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Application for approval of a plan of work for exploration for cobalt-rich ferromanganese crusts in the Area by the China Ocean Mineral Resources Research and Development Association

Executive summary*

I. Background

1. In accordance with the “Regulations on Prospecting and Exploration for Cobalt-rich Ferromanganese Crusts in the Area”, the China Ocean Mineral Resources Research and Development Association (COMRA) submitted an application for approval of a plan of work for exploration for cobalt-rich ferromanganese crusts in the Area to the International Seabed Authority, to obtain a contract, on the 27 July 2012. The application, including 6 annexes, was written in Chinese, which is one of the official languages of the Authority, and is in accordance with the requirements of the Regulations and the form specified in annex II to the Regulations. COMRA submitted the English version of the application to the Authority in October 2012.

2. The present executive summary is prepared in accordance with paragraphs 3 and 4 of regulation 23 for the purpose of consideration of the application by the Legal and Technical Commission.

II. Compliance with the provisions of regulation 23, paragraph 3

3. Has the applicant complied with the provisions of the Regulations?

(a) The applicant’s qualification and the form of the application (in accordance with the provisions of regulation 10 and annex II to the Regulations)

* Submitted by the applicant.



(i) Annexes I and II to the application specify that COMRA is a State enterprise, as specified in regulation 9 (b). It is effectively controlled and sponsored by the People's Republic of China;

(ii) In section I of the application, basic information is provided concerning the applicant in accordance with regulation 9 (b) and the form specified in annex II to the Regulations;

(b) Certificate of sponsorship (in accordance with regulation 11)

The certificate of sponsorship is provided in annex II to the application, which was signed by Mr. Liu Cigui, Administrator of the State Oceanic Administration, with the authorization of the State Council of China;

(c) Data and information contained in the application (in accordance with regulation 20)

(i) In the application, COMRA has offered an equity interest in a joint venture arrangement and provided the following data and information in accordance with regulations 19 and 20 and the form specified in annex II to the Regulations;

(ii) Section IV, paragraph 24 (a) of the application provides a general description and a schedule of the proposed exploration programme, including the programme of activities for the immediate five-year period. The work of exploration will be carried out in three five-year periods. During each period, the work of exploration will include the studies of environmental, technical and economic elements as well as other related elements which should be considered for the conduct of the work of exploration;

(iii) Section IV, paragraph 24 (b) provides a general description of a programme for oceanographic and environmental baseline studies in accordance with the Regulations and any environmental rules, regulations and procedures established by the Authority;

(iv) Section IV, paragraph 24 (c) gives a preliminary assessment of the possible impact of the proposed exploration activities on the marine environment;

(v) Section IV, paragraph 24 (d) provides a description of proposed measures for the prevention, reduction and control of pollution and other hazards, as well as other possible impacts, to the marine environment;

(vi) Section III, paragraphs 21 and 23 contain specific and sufficient information to enable the Council to determine whether COMRA is financially and technically capable of carrying out the proposed plan of work for exploration and of fulfilling its financial obligations to the Authority;

(vii) Section IV, paragraph 24 (e) contains a schedule of anticipated yearly expenditures in respect of the programme of activities for the immediate five-year period;

(d) Fee for application (regulation 21)

COMRA paid a fixed amount of \$500,000 at the time of the submission of its application in accordance with paragraph 1 of regulation 21;

(e) The size of the blocks and their configuration in clusters (regulation 12)

(i) Annex III (the chart to identify the boundaries of the blocks under application) and annex IV (the list of geographical coordinates) to the application contain the data regarding the application area of concern to COMRA, such as the location, the size of the blocks and their configuration in clusters. The application area is comprised of 150 blocks. Each block is no greater than 20 km² in size. The total area covered by the application is approximately but does not exceed 3,000 km² and is confined within a geographical area measuring not more than 550 km by 550 km;

(ii) The application area is comprised of 30 clusters of cobalt crust blocks. Each of the clusters is comprised of 5 cobalt crust blocks.

4. Has the applicant given the undertakings and assurances specified in regulation 15?

COMRA has provided a written undertaking to the Authority, contained in annex VI to the application, in accordance with the requirements of regulation 15 and of annex II to the Regulations.

5. Does the applicant possess the financial and technical capability to carry out the proposed plan of work for exploration, and has it provided details as to its ability to comply promptly with emergency orders?

(a) The applicant's financial capability (in accordance with regulation 13, paragraph 3)

COMRA has provided a financial statement, signed by Mr. Xie Xuren, Minister of the Ministry of Finance of China, under authorization of the State Council, certifying that COMRA has the necessary financial resources to meet the estimated costs of the proposed plan of work for exploration and to fulfil its financial obligation to the Authority. The statement has been submitted as annex V to the application;

(b) The applicant's technical capability (regulation 13 (9))

(i) Section III, paragraph 23 of the application specifies that COMRA possesses the technical capability to carry out the proposed plan of work for exploration;

(ii) Paragraph 23 (a) provides a general description of previous experience, knowledge, skills, technical qualifications and expertise of COMRA, relevant to the proposed plan of work for exploration;

(iii) Paragraph 23 (b) provides a general description of equipment and methods expected to be used in carrying out the proposed plan of work for exploration and other relevant non-proprietary information about the characteristics of such technology;

(iv) Paragraph 23 (c) provides a general description of financial and technical capability of COMRA to respond to any incident or activity which causes serious harm to the marine environment.

6. Has the applicant satisfactorily discharged its obligations in relation to any previous contract with the Authority?

COMRA provides the dates of previous contracts in section VI, paragraph 26 of the application. Paragraph 27 lists the dates, reference numbers and titles of each report submitted to the Authority in connection with the contract for exploration of polymetallic nodules in the Area.

III. Compliance with the requirements contained in regulation 23 (4)

7. The proposed plan of work will provide for effective protection of human health and safety.

Section IV, paragraph 24 (a) of the application provides that COMRA has formulated a series of norms and procedures for operations at sea, and will continue to observe and comply with the generally accepted international rules and standards relating to safety at sea and labour management, as well as the related rules, regulations and procedures that may be adopted by the Authority in carrying out the plan of work for exploration for cobalt-rich ferromanganese crusts.

8. The proposed plan of work will provide for effective protection and preservation of the marine environment, including, but not restricted to, the impact on biodiversity

(a) Section IV, paragraph 24 (c) of the application provides a preliminary assessment of the possible impact of the proposed exploration activities on the marine environment. Based on the preliminary assessment, COMRA will submit to the Authority the related documents prior to the commencement of exploration activities;

(b) Section IV, paragraph 24 (d) provides a description of the proposed measures for the prevention, reduction and control of pollution and hazards as well as other possible impacts on the marine environment;

(c) The proposed plan of work will ensure that installations are not established where interference may be caused to the use of recognized sea lanes essential to international navigation or in areas of intense fishing activity.

In section IV of the application it is specified that the application area is not located in areas of intense fishing activity nor of recognized sea lanes essential to international navigation.

IV. Others

9. Training

In accordance with regulation 29 and section 8 of annex IV to the Regulations, COMRA has worked out a practical programme for the training of personnel. COMRA will consult on the training programme with the Authority before the programme is implemented as part of the obligations for implementing the plan of work for exploration in accordance with the Regulations, if the application is approved.