21,600;

(f) Other information technology costs include security software, technical management software, unforeseen technical support and unforeseen replacement of hardware. These costs are estimated to total \$46,100.

Acquisition of furniture and equipment

16. The decrease of \$64,700, to \$198,000, addresses the following:

(a) The two office service vehicles, which were purchased in 2011, are now 5 years old and have been driven for more than 75,000 km. They both require frequent maintenance. The United Nations policy on the replacement of similar-use vehicles is to consider their replacement after five years. It is therefore planned to replace one vehicle in 2017 and the other in 2018. The estimated cost is \$88,000;

(b) Three of the Authority's photocopiers are more than 8 years old. The high-volume photocopier used primarily for preparing documents for meetings and annual sessions of the governing bodies was purchased in 2008 and requires constant maintenance and servicing. It is planned to replace two photocopiers in 2017 and the third in 2018. The estimated cost is \$47,000;

(c) The Authority plans to replace four office paper shredders, which were acquired before 2010 and are overdue for replacement, and to acquire two additional paper shredders. Total estimated cost is \$3,000;

(d) To support the programmes, there will be continued investment in 2017 and 2018 in the library and its management system. This continues the development work started in 2015 and 2016 on an integrated library and content management system and will generate considerable savings in accessing electronic journals and publications (ISBA/21/A/2, para. 37). In 2013-2014, the Authority had proposed to invest in an integrated library management system to better manage and safeguard the integrity of its specialist collections, as well as to provide increased functionality for internal and external users. However, it became apparent that the budgetary provision for that purpose was inadequate. A comprehensive review of the library management system was carried out in 2015 by a consultant, who recommended the implementation of an integrated library management system costing \$60,000.

Rental, repairs and maintenance of property and equipment

17. An increase of \$1,000, to a total of \$24,000, is proposed for 2017-2018 to cover the rental and maintenance of office equipment and the maintenance and operation of official vehicles. This budget line was overspent in 2013, 2014 and 2015.

United Nations common system

18. An increase of \$5,000 is proposed, for a total of \$171,000. This will include costs for services and membership in: (a) the International Civil Service Commission; (b) the Security Management System; (c) the Task Force on Accounting Standards;

(d) the Human Resources Network of the United Nations System Chief Executives Board for Coordination; (e) the Staff Pension Committee; and (f) the UN Cares programme.

Audit fees

19. Audit fees for 2017-2018 are anticipated to increase as the Authority implements the International Public Sector Accounting Standards (IPSAS) and expands the external audit coverage to include the Authority's Endowment Fund, Voluntary Trust Fund and Working Capital Fund. The proposed budget increase amounts to \$5,400.

Building management

20. The \$48,900 decrease in the proposed budget reflects the completed refurbishment of the first and second floors of the secretariat office budgeted for in 2015. To save energy and reduce electricity costs, the Authority plans to replace the current original fluorescent lighting with a compact light-emitting diode system with a motion sensor. The estimated cost is \$30,000, with an estimated cost payback period over two years due to energy savings. The Authority's contribution to the maintenance of the secretariat building is estimated to be \$5,000 per month.

Review pursuant to article 154 and related costs

21. These costs, to pay Seascope Consultants, are estimated at \$80,000. To carry out the review, an unbudgeted amount of \$120,000 was absorbed in the 2015-2016 financial period.

Implementation of the International Public Sector Accounting Standards

22. In July 2014, the Finance Committee recommended approval of the adoption of IPSAS in the biennium 2015-2016 (see [ISBA/20/A/5-ISBA/20/C/19](#)). In July 2015, the Committee commended the Secretary-General for his report on the status of the progress made towards the implementation by the Authority of IPSAS by 1 January 2016 ([ISBA/21/FC/9](#)). During the IPSAS-permitted transitional relief period for the recognition and measurement of assets and liabilities, the Authority anticipates costs of \$160,000 for software and training.

Subsection 2. Conference services

23. The \$1,288,300 in additional funds requested, for a total of \$4,220,000 in 2017-2018 compared with the 2015-2016 budget of \$2,931,700, reflects recent increases in the costs of conference services and, particularly, the increased number of documents. The cost of conference services increased from \$1,432,521 in 2011 to \$2,113,859 in 2015. This represents a 10.2 per cent annual growth rate. For 2016, it is expected that conference services costs will amount to \$2,100,000, which will exceed the 2016 budgeted amount of \$1,465,900 by \$634,100.

IV. Programmes, description, objectives and expected accomplishments for the period 2017-2018

24. The work of the Authority for the period 2017-2018 will focus on six programmes:

- (a) Development of the regulatory framework for activities in the Area (inclusive of the priority items for completion of the exploitation code for polymetallic nodules in the Area);
- (b) Protection of the marine environment;
- (c) Management of contracts;
- (d) Data management (resource and environment);
- (e) Promotion and encouragement of marine scientific research in the Area;
- (f) Outreach activities.

25. The overall orientation and objective of each programme, in terms of the logical framework for programme design, refers to the impact of the Authority's work at the highest level and are not limited to the 2017-2018 period. Each programme follows a results-based methodology¹ using a logical framework to reflect the objectives and the expected accomplishments of the Authority, which form the basis of the programme budget.

26. In preparing the proposed budget for the individual programmes, the secretariat held internal working sessions with senior staff and programme managers to develop all programme elements, paying particular attention to the formulation of expected accomplishments. These elements are intended to improve accountability for achieving high-quality results in a timely and cost-effective manner.

27. Responsibility for each of the six programmes will be assigned to one of the offices in the secretariat to increase accountability. However, within each programme, there will be collaboration between and joint planning/activities implemented by the different offices of the secretariat.

28. While the attainment of some expected accomplishments cannot be attributed exclusively to the secretariat owing to the many stakeholders concerned, it can be said that the activities undertaken and the outputs and services delivered by the secretariat, when properly designed and effectively implemented, contribute to those results.

Programme 2.1

Development of the regulatory framework for activities in the Area

Overall orientation

29. In 2011, the Council began work on formulating a regulatory framework for exploitation in the Area. During 2012-2015, the Commission, in collaboration with the secretariat, identified and considered a range of issues relating to the framework and conducted a study on comparable extractive industry fiscal regimes. A

¹ See part one: plan outline of the proposed strategic framework for the period 2016-2017 ([A/69/6](#) (Part one) and Corr.1).

stakeholder survey was launched and a discussion paper on the development and implementation of a payment mechanism in the Area was issued. In considering the item in 2015, the Commission noted that a complete exploitation code, including guidelines and recommendations, would evolve over time as more issues, data and information were clarified or became available.

Objective of the Authority

30. The objective of the Authority is to formulate and adopt regulations for exploitation and standard contract terms that provide legal certainty and define for the benefit of all stakeholders key exploitation rights and related obligations, including fiscal and environmental.

Expected accomplishments of the Authority

31. The expected accomplishments of the Authority in 2017-2018 include:

- (a) Production and adoption of exploitation regulations and standard contract terms based on the working structure agreed by the Commission;
- (b) Development and adoption of a payment mechanism for exploitation activities with detailed financial and economic models based on proposed business plans;
- (c) Development of an environmental impact assessment process and environmental impact statement for adoption by contractors;
- (d) Development of strategic (regional) environmental management plans for other resource-endowed provinces in the Area, building on experiences from the establishment of an environmental management plan for the Clarion-Clipperton Zone.

Financial resource requirements

32. The Secretary-General proposes to use consultants to provide advice on the scope of the proposed regulatory framework for the exploitation of polymetallic nodules, on a synthesis of commercial norms and precedents found in existing and proposed regulatory regimes for land-based and marine mining, and on the proposed system of payments for the exploitation of polymetallic nodules in the Area. In addition, consultants will be recruited to provide advice on the establishment of a mining claims register for the Authority, on international monopoly law and on national legislative provisions.

33. The Authority will convene one workshop during the biennium, which will cover, inter alia, article 82 of the United Nations Convention on the Law of the Sea and payments and contributions with respect to exploitation. A travel budget is required to attend workshops, meetings and international conferences related to the legal and technical aspects of the formulation and adoption of exploitation regulations and standard contract terms that provide legal certainty for the benefit of all stakeholders, key exploitation rights and related obligations. In addition, an external printing budget is required to support the workshop and the publication of completed works.

Programme 2.2

Protection of the marine environment

Overall orientation

34. Part XI of the United Nations Convention on the Law of the Sea clearly states: "... measures shall be taken in accordance with this Convention with respect to activities in the Area to ensure effective protection for the marine environment from harmful effects which may arise from such activities" (art. 145). That statement is the main rationale for this important programme. Therefore, this programme is entirely devoted to implementing tools and methodologies to assure the protection of the marine environment in the Area.

Objectives of the Authority

35. The objectives of the Authority are:

- (a) To provide a characterization of the living resources and their habitats found in the Area and to assure their correct species identification, quantification of natural densities and recovery to their pre-exploitation state;
- (b) To standardize the methods of identification, classification and sampling of the living resources found in the Area;
- (c) To implement ecological tools such as area-based management, including marine protected areas and environmental management plans at the local and regional levels, as well as environmental impact assessments, which include defining and characterizing biogeographical patterns of faunal distribution in the Area, including potential mining areas;
- (d) To provide ecological and environmental reports to the Legal and Technical Commission as well as atlases on faunal distribution to the public to increase transparency in the initiatives undertaken to protect the marine environment.

Expected accomplishments of the Authority

36. The expected accomplishments of the Authority in 2017-2018 include:

- (a) Creation of an Internet-based meiofauna catalogue that categorizes all available information on meiofauna species of the deep sea;
- (b) A workshop to ascertain the adequacy of the baseline environmental data acquired to date by contractors with a view to setting the stage for required environmental impact assessments with the help of external consultants;
- (c) Creation of two atlases on deep-sea macrofauna and meiofauna from polymetallic nodule fields;
- (d) Biennial reporting on the synthesis of environmental data for the public domain using data provided by contractors and international collections pursuant to the request in 2011 from the Legal and Technical Commission;
- (e) Creation of a scientific curator committee, as previously requested by the Legal and Technical Commission as the first recommended priority action in the environmental management plan for the Clarion-Clipperton Zone ([ISBA/17/LTC/7](#)). The duties of a committee member are to review incoming data, assure the validity

and accuracy of metadata (habitat means of identification), provide genomic information and allow inclusion into the respective atlases.

Financial resource requirements

37. The Authority will convene a workshop to ascertain the adequacy of the baseline environmental data acquired to date by contractors, with a view to setting the stage for the required environmental impact assessments with the support of external consultants. Consultants will also be used to develop an Internet-based meiofauna catalogue and atlases for taxonomic reference. A travel budget is needed to attend meetings and international conferences related to environmental management plans. In addition, an external printing budget is required for printing technical studies covering environmental impact assessments and environmental management plans, as well as for printing the workshop's briefing papers, technical study and proceedings.

Programme 2.3

Management of contracts

Overall orientation

38. The contractual nature of the relationship between the Authority and those wishing to conduct activities in the Area is fundamental to the legal regime established by Part XI of the Convention and the 1994 Agreement relating to the Implementation of Part XI of the Convention. Consequently, the administration and supervision of contracts between the Authority and its contractors is at the core of the Authority's functions.

39. Since the eighteenth session, this aspect of the Authority's work programme has assumed greater prominence as the number of contracts issued has increased significantly. As at 31 March 2016, 27 exploration contracts had been approved, with 24 in force. Six of the earliest contracts for exploration are due to expire in 2016, and one is due to expire in 2017. Pursuant to section 1, paragraph 9, of the annex to the 1994 Agreement, the six contractors whose contracts expire in 2016 have all applied for a five-year extension.

Objective of the Authority

40. The objective of the Authority is to administer, monitor and supervise the formulation, conclusion/signature and ongoing implementation of approved plans of work entered into in the form of a contract between the Authority and each of the entities contracted to carry out activities in the Area, and to ensure that contractual obligations are fulfilled, rights are observed and intended outcomes and benefits arising from such arrangements are realized.

Expected accomplishments of the Authority

41. The expected accomplishments of the Authority in 2017-2018 include:

(a) Inclusion of the standard clauses in contract documents, an agreed programme of activities specifying the minimum amounts to be spent each year on exploration and implementation of an agreed programme for training of nationals from developing countries;

(b) Completion and consistent review of annual reports, ascertaining details on, inter alia, exploration work performed (resource and environmental data), equipment used to conduct the exploration work and results of tests of proposed mining technologies, and reports on the training programmes.

Financial resource requirements

42. This programme will be implemented primarily by staff of the Authority. As part of the Authority's broader strategy of engaging with stakeholders, and in the light of the sizeable task currently being undertaken to develop the regulatory framework for exploitation, the Authority plans to initiate semi-annual meetings with contractors to discuss, inter alia, emerging issues of concern. A budget is required to support these semi-annual meetings.

Programme 2.4

Data management (resource and environment)

Overall orientation

43. In July 2015, the Council, in its decision [ISBA/21/C/20](#), recognized the importance of developing a data management strategy for the Authority and requested the secretariat to provide a draft management strategy and the financial implications of its implementation for consideration by the Commission. At its meetings in February 2016, the Legal and Technical Commission requested the secretariat to provide a technical implementation plan and draft data management strategy and cost estimates for the technical implementation plan in the context of the proposed budget for the financial period 2017-2018.

44. The proposed data management strategy will address the need to replace and standardize the current system, which stores data and information in multiple locations, with limited connectivity between them.

45. On 10 May 2016, a final report on the design, the financial requirements and the human resources required to support the data management strategy plan was received. That report provides the basis for the activities needed to implement the data management strategy plan and forms the core for the activities proposed for this programme in 2017-2018.

Objective of the Authority

46. The objective of the Authority is to develop and implement a data management strategy that will provide a process whereby the required data for resource delineation and baseline environmental data that are acquired by the Authority will be validated, stored, protected, processed and disseminated to end users. The implementation of the data management strategy will replace the Authority's central data repository, which was created more than 10 years ago.

Expected accomplishments of the Authority

47. The expected accomplishments of the Authority in 2017-2018 include:

(a) Development of a database to store and securely manage the many types of information provided by contractors, in particular resource and environmental data, as well as interaction with end users of non-proprietary data pertaining to the Area;

- (b) Updating of the information technology infrastructure, including the hardware and software to safeguard the integrity of data;
- (c) Validation of environmental and geological data through, inter alia, data exchanges, hiring of a data manager, data modelling and update of the databases;
- (d) Implementation of a technical plan to manage the confidential and non-confidential data separately for both internal secretariat staff and external users;
- (e) Development of policies and procedures governing data access that address the different needs of the various stakeholders.

Financial resource requirements

48. A consultancy budget is required to design the databases, acquire and configure the hardware, programme the software and maintain the databases. Consultancy support is also required to update the polymetallic nodules patent database established in 1996 and to establish similar databases for the exploration, exploitation and processing of cobalt-rich ferromanganese deposits and polymetallic sulphide deposits in the Area. A budget is also required to cover non-contractor data acquisition and printing of an institutional policies and procedures document governing data access by the different stakeholders.

Programme 2.5

Promotion and encouragement of marine scientific research in the Area

Overall orientation

49. Part XI of the Convention states: “States Parties may carry out marine scientific research in the Area. States Parties shall promote international cooperation in marine scientific research in the Area by: (a) participating in international programmes and encouraging cooperation in marine scientific research by personnel of different countries and of the Authority; (b) ensuring that programmes are developed through the Authority or other international organizations as appropriate for the benefit of developing States and technologically less developed States ...; [and] (c) effectively disseminating the results of research and analysis when available, through the Authority or other international channels when appropriate” (art. 143 (3)).

Objectives of the Authority

50. The objectives of the Authority are:

- (a) To promote and encourage the conduct of marine scientific research in the Area and disseminate the results of such research and analysis to stakeholders;
- (b) To encourage collaborative efforts among contractors in the development of marine technology relevant to activities in the Area;
- (c) To publish technical studies and reports on the technology for prospecting, exploration and exploitation of polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area;

(d) To monitor trends and developments relating to world metal market conditions and the prices of metals occurring in the three mineral resources.

Expected accomplishments of the Authority

51. The expected accomplishments of the Authority in 2017-2018 include:

(a) Organizing a workshop focusing on metallurgical processes (extraction of metals from the mineral resources);

(b) Facilitating collaborative efforts associated with collector tests and benthic impact experiments in the Area;

(c) Publishing technical studies and reports on the technology for prospecting, exploration and exploitation of polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area;

(d) Reporting on trends and developments in world metal market conditions and prices.

Financial resource requirements

52. The Authority proposes to organize a workshop on metallurgy technology for the three mineral resources in the Area. In addition, the Authority plans to undertake new patent studies on polymetallic sulphides and cobalt-rich ferromanganese crusts and to update an existing patent database on polymetallic nodule technologies for prospecting, exploration and exploitation. The Authority will also facilitate collaboration among contractors on collector and benthic impact experiments. A travel budget is required for staff and experts to attend international conferences and meetings. In addition, an external printing budget is required to print briefing papers, technical studies and workshop proceedings, as well as patent study reports.

Programme 2.6 Outreach activities

Overall orientation

53. During the past two decades, the secretariat undertook a number of outreach initiatives to ensure that the functions and purposes of the Authority are publicized and understood. These activities are performed through the Authority's website, social media, mobile applications, sensitization seminars, participation in UN-Oceans meetings and activities and marine-related processes, and dialogue and exchanges with relevant international organizations and other stakeholders. As the work of the Authority is highly technical and specialized, it is frequently misunderstood and misrepresented. The overall orientation of this programme is to communicate and inform the world of the work of the Authority and to facilitate interaction with stakeholders to build support for and towards the realization of the purpose of the Authority as the organization through which States parties, in accordance with the Convention, organize and control activities in the Area.

Objective of the Authority

54. The objective of the Authority is to enhance and broaden understanding of and support for the role and work of the Authority and to encourage the exchange of

ideas, information and knowledge in support of the Authority's mandate, roles and functions in accordance with the Convention and priorities given by member States.

Expected accomplishments of the Authority

55. The expected accomplishments of the Authority in 2017-2018 include the formulation and adoption of a communications and engagement strategy for stakeholder consultation and participation in the development of a minerals exploitation code through the following strategies:

- (a) Broader reach and dissemination of information through various media and services and through collaboration with stakeholders;
- (b) Improve understanding and appreciation of the work carried out by the Authority through the website and social media;
- (c) Increase the value of knowledge services and provision of access to information that support the work of key stakeholders, delegates, academics and staff through the Authority's library.

Financial resource requirements

56. The Authority will convene one sensitization seminar to cover, inter alia, the work of the Authority and the specialized services available through the library of the Authority during the biennium. Such a workshop/seminar is convened in the capital city of one of the regional groups, with the inviting State providing the facility for the seminar free of cost. For the seminar, a travel budget is required for staff and experts, as is a modest honorarium for the experts. A travel budget is also needed for attendance at relevant meetings to address, assess and adopt a communication and engagement strategy with stakeholders to further improve understanding and appreciation of the work carried out by the Authority.

V. Scale of assessments for the contributions of members of the Authority to the budget

57. In accordance with the United Nations Convention on the Law of the Sea and the Agreement relating to the Implementation of Part XI of the Convention, the administrative expenses of the Authority are to be met by assessed contributions of members of the Authority, until the Authority has sufficient funds from other sources to meet those expenses. The scale of assessments is based on the scale of assessments for the regular budget of the United Nations, adjusted to reflect the differences in membership between the Authority and the United Nations.

58. Since the scale of assessments for contributions to the budget of the Authority for 2017 and 2018 will be based on the scale of assessments for the regular budget of the United Nations for 2016,² it is recommended that the maximum assessment rate for the budget of the Authority remain at 22 per cent, with the minimum rate remaining at 0.01 per cent.

² See United Nations General Assembly resolution 70/245 on the scale of assessments for the apportionment of the expenses of the United Nations.

Annex I

Summary of budgetary requirements for the International Seabed Authority for the period from 1 January 2017 to 31 December 2018

(United States dollars)

Budget line	Approved			Total 2017-2018	Increase/(decrease)	
	2015-2016	2017	2018		Amount	Percentage
	(1)	(2)	(3)		(4)=(2)+(3)	(5)=(4)-(1)
Section 1. Administrative and conference services expenditures						
Subsection 1. Administrative expenditures of the secretariat						
Established posts	6 081 200	3 100 000	3 100 000	6 200 000	118 800	2.0
General temporary assistance	30 000	15 500	16 000	31 500	1 500	5.0
Overtime	31 600	17 000	18 000	35 000	3 400	10.8
Consultants (non-programme)	315 000	11 300	12 000	23 300	(291 700)	NM
Common staff costs	2 706 300	1 550 000	1 780 000	3 330 000	623 700	23.0
Training	63 000	31 500	31 500	63 000	–	–
Official travel (non-programme)	480 100	96 300	101 500	197 800	(282 300)	NM
Communications	200 700	100 300	100 400	200 700	–	–
Library books and supplies	136 000	70 000	70 000	140 000	4 000	2.9
External printing (20 per cent will be non-programme-related)	100 000	11 000	11 000	22 000	(78 000)	NM
Supplies and materials	80 300	41 000	42 000	83 000	2 700	3.4
Official hospitality	22 000	11 500	12 000	23 500	1 500	6.8
Information technology	171 500	362 700	30 400	393 100	221 600	129.2
Acquisition of furniture and equipment	262 700	125 000	73 000	198 000	64 700	(24.6)
Rental, repairs and maintenance of property and equipment	23 000	12 000	12 000	24 000	1 000	4.3
United Nations common system	166 000	85 000	86 000	171 000	5 000	3.0
Miscellaneous services	109 600	56 000	56 500	112 500	2 900	2.6
Audit fees	34 600	20 000	20 000	40 000	5 400	15.6
Building management	876 900	410 000	418 000	828 000	(48 900)	(5.6)
Review pursuant to article 154 and related costs	–	80 000	–	80 000	80 000	NM
International Public Sector Accounting Standards	120 000	80 000	80 000	160 000	40 000	33.3
Ad hoc expert groups workshops	570 900	–	–	–	(570 900)	NM
Central data repository	130 000	–	–	–	(130 000)	NM
Promotion and encouragement	100 000	–	–	–	(100 000)	NM
Subtotal, subsection 1	12 811 400	6 286 100	6 070 300	12 356 400	(455 000)	(3.6)

Budget line	Approved			Total 2017-2018	Increase/(decrease)	
	2015-2016	2017	2018		Amount	Percentage
	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(4)-(1)	(6)=(5)÷(1)
Subsection 2. Conference services ^a	2 931 700	2 100 000	2 120 000	4 220 000	1 288 300	43.9
Assembly	381 100	273 000	275 600	548 600	167 500	43.9
Council	586 300	420 000	424 000	844 000	257 700	43.9
Finance Committee	322 500	231 000	233 200	464 200	141 700	43.9
Legal and Technical Commission	1 641 800	1 176 000	1 187 200	2 363 200	721 400	43.9
Subtotal, subsection 2	2 931 700	2 100 000	2 120 000	4 220 000	1 288 300	43.9
Total, section 1	15 743 100	8 386 100	8 190 300	16 576 400	833 300	5.3
Section 2. Programme expenditures						
Programme 2.1. Development of the regulatory framework for activities in the Area						
Consultants	–	45 200	45 200	90 400		
External printing	–	–	12 400	12 400		
Travel	–	45 600	45 600	91 200		
Workshops	–	–	177 300	177 300		
Subtotal, programme 2.1	–	90 800	280 500	371 300		
Programme 2.2. Protection of the marine environment						
Consultants	–	19 400	19 400	38 800		
External printing	–	600	11 800	12 400		
Travel	–	7 600	7 600	15 200		
Workshops	–	168 800	–	168 800		
Subtotal, programme 2.2	–	196 400	38 800	235 200		
Programme 2.3. Management of contracts						
Consultants	–	–	–	–		
External printing	–	–	–	–		
Travel	–	15 200	15 200	30 400		
Workshops	–	5 800	6 300	12 100		
Subtotal, programme 2.3	–	21 000	21 500	42 500		
Programme 2.4. Data management (resource and environment)						
Consultants	–	296 000	10 200	306 200		
External printing	–	9 600	20 700	30 300		
Travel	–	24 000	4 000	28 000		
Central data repository	–	–	–	–		
Workshops	–	–	–	–		
Maintenance and support	–	–	35 900	35 900		
Subtotal, programme 2.4	–	329 600	70 800	400 400		

Budget line	Approved			Total 2017-2018	Increase/(decrease)	
	2015-2016	2017	2018		Amount	Percentage
	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(4)-(1)	(6)=(5)÷(1)
Programme 2.5. Promotion and encouragement of marine scientific research in the Area						
Consultants	–	9 700	9 700	19 400		
External printing	–	–	12 400	12 400		
Travel	–	7 600	7 600	15 200		
Workshops	–	–	177 300	177 300		
Subtotal, programme 2.5	–	17 300	207 000	224 300		
Programme 2.6. Outreach activities						
Consultants	–	11 300	11 300	22 600		
External printing	–	600	600	1 200		
Travel	–	15 200	15 200	30 400		
Workshops	–	–	62 600	62 600		
Subtotal, programme 2.6	–	27 100	89 700	116 800		
Total, section 2	–	682 200	708 300	1 390 500		
Grand total	15 743 100	9 068 300	8 898 600	17 966 900	2 223 800	14.1

Abbreviation: NM, not meaningful.

^a See annex IV for the basis of the proration of the conference services costs.

Annex II

International Seabed Authority income, including miscellaneous income, and expenses

(United States dollars)

	2015-2016	2017-2018	Change	
			Amount	Percentage
Proposed budget	15 743 143	17 966 900	2 223 800	14.1
<i>Less: Income</i>				
Estimated savings (2013-2014)	(781 400)	–		
Estimated savings (2015-2016)		(40 571)		
Expected contractor overhead charges	(1 081 000)	(2 397 000)		
Contractor extension application processing fees received during 2016 and 2017		(469 000)		
Miscellaneous income accumulated during 2013	(2 121 321)	–		
Miscellaneous income accumulated during 2015		(987 205)		
Subtotal, income	(3 983 721)	(3 893 776)	89 945	(2.3)
Net contributions required				
Net contributions required for each year of the biennium	5 879 711	7 036 562	1 156 851	19.7
Total net contributions required	11 759 422	14 073 124	2 313 702	19.7
<i>Less: European Union assessment</i>	(100 000)	(100 000)	–	–
Total assessed	5 779 711	6 936 562	1 156 851	20.0

Notes:

1. It is expected so far that in 2017-2018 income will be 2.3 per cent less, or \$89,945 less, owing to lower levels of miscellaneous income as a result of fewer applications from contractors and, hence, lower contractor application processing fees.
2. The estimated total to be assessed on Member States will increase from \$5,779,711 for each year in the 2015-2016 biennium to \$6,936,562 for each year in the 2017-2018 biennium.
3. There is expected to be one application for a contract extension in 2017-2018, resulting in fee income of \$67,000. An application for contract extension is expected from the Government of India, whose contract was originally signed in 2002.

Annex III

Standard costs

1. The 2017-2018 budget proposal contains standard costs for three programme cost elements, in order to simplify and enhance the transparency of the budget proposal. Standard costs were developed for sensitization seminars, workshops and external printing of briefing papers, technical studies and the proceedings. These standard costs will be reviewed and updated over time. Further details on how these standard costs were determined is explained below.

Sensitization seminars

2. The standard cost to convene a sensitization seminar is \$57,900 in 2017 and \$60,800 in 2018. These standard costs are based on a review of the average cost of sensitization seminars held in 2014 and 2015, which are reflective of the type of sensitization seminar that the Authority is likely to convene in 2017-2018. These standard costs include travel and experts but exclude the external printing costs of reports, which are shown on a separate budget line in each programme. Sensitization seminars are less expensive than workshops, owing partly to their smaller scale, fewer participating Authority staff, fewer invited experts and greater cost contributions from the host country, which together result in significantly lower costs.

Workshops

3. The standard cost to convene a workshop is \$168,800 in 2017 and \$177,300 in 2018. These standard costs are based on a review of the average cost of workshops held in 2014 and 2015, which are reflective of the type of workshop that the Authority is likely to convene in 2017-2018. The standard costs include travel and experts but exclude the external printing costs of workshop reports, which are shown on a separate budget line in each programme. Workshops are much more expensive than sensitization seminars because of their larger scale, more Authority staff participating, more invited experts and lower cost contributions from the host country, which together result in significantly higher costs.

External printing

4. *External printing for sensitization seminars.* For sensitization seminars, only a briefing paper of 4-8 pages is externally printed. The standard cost of printing copies of the briefing paper in 2017 and 2018 is \$600. This is based on a review of the costs for printing four briefing papers in 2015, which are reflective of the quantity and type of briefing paper likely to be printed in 2017-2018 to support the sensitization seminars.

5. *External printing for workshops.* The printed material for a workshop includes three publications: a briefing paper (4-8 pages), a technical study (100-200 pages) and the proceedings (300-450 pages). The standard cost in 2017-2018 to print these three items comprises: briefing paper, \$600; technical study, \$5,800; and proceedings, \$6,000, for a total of \$12,400. This estimate is based on a review of recent printing costs and quotations for these documents, which are reflective of the quantity and type of commercial printing undertaken in 2017-2018 as a result of the workshops.

Annex IV

Basis of proration of conference services costs

1. The cost of conference services is prorated between the Assembly, the Council, the Finance Committee and the Legal and Technical Commission on the basis of the number of sessions in February and July 2014 and 2015. Each session is a three-hour time block.
 2. A total of 100 sessions were held in February and July 2014 and 2015, comprising 54 sessions in 2014 and 46 sessions in 2015. Based on a breakdown of those 100 sessions, the Assembly represented 13 per cent, the Council 20 per cent, the Finance Committee 11 per cent and the Legal and Technical Commission 56 per cent of the total number of sessions. These percentages are used to prorate the conference services cost estimates for each governing body in the 2017-2108 budget proposal.
 3. The indicated approved budget for 2015-2016 shows the conference services costs disaggregated for the four governing bodies using the percentages shown above. While conference services costs were not disaggregated in the original approved 2015-2016 budget, this ex post information is provided for information and comparison purposes to help the Committee to assess the 2017-2018 proposed budget.
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