



Inaugural Symposium on Maritime Cooperation and Ocean Governance
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Keynote Statement

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Greetings from Kingston, Jamaica

Almost one year ago, in Kingston, Jamaica, we had the pleasure to welcome Dr Wu Shicun to join our twenty-fifth anniversary celebrations in an event that was co-sponsored by the Institute for China America Studies. Dr Wu had invited me at that time to make a visit to Haikou and I had been looking forward very much to coming over.

I am very sorry that the continuing restrictions on international travel make it impossible for me to be with you all today.

Nevertheless, I am truly delighted to be able to contribute this short video intervention in support of this inaugural symposium on maritime cooperation and ocean governance.

I wish to congratulate the organizing institutes on putting together this symposium and for bringing together such an interesting group of eminent speakers, which is a reflection of the global nature of the subject matter. I look forward to following the discussions online as much as possible.

One of the key themes of this symposium is the contribution of rule-based international law to improved global ocean governance.

This is very timely, coming only a few weeks after the international community celebrated the 75th anniversary of the United Nations by making a renewed commitment to multilateralism and strengthened international cooperation. In the words of President Xi, 'Global governance should be based on the principle of extensive consultation, joint contribution and shared benefits so as to ensure that all countries enjoy equal rights and opportunities and follow the same rules.'

I believe that there is no better practical example of this vision of a model for global governance than the regime for the Area as set out in the UN Convention on the Law of the Sea.

The purpose of this carefully balanced but comprehensive legal regime is to enable the mineral resources of the deep seabed to be recovered in a way that is sustainable, equitable and benefits all of humanity. It was created to prevent a scramble for resources by technologically advanced countries and to ensure that scientific research, exploration and exploitation would benefit

everyone. The alternative would have been that access to those mineral resources would have been on a first-come, first-served basis, without international management and with no global environmental standards.

For many years, this was more of a theoretical model, given that seabed mining has not yet started and indeed, for a long time, it seemed to be very far away. Over the past few years, however, that situation has changed. Seabed minerals are becoming of serious commercial interest, so that exploitation in the foreseeable future is a very real possibility.

Ten years ago, ISA had granted seven exploration contracts. Today, there are 30, with a thirty-first application, by a Jamaican-sponsored company, in the pipeline. Several of these exploration projects are well advanced, with some contractors moving to the stage of testing of technology for mining.

This rapidly evolving situation presents enormous challenges for ISA and its members and I want to take this opportunity to describe three of those challenges and how ISA is responding to them.

First let me provide some context and briefly outline what is driving this new interest in seabed minerals and the scale of the challenge before us.

It is indisputable that the global green transition will create an enormous demand for minerals, particularly critical minerals needed for renewable energy infrastructure and electric vehicle batteries. Demand for nickel and cobalt for energy storage is expected to grow fifteenfold between 2018 and 2035. Leading analyst Morgan Stanley projects the global electric vehicle fleet to reach 1 billion units by 2047. This will require 155 metric megatons of nickel, cobalt and manganese.

On current projections, it will not be possible to meet this demand from current land-based sources or from secondary sources such as recycling and waste. Ocean minerals, which happen to contain the specific minerals needed for the green transition, therefore provide an increasingly attractive alternative source of high-grade ores. Ocean minerals are both abundant and highly concentrated. The Clarion-Clipperton Zone in the Pacific, for example, which covers just one per cent of the global seafloor, is estimated to contain 34 billion wet metric tons of nodules containing 6 billion tons of manganese, 270 million tons of nickel, 234 million tons of copper, and 46 million tons of cobalt, which could meet the global demand for many years to come.

Adopting the regulations

It is against this background that ISA has to fulfil its obligation under the Convention and the 1994 Agreement to adopt the rules, regulations and procedures ‘necessary for the conduct of activities in the Area as they progress’.

Whilst the Convention, particularly Annex III, and the 1994 Agreement provide the basic legal framework for deep sea mining, the ISA has for the last 25 years been following an evolutionary and incremental approach to regulation. The first step was to develop a comprehensive regulatory framework for exploration, covering all three principal mineral resources.

For the past five years, we have been working on regulations for the exploitation phase. This process is now very mature, with a complete draft of a regulatory code under consideration in

the Council and associated industry standards and guidelines under consideration in the Legal and Technical Commission.

The Mining Code will permit exploitation of deep-sea minerals in a way that balances the need for minerals with rigorous environmental protection. It will require States or mining companies planning to undertake activities in the international seabed area to carry out prior environmental impact assessments, abide by stringent environmental criteria and account for continuing compliance through oversight by independent entities. Unlike comparable activities within national jurisdiction, which are subject to national regulation which may vary from country to country, these standards are applicable globally.

The point I wish to emphasize, however, is that the Code has been developed through an exhaustive process of consultation and contributions from many different interests. So far, in addition to the formal and informal meetings of the Council, we have held six rounds of global stakeholder consultation on various drafts of the Code and provided the Council with expert studies and reports on numerous technical aspects. At this moment, the first set of draft standards and guidelines is open for consultation. Taken together, this is a remarkable example of transparency in international relations and sets a very high benchmark for a consultative approach to global governance.

Responding to environmental concerns

The second major challenge, which is related to the first, is for the ISA to respond to the growing environmental concerns around increasing the human impacts on a hitherto relatively untouched part of the marine environment.

These concerns are quite legitimate and must be addressed. There is no doubt that the marine environment is acidifying, warming, deoxygenating, becoming brighter, noisier, overfished and more polluted. We need to be cautious before adding further stressors to the system. At the same time, it has also been pointed out that a planetary perspective is needed and we need to consider the environmental impact in the context of a comparative life cycle analysis of land-based mining versus seabed mining, particularly in terms of the relative impact of each on carbon emissions. We also need concentrated legal and scientific effort to disentangle and regulate adverse effects of seabed mining from the adverse effects of other human activities in the ocean and on land.

Fortunately, the Convention and the 1994 Agreement have the answer here too. The Convention gives ISA the responsibility to ensure effective protection for the marine environment from the harmful effects of deep seabed mining, whilst the 1994 Agreement amplifies this concern by making the adoption of standards for the protection and preservation of the marine environment one of the priority areas of focus for ISA.

This same concern is reflected in the Strategic Plan for ISA, which not only requires ISA to develop and implement environmental management plans for all mineral provinces in the Area where exploration is taking place, but also emphasizes the critical importance of ISA's mandate to promote and encourage marine scientific research in the Area.

It is in this context that ISA has already adopted a regional environmental management plan for the Clarion-Clipperton Zone and has convened a series of international workshops to develop similar plans for the Mid-Atlantic Ridge and the North-West Pacific Ocean. Here I would make note of the important contribution of China and COMRA to the work being done for the North-West Pacific, which started with a workshop convened in Qingdao in 2018.

Equitable sharing of benefits

The third challenge for ISA will be to fulfil the requirement that activities in the Area are carried out for the benefit of all humanity.

Deep sea exploration under contracts issued by ISA has already produced benefits to humanity in the form of increased scientific knowledge, which is shared with the whole world through ISA. This includes detailed bathymetry and survey data, shared through the Seabed 2030 initiative, environmental data provided by contractors and shared through ISA's DeepData database, and taxonomic data, shared through public global databases and which has led to the identification of hundreds of new species.

Another benefit to humanity that stems directly from ISA's mandate under the Convention and the activities carried out by contractors with ISA is capacity development. This includes mandatory training for nationals of developing countries as part of every contract for exploration, as well as programmes led by ISA to build capacity in developing countries to enable them to fully participate in the regime for the Area.

As part of the regulatory framework for exploitation, ISA will collect payments directly from contractors for the minerals recovered from the Area. As required by the Convention, part of these payments will fund the activities of ISA and part may also be allocated to an economic assistance fund to compensate developing land-based mineral producers for any adverse effects on their economies as a result of deep sea mining. The remainder of the payments must be equitably shared among States Parties.

The Finance Committee is currently considering a possible formula for equitable sharing, including possible criteria for direct distribution among States Parties, as well as the potential for a global fund to support global public goods such as capacity development and increased marine scientific research.

Conclusion

The regime for the Area administered by ISA underpins the Convention, by providing a unique framework for the administration of shared space (the seabed beyond national jurisdiction) and the management of global public goods (seabed minerals) based on equity, fairness and environmental sustainability.

As seabed mining edges closer to reality, this framework will be tested. I am confident that ISA will meet the challenges before it and develop a regime for seabed mining that is fully sustainable and achieves the goal of equity.
