

**Council**

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Application for extension of the contract for exploration for polymetallic nodules between the China Ocean Mineral Resources Research and Development Association and the International Seabed Authority

Report and recommendation of the Legal and Technical Commission

The Legal and Technical Commission,

Recalling that, on 22 May 2001, the China Ocean Mineral Resources Research and Development Association entered into a 15-year contract for exploration for polymetallic nodules with the International Seabed Authority,

Noting that, on 19 November 2015, the Secretary-General of the International Seabed Authority received an application for a five-year extension of that contract from the Association, 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,

Noting also that, on 23 November 2015, the Secretary-General notified the sponsoring State, on 30 November 2015, members of the Authority, and, on 1 December 2015, members of the Legal and Technical Commission, of the receipt of the application and placed consideration of the application on the agenda of the Commission for the twenty-second session of the Authority,

Recalling the provisions of section 1, paragraph 9, of the annex to the Agreement,

Recalling also the decision of the Council of the International Seabed Authority 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,¹

Recalling further that the Commission is required to consider applications expeditiously and in the order in which they are received,

¹ ISBA/21/C/19.



Recalling that the Commission shall recommend approval of the application for extension of the contract for exploration if it considers that the contractor has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond the contractor's control, has been unable to complete the preparatory work necessary for proceeding to the exploitation stage, or if the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Having considered the application by the Association during its meetings held from 22 February to 4 March and from 4 to 13 July 2016, in accordance with the procedures and criteria,

Noting that the applicant does not propose to relinquish any part of its exploration area,

Having requested the applicant to provide further data and information to supplement its application, and noting with appreciation that such data and information, including historical data, were duly supplied to the satisfaction of the Commission,

Having considered the grounds advanced by the applicant for requesting an extension of its contract and the information provided to establish that, for reasons beyond its control, it was unable to complete the preparatory work to proceed to the exploitation stage and that the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Having concluded that the applicant has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond its control, has been unable to complete the preparatory work to proceed to exploitation,

1. *Recommends* that the Council of the International Seabed Authority approve the application for extension of the contract for exploration for polymetallic nodules between the China Ocean Mineral Resources Research and Development Association and the Authority for a period of five years from 22 May 2016;

2. *Requests* the Secretary-General of the International Seabed Authority to take the steps necessary to ensure that the proposed programme of activities for the extension period contained in the application is adjusted to take into account the issues raised in the questions asked by the Legal and Technical Commission, the responses given by the applicant and the issues raised during the deliberations of the Commission before the programme of activities is attached as annex I to the agreement to be drawn up between the Authority and the Association concerning the extension of the contract for exploration for polymetallic nodules, in accordance with appendix II to the decision of the Council.¹