



INFORMATION NOTE ON MATTERS BEFORE THE EIGHTEENTH SESSION OF THE INTERNATIONAL SEABED AUTHORITY

9 - 27 JULY 2012, Kingston, Jamaica

1. This information note has been prepared to facilitate the work of the Authority at its forthcoming session from 9 – 27 July 2012. The first week of the session, from 9-13 July, will be devoted exclusively to the meetings of the Legal and Technical Commission. The Finance Committee, Council and Assembly will meet during the period 16-27 July. In order to ensure the utmost efficiency in the organization of meetings and encourage the best possible attendance, the Assembly and the Council will hold their opening session on Tuesday 17 July 2012, thus allowing delegations more time to arrive in Kingston.
2. Members of the Authority are reminded that it is the turn of the African Group to nominate a candidate for the Presidency of the Assembly in 2012. It is the turn of the Group of Latin American and Caribbean States to nominate a candidate for the Presidency of the Council. Each of the other regional groups will be entitled to nominate a Vice-President of the Assembly and a Vice-President of the Council. There is also a Credentials Committee to be appointed. It will be very helpful to the secretariat, and will also facilitate the smooth running of the session, if regional groups can coordinate on the issue of candidatures in advance of the session in Kingston.
3. This note outlines main issues for consideration by the Assembly, Council, Legal and Technical Commission and Finance Committee. It is important to note that, as required by the 1982 United Nations Convention on the Law of the Sea and the 1994 Agreement relating to the Implementation of Part XI of the Convention, a number of substantive matters have to be sequentially considered by different organs of the Authority before a final decision on them can be taken. The provisional schedule of meetings for the various organs, which is attached with this note, has been designed with this consideration in mind.

I. FINANCE COMMITTEE

4. The Finance Committee will review the proposed budget of the Authority for the financial period 2013 to 2014. The proposed budget and the scale of assessment for contributions to the budget will then be considered sequentially by the Council and the Assembly, taking into account any recommendations by the Finance Committee.
5. The Finance Committee will also consider the audit report for 2011, a report on implementation of cost-saving measures within the secretariat, as well as reports on the status of the working capital fund, on the status of the voluntary trust fund and the International Seabed Authority Endowment Fund. In this regard, it should be noted that the status of both Funds is precarious. The balance of the voluntary trust fund currently stands at around \$20,000, which based on past experience is insufficient to provide support to all eligible members of the Legal and Technical Commission and Finance Committee. Additional contributions to the fund would be welcomed. With regard to the capital of the Endowment Fund, it should be noted that the interest accrued during 2011 was only \$4,961, owing to prevailing low interest

rates. The Finance Committee will be provided with a report on available investment options that would produce a higher rate of income for the fund.

6. Other matters on which the Finance Committee have requested reports include the implementation of International Public Sector Accounting Standards and a report on the financial implications of joining the International Civil Service Commission (ICSC). Although the Authority has applied the UN common system of salaries and allowances since it was established, it has not yet taken the step of subscribing to the Statute of ICSC.

II. LEGAL AND TECHNICAL COMMISSION

7. In accordance with its usual practice, the Legal and Technical Commission will commence its meetings one week prior to the main session of the Authority, from 9 – 13 July 2012, in order to enable it to complete its agenda.

8. The Commission will review and consider the annual reports of exploration contractors. These are due to be submitted by 31 March each year. There are now ten contracts for exploration for polymetallic nodules, and two contracts for exploration for polymetallic sulphides.

9. In addition, the Secretary-General will provide a report to the Commission on the periodic review of the implementation of work plans under the existing contracts for exploration for polymetallic nodules. In accordance with the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area, contractors are required to undertake jointly with the Secretary-General a periodic review of the implementation of the plan of work at intervals of five years. In the light of the review, the contractor shall indicate its programme of activities for the next five-year period, making such adjustments to its programme of activities as are necessary. Six exploration contractors have held contracts for 10 years and were therefore required to submit their proposed programmes of activities for the final five-year period under the contract in 2011. Reviews have been carried out and a report on the status of the reviews will be made to the Commission. The same report will be forwarded to the Council in due course, together with any views of the Commission.

10. In the case of the four new applicants that were granted exploration contracts in 2011, proposals for training programmes have been submitted, as required by the Regulations, and the secretariat is in the process of soliciting nominations for candidates for these programmes. The Commission will be required to review the nominations that have been received and to advise the secretariat on the selection of eligible candidates for training opportunities.

11. In the event that any new applications for approval of plans of work for exploration or exploitation are received, these will be examined by the Commission, which must then submit its report and recommendations on each application to the Council.

12. The Commission has a number of environmental matters to consider. These include draft recommendations for the guidance of contractors in relation to environmental data to be collected during exploration for sulphides, which are being prepared by a sub-group of environmental experts from the Commission. In addition, the Commission will consider the outcomes of the Authority's workshop on environmental impact assessment, which took place in November 2011 in Fiji, as well as the results of a meeting the Secretary-General convened with contractors in January 2012 in Kingston. The latter meeting provided an opportunity for contractors to present the results of their environmental studies and to discuss with the secretariat possible ways of collating and standardizing these results with a view to establishing a baseline for future impact assessment as well as identifying gaps in research and potential avenues for

cooperation.

13. At the last session in 2011, the Council had asked the Legal and Technical Commission to consider revising the Nodules Regulations, which were adopted in 2000, to bring them into line with the more recently-adopted Sulphides Regulations. Whilst the Regulations are generally quite similar, two particular concerns were that the environmental provisions in the Sulphides Regulations are much stricter than in the Nodules Regulations and that the fees provided for under the Nodules Regulations are out of date and too low to reflect the actual costs of administering the Regulations. The Secretariat has prepared a draft document for consideration by the Commission, showing the differences between the two sets of regulations and the changes that would be necessary to harmonize them. It is hoped that this will enable the Commission to make rapid progress on formulating a recommendation to the Council for adoption.

14. The Commission will also discuss the outcomes and implications of the meeting of the Ad Hoc Working Group of the General Assembly to Study Issues Relating to the Conservation and Sustainable Use of Marine Biological Diversity beyond Areas of National Jurisdiction, which takes place in May 2012, prior to the meetings of the Authority.

III. COUNCIL

15. The first item of business for the Council will be the election of a President and vice-Presidents, followed by the adoption of the agenda. In the event that there are any resignations from the Legal and Technical Commission, the Council will be invited to elect replacement members as soon as the session opens. The Council will also propose to the Assembly a list of candidates for the election of the Secretary-General.

16. In accordance with its usual practice, the Council will also be provided with a report on the work of the Legal and Technical Commission during the session and will take up any matters referred to it by the Commission. This will include consideration of the report and recommendations of the Commission on any new applications for approval of plans of work for exploration in the Area.

17. The Council will then resume its work on the draft regulations on prospecting and exploration for cobalt-rich ferromanganese crusts in the Area as contained in document ISBA/18/C/WP.1. It will be recalled that the draft regulations were adopted by the Legal and Technical Commission and recommended to the Council in 2009. Although the Council took up this matter during the fifteenth, sixteenth and seventeenth sessions, it has not been able to complete its work. The current status of the draft regulations is that all provisions have been adopted on a provisional basis, except for the provisions dealing with the size and configuration of areas allocated for exploration, and the linked issues of the schedule of relinquishment and fees. As noted in the General Assembly's resolution on the law of the sea for 2011, the expectation is that the Council will be able to conclude its work on the regulations during the eighteenth session.

18. During the seventeenth session, the Council discussed the implications of the Advisory Opinion issued by the Seabed Disputes Chamber on 1 February 2011. It requested the Secretary-General to prepare a report on the status of national legislation relating to the sponsorship of and conduct of activities in the Area for further consideration by the Council this year. In accordance with that request, the Secretary-General had requested all members of the Authority to provide information on the status of currently existing or proposed national legislation to give effect to the provisions of the Convention and 1994 Agreement regarding sponsorship of activities in the Area. A number of responses to this request have been received and a report will be provided to the Council in due course.

19. The Secretary-General will also report to the Council on the disposition of the fees paid for the

processing of applications of plans of work in 2011, and related matters.

20. Finally, several members of the Council had expressed the view at the seventeenth session that the time was ripe for the Authority to begin to work on the development of rules and regulations for exploitation. The Secretary-General will provide a report to the Council with a proposed work plan outlining the steps involved in the preparation of a draft exploitation code and setting out the budgetary implications of the proposal.

21. The Council will also consider such other proposals and recommendations that may be referred to it by the Legal and Technical Commission and the Finance Committee of the Authority.

IV. ASSEMBLY

22. The first item of business for the Assembly will be the election of a President and Vice-Presidents, followed by the adoption of the agenda for the eighteenth session. This will be followed by the consideration of any requests for observer status that are dealt with in accordance with the Rules of Procedure of the Assembly. At this moment, the Secretariat has received a request for observer status from InterRidge, an international scientific body established for the promotion of collaborative research on hydrothermal vents systems.

23. The matters for consideration by the Assembly during the eighteenth session include the election of 20 members of the Council in accordance with article 161 of the Convention, the election of a Secretary-General from a list of candidates proposed by the Council, consideration of the annual report of the Secretary-General and the adoption of the budget of the Authority and the scale of assessment for contributions to the budget.

24. It will be recalled that, in accordance with article 161, paragraph 3, of the Convention, an election took place in 2010 for one-half of the members of the Council in each of the five interest groups referred to in paragraph 15 of Section 3 of the Annex to the 1994 Agreement relating to the Implementation of Part XI of the Convention. The terms of office of the remaining one-half of the members of the Council who were elected in 2008 will expire on the 31 December 2012. It is therefore necessary for the Assembly to elect 20 new members of the Council for the period 1 January 2013 to 31 December 2016.

25. The 1994 Agreement, Annex, Section 3, paragraph 9, requires the Assembly, before electing the members of the Council, to establish lists of countries fulfilling the criteria for membership in each of the interest groups. In order to facilitate the work of the Assembly in this regard, the secretariat has in the past prepared informal papers, on the basis of available data and statistics, setting out indicative lists of member States which would fulfil the criteria for membership in the various interest groups in the Council. Such indicative lists will, once again, be prepared by the secretariat for the eighteenth session.

26. The proposed budget of the Authority for the financial period 2013-2014 and the proposed scale of assessment for contributions to the budget will be considered by the Assembly after the proposals have been considered in sequence by the Finance Committee and the Council. These matters will therefore be taken up in the second week of the session.

27. As required by article 166, paragraph 4, of the Convention, the Secretary-General will present his annual report to the Assembly for its consideration. The report will describe the work of the Authority since the eighteenth session and will indicate the main trends of the future work programme for the secretariat, including the development of an exploitation code. In view of the increased workload of the Legal and Technical Commission and the organs of the Authority, the report will include recommendations on how the future work of the Authority and the Secretariat can be more effectively

managed.

28. The Assembly will also consider such other proposals and recommendations that may be referred to it by the other organs and subsidiary bodies of the Authority.

1 Case No. 17, 'Responsibilities and obligations of States sponsoring persons and entities with respect to