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28th meeting of the First Committee

Extract from the *Official Records of the Third United Nations Conference on the Law of the Sea, Volume VI (Summary Records, Plenary, General Committee, First, Second and Third Committees, as well as Documents of the Conference, Fifth Session)*

the following meeting of the Committee was not to be until Friday, 20 August, that would not be soon enough. He asked that the statement by the Special Representative of the Secretary-General should be prepared for delivery on Monday, 16 August, as the subject of the report was integrally related to the subject of exploitation which the workshop was to take up next.

21. The CHAIRMAN said it would be extremely difficult for the Secretariat to prepare a detailed statement for the meeting on Monday, 16 August. As soon as the Secretariat was ready, he would convene a special meeting for the purpose.

22. He had recently had a number of meetings with the President of the Conference, the Chairmen of the other Committees, and the General Committee concerning the work of the Conference. The President had been informed about the

procedures adopted in each Committee and was concerned about their time-tables. Other Committees had set up time-limits for each subject, and the President had urged the First Committee to do likewise.

23. He therefore urged all delegations to exhaust all efforts at compromise at the current session and not to act as if another session would follow in which further negotiations could take place. An all-out effort should be made not merely to revise the revised single negotiating text but to produce a universally acceptable convention. With regard to the form in which the results of the current session would be reflected, he believed that the answer would emerge once an agreed text had been achieved.

The meeting rose at 11.55 a.m.

28th meeting

Tuesday, 17 August 1976, at 3.30 p.m.

Chairman: Mr. P. B. ENGO (United Republic of Cameroon).

Organization of work

Request for a study by the Secretariat on alternative means of financing the Enterprise

1. Mr. ZULETA (Special Representative of the Secretary-General)¹ said that at the 27th meeting reference had been made more than once to paragraph 18 of the introductory note to part I of the revised single negotiating text (see A/CONF.62/WP.8/Rev.1),² in which the Chairman expressed a desire to have the Secretary-General explore "alternative means of financing the Enterprise". Since any study in that area would be useful for the future discussions of the Committee, he had expressed the hope that the Secretariat would respond to the request, adding that the study might embrace the terms and conditions of some international or public finance institutions by which the activities of the Enterprise might be financed.

2. The Secretariat was prepared to co-operate, in accordance with rule 20 of the rules of procedure, which provided for the Secretariat to perform all work which the Conference might require. So far neither the Committee nor the Plenary of the Conference had made any request on the subject. In the light of the earlier debate in the Committee, the general scope of such a study, which for the time being he preferred to call a "preliminary note", would be the exploration of alternative means of financing the Enterprise. In referring to different means of financing, mention would have to be made, as appropriate, of some aspects concerning the acquisition of technology. It would be desirable, however, to have a clearer understanding as to the scope of the work and to establish certain basic assumptions on which the study would be based.

3. In that connexion, pending receipt of detailed guidance from the Committee, he ventured to suggest the following assumptions. First, the study would be based on the provisions of part I of the revised single negotiating text, par-

ticularly the relevant section of annex II. Secondly, the study should take account of the interval between the establishment of the Enterprise and the actual start of its operations. Accordingly, purely administrative expenses would have to be distinguished from the cost of conducting Enterprise operations. Thirdly, the review of sources of financing for the Enterprise would be presented by reference to the four interrelated categories listed in paragraph 6 of annex II, namely:

- "6. (a) (i) Amounts determined from time to time by the Assembly out of the Special Fund referred to in article 49.
- (ii) Voluntary contributions made by State Parties to this Convention.
- (iii) Amounts borrowed by the Enterprise, in accordance with subparagraph (c).
- (iv) Other funds made available to the Enterprise, including charges, to enable it to commence operations as soon as possible for carrying out its functions."

4. Finally, the review of those categories of financial sources might involve other matters for which no guidelines were to be found in the texts prepared by the Committee, such as certain types of contractual arrangements—service contracts and joint ventures which might involve provisions on financing by the contractor, for example—that would enable the Enterprise to proceed with exploitation. He assumed that the Committee would wish to give the Secretariat more precise guidelines on that point.

5. While he could make no promises about the time which the Secretariat would need to prepare the study, he assured the Committee that all members of the United Nations Secretariat—not just those serving in the secretariat of the Conference—were prepared to make a supreme effort to complete the work within the shortest possible time.

6. The CHAIRMAN said that if he heard no objection he would assume that the Committee wished the Secretariat to prepare the study and to submit it as soon as possible.

It was so decided.

7. Mr. AL DHAGMA (Qatar) asked whether the study would embrace alternative means of obtaining the necessary technology.

¹ This statement is reported *in extenso* in this summary record in accordance with the Committee's decision.

² See *Official Records of the Third United Nations Conference on the Law of the Sea*, vol. V (United Nations publication, Sales No. E.76.V.8).

8. Mr. ZULETA (Special Representative of the Secretary-General) observed that, as he had said earlier, mention would have to be made of some aspects concerning the acquisition of technology; reference could also be made to certain contractual arrangements which would enable the Enterprise to start operating. While it was true that the acquisition of technology was dealt with in the passages of the revised single negotiating text dealing with the relations between contractors and the Authority, the request for a study did not appear to relate to that subject, and he had therefore not referred to it.

Request for a study by the Secretariat on the costs of the International Sea-bed Authority

9. Mr. MARTIN (Federal Republic of Germany) said that the question of financing the Enterprise was related to that of financing the Authority. The manner in which the Authority was to be financed would, of course, be discussed when the Committee dealt with articles 46 to 51 of part I, on finance, and paragraph 9 (d) of annex I. Few data were available, however, on the probable costs of the Authority, and it would be helpful to have a carefully worked out estimate of those costs. His delegation, accordingly, proposed that such a study should be prepared. Naturally, it should be separate from the study on the financing of the Enterprise and should not be given the same priority; indeed, it need not be submitted at the current session.

10. Mr. KASEMSRI (Thailand) supported the proposal and expressed the hope that the Secretariat would include a study based on the two approaches described in the special appendix to part I of the revised single negotiating text and on any other approach which could make the Authority a viable concern.

11. Mr. RATINER (United States of America) said that it

would be useful if the Secretariat could provide alternatives—in other words, quantify the high-, medium- and low-budget options so that, if the study was used later for budget purposes, some efficient and low-cost options would be readily available.

12. Mr. ZULETA (Special Representative of the Secretary-General) said that he anticipated no difficulty in the Secretariat undertaking the study requested by the representative of the Federal Republic of Germany, on the understanding that it would be given less priority than the other study. Unless the Committee instructed otherwise, it would be assumed that such a study was to be based on the relevant provisions of the revised single negotiating text. With regard to the representative of Thailand's suggestion, however, he pointed out that when using approaches A and B, outlined in the special appendix, the Secretariat would necessarily make certain assumptions and would almost inevitably end up taking a position for or against a particular approach. That would raise difficulties since he had the impression that the Committee itself had not agreed on certain fundamental aspects of the question.

13. Mr. KASEMSRI (Thailand) thanked the representative of the Secretary-General for his explanation and expressed the hope that there would be another opportunity to submit the request at a later stage when the Committee might be expected to have taken certain fundamental decisions that would facilitate the work of the Secretariat.

14. The CHAIRMAN said that if he heard no objection he would take it that the Committee requested the Secretariat to prepare a study on the estimated costs of the Authority.

It was so decided.

The meeting rose at 4.10 p.m.

29th meeting

Tuesday, 24 August 1976, at 10.10 a.m.

Chairman: Mr. P. B. ENGO (United Republic of Cameroon).

Weekly report by the Co-Chairmen on the activities of the workshop

1. Mr. SONDAAL (Netherlands), Co-Chairman of the workshop, introduced the report contained in document A/CONF.62/C.1/WR.2 and drew attention to the following amendments to the English text, which he said would be issued later in a corrigendum to that document.

2. Paragraph 2 of the report should be amended to read:

"Workshop paper No. 1 asserts the pre-eminence of the Authority and its full and effective control over activities in the international sea-bed area as a means of ensuring compliance with the provisions of the convention. According to this proposal it will be necessary to make the Enterprise a

concrete and financially viable entity. The proponents of this proposal do not support a parallel system of exploitation as set forth in the revised single negotiating text."

The words "control by" in the third sentence of the third paragraph should be replaced by the words "supervision of"

3. A further paragraph should be inserted after paragraph 8, reading:

"One delegation supported the principles contained in workshop paper No. 1 and opposed those contained in workshop papers Nos. 2 and 3, including the parallel system of exploitation referred to therein."

The meeting rose at 10.25 a.m.