ADOPTION OF DRAFT REGULATIONS ON PROSPECTING AND EXPLORATION FOR COBALT-RICH FERROMANGANESE CRUSTS; CONSIDERATION OF FIVE NEW APPLICATIONS FOR APPROVAL OF PLANS OF WORK FOR EXPLORATION, ELECTION OF 20 MEMBERS OF COUNCIL AND OF THE SECRETARY-GENERAL AMONG MAIN ISSUES FOR CONSIDERATION AT 18TH SESSION OF ISA

Other agenda items include budget of the Authority for the financial period 2013 to 2014, and contributions to voluntary trust fund; Proposed revisions to the Nodules Regulations adopted in 2000; a plan for the formulation of the exploitation code for polymetallic nodules in the Area, and Commemoration of the 30th Anniversary of the opening for signature of the United Nations Convention on the Law of the Sea

Adoption of the draft regulations on prospecting and exploration for cobalt-rich ferromanganese crusts in the international seabed Area, and consideration of five new applications for approval of plans of work for exploration are among the substantive issues on the agenda of the International Seabed Authority when it convenes its eighteenth session in Kingston, Jamaica, from 16 - 27 July, 2012.

All provisions of the draft crusts regulations have been adopted on a provisional basis, except for those dealing with the size and configuration of areas allocated for exploration, and the linked issues of the schedule of relinquishment and fees. The Council expects to conclude its work on the draft regulations at this session. The draft regulations, adopted by the Legal and Technical Commission and recommended to the Council in 2009, were considered during the fifteenth, sixteenth and seventeenth sessions.

The Authority will consider five new applications, for licenses to explore the deep seabed of the Indian, Atlantic and Pacific Oceans, that were received by the Secretariat in May 2012. All five applications were placed on the agenda of the Legal and Technical Commission for review and recommendation to the Council of the Authority. Approval of all five applications would bring the number of active exploration contracts issued by the Authority to 17, compared to eight
in 2010, and would represent a dramatic and exponential increase in the workload of the Authority.

Also on the agenda is the election of 20 members of the Council to serve for the period 1 January 2013 to 31 December 2016, and the election of a Secretary-General from a list of candidates proposed by the Council of the Authority. Nii Allotey Odunton (Ghana) who was elected Secretary-General at the Authority’s 14th session, in 2008, is seeking a second term in office. The Authority will also consider the annual report of the Secretary-General, the adoption of the budget of the Authority and the scale of assessment for contributions to the budget.

There will be a Special Session, on 24 July 2012, to mark the thirtieth anniversary of the opening for signature (on 10 December 1982 in Montego Bay, Jamaica) of the 1982 United Nations Convention on the Law of the Sea. The session will include statements by distinguished participants in the Third Conference, the Preparatory Commission for the International Seabed Authority and for International Tribunal for the Law of the Sea, the United Nations and the Authority. The Government of Jamaica will also unveil a scroll commemorating the event.

Other matters on the agenda include: Report on the status of laws, regulations and administrative measures adopted by sponsoring States and other members of the International Seabed Authority with respect to the activities in the Area; the status of fees paid for processing applications for approval of plans of work for exploration, and an election to fill a vacancy on the Legal and Technical Commission.

Applications for approval of plans of work for exploration for polymetallic nodules and polymetallic sulphides

Of the five new applications for approval of plans of work for exploration, two are for exploration for polymetallic sulphides, and three are for exploration for polymetallic nodules.

The polymetallic sulphides applications were received from the Government of the Republic of Korea, and IFREMER (French Research Institute for Exploitation of the Sea) sponsored by the Government of France. The applications for polymetallic nodules exploration were received from: UK Seabed Resources Ltd., a company sponsored by the Government of the United Kingdom of Great Britain and Northern Ireland; Marawa Research and Exploration Ltd., a state enterprise of the Republic of Kiribati; and G-Tec Sea Minerals Resources NV, a Belgian company sponsored by the Government of Belgium.

Council

It is the turn of the Group of Latin American and Caribbean States to nominate a candidate for President of the Council.

The Council will consider the report on the work of the Legal and Technical Commission during the first week of the two-week session, and will take up matters referred to it by the
Commission. This will include consideration of the report and recommendations of the Commission on the new applications for approval of plans of work for exploration in the Area.

High on the packed agenda of the 36-member body is continued consideration, with a view to adoption of the draft regulations on prospecting and exploration for cobalt-rich ferromanganese crusts in the Area (ISBA/18/C/WP.1). At the end of the Seventeenth Session, the Council had agreed on all provisions, except those dealing with “Certificate of sponsorship” (regulation 11); “Total area covered by application” (regulation 12); “Fee for application” (regulation 21); and “Size of area and relinquishment” (regulation 27). In 2011, a United Nation’s General Assembly resolution on the law of the sea, noted the expectation that the Council will be able to conclude its work on the regulations during the eighteenth session.

Another item to be considered by the Council is a report from the Secretary-General on the status of national legislation relating to the sponsorship, and conduct of activities in the Area. During the seventeenth session, the Council discussed the implications of the Advisory Opinion issued by the Seabed Disputes Chamber on 1 February 2011, which affirmed that the Convention requires the sponsoring State to adopt, within its legal system, laws and regulations and to take administrative measures that have two distinct functions, namely, to ensure compliance by the contractor with its obligations and to exempt the sponsoring State from liability.

The Legal and Technical Commission proposed that the Authority be charged with preparing model legislation to assist sponsoring States in fulfilling their obligations. In response to this proposal of the Commission, the Council of the Authority decided to request the Secretary-General to prepare a report on the laws, regulations and administrative measures adopted by sponsoring States and other members of the Authority with respect to activities in the Area. The Council further invited sponsoring States and other members of the Authority, as appropriate, to provide information on, or texts of, relevant national laws, regulations and administrative measures to the secretariat of the Authority. The Secretary-General’s report will contain a brief summary of the information provided by member States as well as information on relevant regional efforts and the activities of observer States.

Another issue for the Council at this session is a proposed work plan by the Secretariat outlining the steps involved in the preparation of a draft exploitation code, and the budgetary implications of the proposal. Several members of the Council had expressed the view at the seventeenth session that the time was ripe for the Authority to begin to work on the development of rules and regulations for exploitation of polymetallic nodules. In other matters, the Council will also consider a report from the Secretariat on the disposition of the fees paid for the processing of applications of plans of work in 2011.

Legal and Technical Commission

At its closed meeting on 9 – 13 July 2012, a week prior to the main session of the Authority, the Legal and Technical Commission will review and consider the annual reports of the twelve exploration contractors with ten contracts for exploration for polymetallic nodules, and two contracts for exploration for polymetallic sulphides. In addition, the Commission will
also take up a report by the Secretary-General on the required joint five-year review, with contractors of the implementation of work plans under the existing contracts for exploration for polymetallic nodules, in accordance with the regulations on prospecting and exploration for polymetallic nodules in the Area. Six exploration contractors have held contracts for 10 years and were therefore required to submit their proposed programmes of activities for the final five-year period under the contract in 2011.

A number of important environmental matters will be considered by the Commission, including:

- draft recommendations for the guidance of contractors in relation to environmental data to be collected during exploration for sulphides.
- the outcome of the Authority’s workshop on environmental impact assessment, which took place in November 2011 in Fiji.
- the results of a meeting between the Secretary-General and contractors in January 2012 in Kingston, of their environmental studies including collating and standardizing these results, establishing a baseline for future impact assessment, and identifying gaps in research and potential avenues for cooperation.

The Commission will also review a report prepared by the Secretariat revising the Regulations on Prospecting and Exploration for polymetallic nodules in the Area (which were adopted in 2000) to bring its environmental provisions in line with the environmental provisions of the more recently-adopted Regulations on Prospecting and Exploration for polymetallic sulphides in the Area. The environmental provisions of the Sulphides Regulations are considered much stricter than those in the Nodules Regulations. Finally, the Council will also consider a report on the disposition of the fees paid for processing applications for plans of work for polymetallic nodules exploration in 2011, and the adequacy of the fees paid for this purpose. An analysis of the fees indicates that they are both out of date and too low to reflect the actual costs of processing the applications.

Assembly

It is the turn of the African Group to nominate a candidate to serve as President of the Assembly in 2012. Members of the Assembly will consider requests for observer status in accordance with rule 82, paragraph 1 (e), of the rules of procedure of the Assembly.

Among the matters for consideration by the Assembly at this session is the election of 20 members of the Council in accordance with article 161 of the 1982 United Nations Convention on the Law of the Sea. At its 16th Session in 2010, one-half of the members of the Council in each of the five interest groups was elected. The terms of office of the remaining one-half of the members of the Council who were elected in 2008 will expire on the 31 December 2012. It is therefore necessary for the Assembly to elect 20 new members of the Council for the period 1 January 2013 to 31 December 2016.

The members of the Council whose terms of office will expire are as follows:

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- Group A: China and Japan
- Group B: India
- Group C: Canada and South Africa
- Group D: Bangladesh, Brazil and the Sudan
- Group E: Angola, Argentina, the Czech Republic, Guyana, Kenya, Namibia, Netherlands, Poland, Senegal, Spain, Trinidad and Tobago and the United Kingdom of Great Britain and Northern Ireland.

The Assembly, before electing the members of the Council, will establish a list of countries fulfilling the criteria for membership in each of the interest groups, basis of available data and statistics provided by the Secretariat.

In other matters, the Assembly will consider the annual report of the Secretary-General describing the work of the Authority since the last session, and indicating the main trends for the future work programme for the Secretariat, including the development of an exploitation code for polymetallic nodules. The report will include recommendations on how the future work of the Authority and the Secretariat can be more effectively managed, in view of the increased workload of the Legal and Technical Commission and the organs of the Authority.


Finance

In addition to its review of the proposed budget of the Authority for the financial period 2013 to 2014, the Finance Committee will also consider the audit report for 2011, a report on implementation of cost-saving measures within the secretariat, as well as reports on the status of the working capital fund, on the status of the Voluntary Trust Fund and the International Seabed Authority Endowment Fund.

The precarious state of the Funds is highlighted by the fact that the balance of the voluntary trust fund currently stands at around $20,000, which, based on past experience, is insufficient to provide support to all eligible members of the Legal and Technical Commission and Finance Committee. Interest accrued during 2011 on the capital of the Endowment Fund was only $4,961 owing to prevailing low interest rates. The Finance Committee will be provided with a report on available investment options that would produce a higher rate of income for the fund.

Other matters on which the Finance Committee has requested reports include the implementation of International Public Sector Accounting Standards and a report on the financial implications of joining the International Civil Service Commission (ICSC). Although the Authority has applied the UN common system of salaries and allowances since it was established, it has not yet taken the step of subscribing to the Statute of ICSC.
The Authority is an autonomous international organization established under the 1982 United Nations Convention on the Law of the Sea and the 1994 Agreement relating to the Implementation of Part XI of the Convention. The intergovernmental body is mandated under the Convention to organize and control all mineral-related activities in the international seabed beyond the limits of national jurisdiction (the Area). These activities are carried out in accordance with the regime for seabed mining established in Part XI and other provisions of the Convention. Under specified provisions of the Convention, the Authority is also empowered to establish global rules, regulations and procedures for the protection and conservation of the marine biological diversity associated with activities in the Area.

Members of the Authority

The list of members of the Authority is as follows: Albania, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Cameroon, Canada, Cape Verde, Chad, Chile, China, Comoros, Congo, Cook Islands, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic Republic of the Congo, Denmark, Djibouti, Dominica, Dominican Republic, Egypt, Equatorial Guinea, Estonia, European Union, Fiji, Finland, France, Gabon, Gambia, Georgia, Germany, Ghana, Greece, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kenya, Kiribati, Kuwait, Lao People's Democratic Republic, Latvia, Lebanon, Lesotho, Liberia, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Micronesia (Federated States of), Moldova, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Nigeria, Niue, Norway, Oman, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Serbia, Romania, Russian Federation, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tome and Principe, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Singapore, Slovakia, Slovenia, Solomon Islands, Somalia, South Africa, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, The former Yugoslav Republic of Macedonia, Togo, Tonga, Trinidad & Tobago, Tunisia, Tuvalu, Uganda, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Vanuatu, Vietnam, Yemen, Zambia and Zimbabwe.

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