



## Council

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### Twenty-seventh session

Council session, part I

Kingston, 21 March–1 April 2022

Item 14 of the provisional agenda\*

**Report of the Chair of the Legal and Technical Commission on  
the work of the Commission at its twenty-seventh session**

## **Report of the Chair of the Legal and Technical Commission on the work of the Commission at the first part of its twenty-seventh session**

### **I. Introduction**

1. Part I of the twenty-seventh session of the Legal and Technical Commission of the International Seabed Authority was held from 14 to 18 March 2022 in virtual format. Part II will be held in July 2022.
2. The Commission held a total of 10 plenary meetings. The working groups set up by the Commission also met frequently in virtual format on relevant agenda items.
3. On 14 March, the Commission adopted its agenda<sup>1</sup> and re-elected Harald Brekke as Chair and Thembile Joyini as Vice-Chair of the Commission.

### **II. Activities of the contractors**

#### **A. Implementation of training programmes under contracts for exploration and allocation of training opportunities**

4. On 14 March, the Commission was briefed on the selection of candidates for training programmes since October 2021. The Commission endorsed the recommendations by the training subgroup on the selection of candidates for those training opportunities.<sup>2</sup>

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\* ISBA/27/C/L.1.

<sup>1</sup> ISBA/27/LTC/1.

<sup>2</sup> ISBA/27/LTC/5.



## **B. Status of the relinquishment of areas under contracts for exploration**

5. On 14, 17 and 18 March, the Commission considered a request by the Federal Institute for Geosciences and Natural Resources (BGR) to defer the schedule for relinquishment of parts of its contract area allocated to it under the exploration contract for polymetallic sulphides.<sup>3</sup> After taking into consideration the justifications provided by the contractor due to the situation of the coronavirus disease (COVID-19) pandemic, the Commission found that the reasons presented by the contractor would qualify as “unforeseen exceptional circumstances arising in connection with the operational activities of the contractor”, and recommended to the Council to defer by one year the schedule of the first relinquishment to 6 May 2024 and the second relinquishment to 6 May 2026. A draft decision of the Council on the deferral of the schedule of relinquishment upon request by BGR is annexed to the present report.

6. On 14 March, the Commission took note of the information on the relinquishment of one third of the area allocated to the Japan Oil, Gas and Metals National Corporation (JOGMEC) under the contract for exploration for cobalt-rich ferromanganese crusts between JOGMEC and the Authority.

## **C. Consideration of an application for the extension of a contract for exploration**

7. On 14 March, the Commission commenced consideration of an application for the extension of an approved plan of work for exploration for polymetallic nodules received from the Government of India,<sup>4</sup> in accordance with the decision of the Council relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.<sup>5</sup>

8. The Commission set up three working groups to review the geological and technological aspects, the legal, financial and training aspects and the environmental aspects of the application.

9. Following extensive deliberations in the plenary meeting on 14 March, the Commission considered questions prepared by the working groups on 15 March. A list of questions was transmitted in writing to the applicant on 15 March, concerning financial expenditure, the training programme, sampling programmes, environmental baselines, environmental scientific capabilities, mineral resources assessment and metallurgical processes. Responses were received on 17 March. After considering the responses, the Commission requested further clarifications from the applicant in writing on 17 March. The responses were received on 18 March.

10. After further considering the responses, the Commission noted with appreciation that all the requested data and information had been duly supplied. The Commission recalled that, pursuant to paragraph 12 of the procedures and criteria, if it considered that a contractor had made efforts in good faith to comply with the requirements of the contract for exploration but that, for reasons beyond its control, had been unable to complete the preparatory work necessary for proceeding to the exploitation stage, or if the prevailing economic circumstances (such as those encountered in the global markets and low metal prices) did not justify proceeding to the exploitation stage, then it was to recommend the approval of the application.

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<sup>3</sup> ISBA/27/LTC/4.

<sup>4</sup> ISBA/27/LTC/3.

<sup>5</sup> ISBA/21/C/19.

11. In addition, members of the Commission had suggestions regarding the proposed programme of activities during the extension period as submitted by the applicant. The suggestions will be communicated to the applicant upon approval of the extensions by the Council, with a view to being taken into account by the applicant in drawing up the proposed programmes of activities for the extension period before the extension agreement is signed with the Secretary-General.

12. Having concluded that the data and information provided by the applicant have met the criteria set out in the decision in document [ISBA/21/C/19](#) and that all applicable procedures have been complied with, the Commission recommends that the Council approve the application.

13. The report and recommendations of the Commission relating to the application is contained in document [ISBA/27/C/15](#).

### **III. Consideration of an application for approval of a plan of work for exploration**

14. On 15 March, the Commission started its consideration of an application for approval of a plan of work submitted by Circular Metals Tuvalu Ltd. with delivery of a presentation by the applicant, which was followed by an oral question-and-answer session. The Commission then discussed the application and set up three working groups to review the geological and technological aspects, the legal, financial and training aspects and the environmental aspects of the application.

15. On 16 and 17 March, the Commission considered questions prepared by the working groups, in particular concerning the financial and technical capabilities of the applicant, the framework of the proposed plan of work for 15 years and details of the proposed programme of work for the first 5-year period. A list of questions from the Commission was sent to the applicant on 18 March. The Commission decided to continue its consideration of the application at part II of its twenty-seventh session, in July.

### **IV. Development of regional environmental management plans**

16. On 16 and 18 March, the Commission considered a report containing a draft regional environmental management plan for the area of the northern Mid-Atlantic Ridge with a focus on polymetallic sulphide deposits, prepared by the working group of the Commission. The Commission decided to continue working on the draft plan on the basis of the comments and suggestions discussed at its meetings in March. The Commission also decided that the revised draft plan, once endorsed by the Commission intersessionally, would be released thereafter for stakeholder consultation. The Commission will consider the stakeholder comments at its next meeting.

17. The Commission also made progress in response to the request of the Council, contained in document [ISBA/26/C/10](#), with regard to recommending to the Council a standardized approach to the development of regional environmental management plans, including a template with indicative elements. The Commission considered a report by the above-mentioned working group on the development of a template to guide the preparation of the draft plan for the northern Mid-Atlantic Ridge. The Commission was briefed on the rationale for the inclusion of the suggested elements in the template, taking into consideration the structure of the environmental management plan for the Clarion-Clipperton Zone<sup>6</sup> and the proposed template for regional environmental management plans, submitted to the Council by the delegations of Germany and the

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<sup>6</sup> [ISBA/17/LTC/7](#).

Netherlands, with co-sponsorship by Costa Rica.<sup>7</sup> The Commission agreed that the template formulated by the working group could also serve as a general template, with indicative elements, to guide the development of future such plans.

18. In the light of the discussion above, the Commission decided to start drafting a recommendation on a general template for regional environmental management plans, including indicative elements, based on the report of the working group. The general template, including indicative elements, will be presented to the Council in July. The Commission also decided to continue working on a standardized approach to the development of regional environmental management plans in July, based on the experience in developing the regional environmental management plans for the Clarion-Clipperton Zone and the northern Mid-Atlantic Ridge.

## **V. Review of the recommendations for the guidance of contractors for the assessment of the possible environmental impacts arising from exploration for marine minerals in the Area**

19. On 18 March, the Commission considered the request of the Council to review the recommendations for the guidance of contractors for the assessment of the possible environmental impacts arising from exploration for marine minerals in the Area as contained in document [ISBA/25/LTC/6/Rev.1](#) and [ISBA/25/LTC/6/Rev.1/Corr.1](#).<sup>8</sup> The Commission set up a working group to work intersessionally on the matter.

## **VI. Other matters**

20. It is recalled that, on 30 July 2021, the Secretary-General received an environmental impact statement from Nauru Ocean Resources Inc. (NORI) regarding its plans to carry out testing of a polymetallic nodule collector, in the NORI-D contract area of the eastern Clarion-Clipperton Zone, in the Central Pacific Ocean.<sup>9</sup> During its twenty-sixth session, on 30 September 2021, the Commission took note of the environmental impact statement and set up a working group to review it intersessionally. The working group met in December 2021 to consider the statement.

21. On 23 December 2021, NORI informed the Secretary-General that it had collaborated with the Government of Nauru to develop a stakeholder consultation process, and sought permission to submit an amended environmental impact statement incorporating amendments as a result of the stakeholder consultation process no later than 14 March 2022, given the number of comments received. The Secretary-General requested NORI to submit the amended statement as soon as possible but no later than 1 March 2022, without prejudging the action that the Commission would take when it considered the matter at its next meeting.

22. After receipt of the amended environmental impact statement on 1 March, the working group of the Commission resumed its consideration of the statement and held several virtual meetings. The working group, among other things, scoped the changes to the previous statement and discussed key issues of concern that would be a focus of further consideration and a time frame for the review of the statement. On 15, 17 and 18 March, the Commission was updated on the work of the working group before and during the session. The Commission decided to request a more substantive monitoring plan for the collector test from NORI before continuing its consideration of the amended statement intersessionally.

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<sup>7</sup> [ISBA/26/C/7](#).

<sup>8</sup> See paragraph 14 of the decision of the Council relating to the reports of the Chair of the Legal and Technical Commission ([ISBA/26/C/57](#)).

<sup>9</sup> [ISBA/26/LTC/10](#).

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**Annex****Draft decision of the Council of the International Seabed Authority  
on the deferral of the schedule of relinquishment upon request by  
the Federal Institute for Geosciences and Natural Resources**

*The Council of the International Seabed Authority,*

*Recalling* that, on 6 May 2015, the Federal Institute for Geosciences and Natural Resources entered into a 15-year contract for exploration for polymetallic sulphides with the Authority,

*Recalling also* regulation 27, paragraph 2, of the regulations on prospecting and exploration for polymetallic sulphides in the Area (“the Regulations”),<sup>1</sup> which refers to the schedule of relinquishments of the area allocated to contractors,

*Noting* that, according to such schedule the Federal Institute for Geosciences and Natural Resources is required to relinquish at least 50 per cent of the original contract area allocated to it by 6 May 2023, being the end of the eighth year from the date of the contract, and at least 75 per cent of the original contract area allocated to it by 6 May 2025, being the end of the tenth year from the date of the contract,

*Noting also* that the Federal Institute for Geosciences and Natural Resources requested to defer the schedule of relinquishment, owing to the impact of the coronavirus disease (COVID-19) pandemic on its operational activities,

*Recalling* that, pursuant to regulation 27, paragraph 6, of the Regulations, the Council may, at the request of the contractor, and on the recommendation of the Commission, in exceptional circumstances, defer the schedule of relinquishment and that such exceptional circumstances shall be determined by the Council and shall include, inter alia, consideration of prevailing economic circumstances or other unforeseen exceptional circumstances arising in connection with the operational activities of the contractor,

*Considering* that the Legal and Technical Commission has found that the reasons presented by the contractor qualify as “unforeseen exceptional circumstances arising in connection with the operational activities of the contractor”,<sup>2</sup> and has recommended to defer by one year the schedule of the first relinquishment to 6 May 2024 and the second relinquishment to 6 May 2026,

*Acting* upon the recommendation of the Commission,

1. *Determines* that the reasons presented by the Federal Institute for Geosciences and Natural Resources qualify as “unforeseen exceptional circumstances arising in connection with the operational activities of the contractor”;
2. *Defers* the schedule of the first and second relinquishments as recommended by the Commission;<sup>3</sup>
3. *Requests* the Secretary-General to communicate the present decision to the Federal Institute for Geosciences and Natural Resources.

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<sup>1</sup> ISBA/16/A/12/Rev.1, annex.

<sup>2</sup> See ISBA/27/C/16.

<sup>3</sup> Ibid.