



**Thirty-Second Meeting of States Parties to the United Nations
Convention on the Law of the Sea**

*Agenda item 9: 'Information reported by the Secretary-General of the
International Seabed Authority.'*

Kingston, Jamaica

13 June 2022

STATEMENT

by
Mr. Michael W. Lodge
Secretary-General of the International Seabed Authority

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Madame President, distinguished delegates,

Thank you for this annual opportunity to present information about the work of the Authority to the Meeting of States Parties to the Convention.

Let me begin by offering my congratulations to you Madame President on your election as President of the thirty-second Meeting of States Parties. In this year in which we celebrate the fortieth anniversary of the Convention, it is absolutely appropriate to see Malta presiding over our meeting. It is also gratifying to note that you are also the Permanent Representative of Malta to the Authority.

Let me also extend my thanks and appreciation to the Legal Counsel and to the Director and colleagues in DOALOS for their consistent support and our collaboration, including in the context of UN Oceans.

Most of all, I wish to extend my congratulations and appreciation to the States Parties for your constant support to the mandate and the work of the Authority.

That commitment was most visibly manifested in the overwhelming support that we received for the resumption of in person meetings of the Council and Assembly in December 2021. Not only were the Assembly and Council able to complete their administrative tasks and bring the twenty-sixth session of the Authority to a conclusion, but also the Council was able to adopt, by consensus, a roadmap for accelerated work on the draft exploitation regulations with a view to adoption of the regulations by July 2023.

As I said recently in the General Assembly, on the occasion of the celebration of the 40th anniversary of the adoption of the Convention, the regime for the deep seabed lies at the heart of the entire system of global ocean governance under the Convention. It is its backbone and its essence.

Today, this space is the frontier for cutting-edge marine science, technological innovation, and deep-sea exploration. The rich mineral deposits found on the sea floor and the biodiversity associated with them also create exciting opportunities for sustainable development.

It is therefore with legitimate interest that many developing States parties to the Convention and are looking to this unique governance architecture to support the rights that are recognized to them under international law.

The implementation of these rights together with ensuring the conservation and sustainable development of our shared ocean resources reflect the mandate of the Authority. I know that all of you in your capacity of States Parties to the Convention are committed to this common goal.

Through the development and implementation of a set of rules and standards governing deep sea mining and related activities, including marine scientific research in the Area, the international community can balance the imperative need for resource extraction with the preservation of the marine environment.

The development of these rules and standards is the present urgent and critical mission of the Authority in furtherance of its exclusive mandate to manage deep-sea mineral resources for the benefit of humankind.

It may be useful to recall that the work on the draft exploitation regulations started in 2015 following a request by Fiji. Over a period of five years, the Legal and Technical Commission held a series of public consultations on various elements of the regulations and formulated a draft text, which it submitted to the Council in the form of a recommendation in 2019.

The initial deadline set by the Council for completion of its review of the draft regulations was 2020. It established four working groups to organize its work:

- An open-ended working group to discuss a payment mechanism and rates of payment, chaired by Mr. Olav Myklebust (Norway). This group has held four meetings so far.
- An informal working group on the protection and preservation of the marine environment, facilitated by Dr. Raijeli Taga (Fiji)
- An informal working group on inspection, compliance, and enforcement, facilitated by H.E. Dr. Maureen P. Tamuno (Nigeria)

- An informal working group on institutional matters, co-facilitated by H.E. Ms. Georgina Guillén Grillo (Costa Rica) and H.E. Ms. Constanza Figueroa Sepúlveda (Chile).

The working groups were unable to make substantive progress in 2020 and 2021, but I am pleased to report that the first part of the twenty-seventh session, held in March this year, was highly productive and good progress was made in accordance with the road map agreed in December 2021, especially in the working group on environmental matters.

I hope that this progress can be maintained during the forthcoming meetings of the Council scheduled for July this year. Again, this is an extended two-week meeting, with the intention of advancing work on the draft regulations.

The facilitators of the working groups will shortly be issuing draft texts compiled on the basis of the proposals made by members and observers. I expect the facilitator's text on the payment mechanism to be released this week, to be followed next week by the revised facilitator's text on environmental matters.

On 21 June, as requested by the Council, the facilitator of the environmental working group will host a webinar on the proposed Environmental Compensation Fund. I hope this will help to clarify some of the questions around the Fund in advance of the July session.

The draft regulations are very far advanced and have already had the benefit of detailed expert scrutiny by the Legal and Technical Commission, as well as the widest possible public consultation. At this stage, we are way beyond general principles, and I urge delegations to bring appropriate technical experts as we are dealing with detailed technical provisions.

I should add that the secretariat has produced numerous reports and technical studies to support and inform the ongoing discussions, including:

- Technical Study 25: Competencies of the International Seabed Authority and the International Maritime Organization in the Context of Activities in the Area
- Technical Study 26: Competencies of the International Seabed Authority and the International Labour Organization in the Context of Activities in the Area provide matrixes to facilitate the understanding on the respective mandate of each organization and interface of the competencies of these organizations with respect to activities in the Area
- Technical Study 27: Study on an Environmental Compensation Fund for activities in the Area

- Technical Study 29: Remote monitoring systems in support of inspection and compliance in the Area, provides insight on how ISA could adapt existing technology in the offshore petroleum and other related industries to the development of an inspection mechanism for activities in the Area.
- Technical Study 31: Equitable sharing of financial and other economic benefits from deep-seabed mining.

Other business of the Council and Assembly

There are several other important matters on the agendas of the Council and Assembly. These include:

- Election of Legal and Technical Commission 2023-2027
- Election of Finance Committee 2023-2027
- Election of one half of the Council 2023-2026
- Budget 2023-2024
- Annual report of the Secretary-General
- Future establishment of the Economic Planning Commission
- The operationalization of the Enterprise

The Legal and Technical Commission will also be undertaking a final review of the draft regional environmental management plan for the Northern part of the Mid-Atlantic Ridge. The draft has been open for public consultation over the past months and the Commission will review the comments that have been received.

In the interests of time, I will not go into these in detail, but I am happy to respond to any questions that delegations may have. Documents on all these matters are on the website.

Arrangements for the session

As is widely known by now, the Government of Jamaica is unable to offer our usual meeting facility for the session. We have been working closely with them to find an alternative venue and I convened two briefing sessions for Permanent Representatives to the Authority on 6 and 25 May. Many of you attended. It is now confirmed that the session will be in Kingston, at the Knutsford Court hotel, in the central business district. The intention is to make this fully available to the Authority as a meeting venue. During this time, it will not be operational as a hotel and delegations should make their usual arrangements for

accommodation. A full briefing note is available on the website, and we will keep this updated should there be any last-minute changes.

Financial situation

In terms of the financial situation of the Authority, I am pleased to report that as of the end of May 2022, 75 per cent of assessed contributions to the budget of the Authority for the year of 2022 have been paid. This leaves 25 per cent of assessed contributions, \$1.8 million, outstanding and I urge States concerned to pay their contributions as soon as possible.

The total amount of arrears for prior periods, from 1998-2021 is \$913,111. More worrying is the fact that 57 States are in arrears of contributions for more than two years and, indeed, eight States have never paid any contributions whatsoever since becoming parties to the Convention. The Convention is a package deal and joining the Convention brings with it the obligation to pay assessed contributions to the institutions established by the Convention. I wish to draw attention to the fact that \$630,544 of those arrears relate to only five States. If those five States were to pay their arrears it would dramatically improve the situation.

We have circulated more detailed information about the status of arrears, and I wish to once again urge all States parties to pay their outstanding contributions without delay.

I can also report that all contractors have paid their annual overhead charge of \$80,000 in 2022.

Issues to highlight

I do recognize that, in addition to its regulatory function, the Authority has several other important responsibilities which should not be overlooked. These include:

- To promote and encourage marine scientific research concerning the Area and its resources
- To organize the transfer of technology and build the capacity of developing States and technologically less-advanced States.
- To take necessary measures, including through regional environmental management plans, to ensure effective protection of the marine environment from harmful effects which may arise from activities in the Area
- To distribute to States Parties payments or in-kind contributions derived from exploitation of non-living resources of the continental shelf beyond 200 nautical miles

Detailed information on what we are doing to progress these responsibilities will be included in the annual report of the Secretary-General which will be released early July 2022. For the time being, allow me to highlight four recent initiatives:

First, on World Oceans Day 2022, in collaboration with IHO, we were pleased to launch the AREA2030 initiative. The aim of this initiative is to encourage exploration contractors to voluntarily submit high resolution bathymetric data to IHO on the basis of a data submission agreement we have signed with IHO. These data will significantly contribute to international efforts to improve mapping of the global seafloor by 2030 and represent a significant contribution to the objectives of the UN Decade of Ocean Science for Sustainable Development

Second, significant progress has also been made to establish collaborative initiatives with States parties, contractors, and other stakeholders to advance research related to the environmental effects of activities in the Area. Of particular interest is the recent progress made on standardizing and innovating methodologies for deep-sea biodiversity assessment, including taxonomic identification and description. I am particularly delighted to announce that we have entered into an important collaboration with the European Commission, including a significant level of funding support, that I believe will make a major contribution to deep sea science.

Third, over the past year, we have been able to make further progress with our flagship Women in Deep-Sea Research (WIDSR) project. This project builds on the Voluntary Commitment registered by the Authority at the 2017 UN Ocean Conference and aims to address the critical barriers preventing women's empowerment and leadership in deep-sea research related disciplines and activities.

The project has a particular focus on women scientists from Least Developed Countries, Landlocked Developing States and Small Island Developing States and we are particularly pleased to partner with the Office of the High Representative for Least Developed Countries, Landlocked Developing States and Small Islands Developing States (UN-OHRLLS) in the implementation of the project as well as States parties, international and regional organizations, research and regulatory agencies, contractors, and non-governmental organizations.

Very soon, we will release an important report, including a gender-mapping analysis and identification of critical barriers to the participation of women from LDCs, LLDCs and SIDS in deep-sea related research disciplines and activities and access to leadership positions. I count on the support of all States parties to this important initiative and welcome any contributions.

As an extension of this initiative, and in my capacity as an International Gender Champion, I was also pleased to launch last week, in collaboration with the Honourable Minister of Foreign Affairs of Tonga, Fekita ‘Utoikamanu, and the UN Legal Counsel, Mr. Miguel de Serpa Soares, an Impact Group on Research and Oceans for Women (IGROW). I wish to personally thank all of you who joined us for this important event, and I sincerely hope that many more will join this initiative, which I truly believe has a real possibility of delivering tangible and concrete results.

Finally, under this heading, I would like to mention that, as requested by the Assembly in 2021, we will be presenting in July a strategy for a programmatic approach to capacity development. The draft strategy was released for consultation in April 2022, and I wish to thank all those members and other stakeholders who submitted valuable comments on the draft.

I believe that the adoption of this strategy will represent a major step forward for the Authority and enable us to deliver even more support to developing countries as envisaged by the Convention.

Several of these initiatives will be spotlighted during our five side events at the forthcoming Ocean Conference in Lisbon. I thank all those member States that have co-sponsored side events with the Authority, and I encourage any of you who will be in Lisbon to join us at those events.

Final remarks

Madame President,

In the time available it is impossible to cover all the manifold aspects of the work of the Authority. Allow me, however, to make a few concluding remarks as we mark the fortieth anniversary of the Convention.

In so doing, let me reiterate the importance of the role played by the Convention and its institutions to ensure international cooperation, peace, security and a legal order for the seas and oceans, promoting the equitable uses of their resources, and the protection and preservation of the marine environment.

Without the Authority, we could easily have seen rampant unrestrained exploitation of the deep seabed and appropriation of its resources for the benefit of only a few. Instead, the success of the legal regime for the deep seabed beyond national jurisdiction – the Area – guaranteed by the Convention and the 1994 Implementing Agreement, offers a concrete example of how the international community can come together to ensure sound and careful management of global public goods for the benefit of humanity.

This also means that we should avoid complacency. The Convention is a fundamental part of the rules-based international order that has ensured peace at sea for 40 years and we should not take it for granted.

Today the world faces many challenges. Multilateralism is in retreat. The rule of international law is threatened by unilateral action. Inequity is increasing and the prospects of achieving the Sustainable Development Goals by 2030 become more challenging each year.

It is critical therefore to put the work of the Authority in its proper context.

The fundamental rights of States to carry out activities in the Area are set out in Part XI of UNCLOS and the 1994 Agreement, including the basic conditions for prospecting, exploration, and exploitation (Annex 3 of UNCLOS).

It is important to understand this. It is the right of all States, coastal or landlocked, to carry out activities in the Area. The only conditionality around that is that such activities must be conducted in accordance with the rules, regulations, and procedures of the Authority. For this reason, the Authority is mandated by the 1994 Agreement to adopt necessary rules, regulations, and procedures to facilitate the conduct of activities in the Area as exploration activities progress. This is what we call our evolutionary approach.

The priority was to develop a comprehensive set of rules, regulations and procedures dealing with prospecting and exploration for mineral resources in the Area.

The Authority has adopted three sets of exploration regulations for the prospecting and exploration for polymetallic nodules (2000 and revised in 2013), polymetallic sulphides (2010) and cobalt-rich ferromanganese crusts (2012). Thirty-one exploration contracts have been issued pursuant to these regulations. Some of these have been in place for 20 years, and many of them are quite mature, meaning that contractors have identified the existence, or not, of mineral resources, and have carried out environmental studies, which have taken them to the point of decision as to whether they intend to proceed to exploitation. In some cases, tests of mining technology are being performed.

Obviously, countries have their interests to protect and positions to advocate for, but it is in the interests of all that collectively we trust and support the process and the framework agreed under the Convention.

It is worth recalling that the work done by the Authority also sets a minimum environmental bottom line for seabed activities within national jurisdiction. The unqualified requirements of Articles 208 and 209 are that regulation of activities within national jurisdiction must be no less effective than regulation with regard to activities in the Area. You also cannot have discriminatory treatment of one type of activity in ABNJ compared to others.

The fact is that the Convention and its three institutions, together with the 1994 and 1995 Agreements, provide the foundation of and play a central role in the ocean governance architecture.

That is why it is in the interests of the whole of the international community that their integrity is protected and not undermined, including by other parts of the UN system.

So, as we mark this fortieth anniversary, I trust that together we will be able to unite once again around the vision of peace, security and cooperation that is reflected in the Convention. I hope that we can also work together to promote equitable and efficient utilization of the ocean's resources to achieve the economic and social advancement of all peoples of the world.

For the Authority, as it moves towards the development of a regulatory framework for the sustainable exploitation of the seabed minerals of the Area for the benefit of all humanity, and as it progresses in the implementation of measures to protect the marine environment, further improves scientific knowledge of the ocean floor and contributes to the implementation of internationally endorsed goals and targets, the continuous and robust support and commitment of all States parties will be critical.
