The Council of the International Seabed Authority this morning heard the report of the Legal and Technical Commission outlining the work of the expert body during the eighteenth session.

During discussion on the report, the Council resumed consideration of the environmental management plan for the Clarion-Clipperton Fracture Zone (CCZ) which the Commission submitted at the seventeenth session in 2011, and in view of the increasing number of applications being made to the Authority for new licences to explore in the CCZ.

The summary report of the Commission’s Chairman on its work during the eighteenth session (ISBA/18/C/20) was presented to the Council by Russell Howorth (Fiji), who was elected chairman at the first meeting of the Commission’s session. Christian Reichert (Germany) was elected as Vice-Chair. The Commission met from 9 to 19 July 2012 and held 17 meetings.

Report of the LTC

The report covered applications for approval of plans of work for exploration; the annual reports of contractors; the periodic review of implementation of plans of work for exploration for polymetallic nodules; training programme for the Authority and developing States; environmental implication of activities in the Area, and proposed amendments to the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area.

The Commission was unable to complete its agenda citing increased workload and pattern of meetings, and said consideration should be given to the LTC holding two meeting sessions in 2013.
Applications for approval of plans of work for exploration in the Area

The Commission considered five applications for approval of plans of work in the order in which were received, as follows:

b. Institut français de recherche pour l’exploitation de la mer (IFREMER) (submitted 23 May 2012)
c. UK Seabed Resources Ltd. (submitted 23 May 2012)
d. Marawa Research and Exploration Ltd. (submitted 30 May 2012)
e. G-TEC Mineral Resources NV (submitted 31 May 2012)

During consideration of the applications for approval of plans of work for exploration for polymetallic sulphides, the Commission took note of possible future activities in the Area relating to the protection of the marine environment, in particular those measures necessary to protect and preserve rare and fragile ecosystems.

In regard to the applications for approval of a plan of work for exploration for polymetallic nodules, the Commission noted that there was no overlapping with areas of particular environmental interest in the environmental management plan for the Clarion-Clipperton Fracture Zone (CCZ). The LTC noted the international developments regarding the protection and conservation of biodiversity in areas beyond national jurisdiction, and said future applications for approval of plans of work should take into consideration the outcomes of those developments.

In some of the applications, the Commission noted that it had been required to consider the technical capability of subcontractors working for the principal contractor, and suggested that all applications should provide details of subcontractors to be engaged, recognizing that there is a growing trend of using commercial service companies in providing environmental baseline data. The Commission further noted the need to support the standardization workshops organized by the Secretariat in order to facilitate the transfer of knowledge from the scientific community to service companies in support of applications for mining.

The report and recommendations of the Commission to the Council relating to each of the applications for plans of work for exploitation are contained in documents ISBA/18/C/15-19.

Annual reports of contractors

The Commission used five working groups to consider geological, environmental, technical, financial and other aspects contained in the annual reports submitted by contractors pursuant to the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area (Nodules Regulations). In general, the Commission observed, among other things that:

- Six out of the nine contractors failed to submit their annual activity reports in a timely manner, which compromise the ability of the organs of the Authority to effectively carry out their functions;

- more -
Most contractors are in the final five-year phase of their contracts;
The pace of work is not uniform for contractors, and some are still engaged in the exploration or environmental phase of the work;
Of serious concern was that results of fieldwork (especially with regard to exploration) are in many instances not reported in the detail required and are often not made available in digital format.

Exploration work proceeded slowly during the reporting period, according to the Commission which also found "deeply troubling" the fact that one contractor has not carried out any exploration activities during the first 10-year period under the contract and moreso as it enters the final 5-year phase. Some contractors report no work at all under exploration, mining, and metallurgy-related activity. Among the Commission recommendations are a meeting of contractors or a workshop for standardization in the classification of nodules on the basis of morphology, shape or size and that the results of the exploration work be reported in digital format.

Regarding mining tests, proposed mining technology, and environmental monitoring the Commission’s report said contractors who are actively engaged in mining technology research and development should now concentrate on developing a combined mining system and should test their technology at greater depths. Contractors that have not yet started to develop their technological capacity should make a concerted effort to pool resources for mutual benefit. It said that the environmental work reported by contractors in 2011 is generally of better quality than that reported in previous years.

In response to an appeal during the meeting of contractors in January 2012, several contractors have provided some raw data, which will go a long way in evaluating the potential impact on the marine environment and also in developing the regional environmental management plan for the CCZ.

On the financial and other matters of the reports, some contractors have still not provided detailed financial statements for 2009 and 2010, despite the Commission’s repeated calls to do so. Only one contractor has provided a list of research published in peer reviewed journals during the reporting year. In its report concerning the annual reports of the contractors, contained in document SBA/18/LTC/11, the Commission agreed on the need to review its reporting to the Council, in particular with regard to the contractors’ annual reports, to ensure that they provide sufficient information for the Council to be kept informed and be able to make informed decisions. This review is to be carried out in time for the next session of the Commission.

**Review of implementation of plans of work for nodules**

The review, carried out in accordance with regulation 28 of the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area, was undertaken with seven of the current contractors. The Commission noted that this was the second periodic review, in the case of Yuzhmorgeologiya, Interoceanmetal Joint Organization, the Government of the Republic of Korea, China Ocean Mineral Resources Research and Development Association (COMRA), Deep Ocean Resources Development Co. Ltd. and IFREMER, whose contracts were issued in
2001. In the case of the Federal Institute for Geosciences and Natural Resources of Germany, whose contract was issued in 2006, the first five-year programme of activities expired in 2011.

The Commission also noted that, as a result of the meeting between the Secretary-General and the contractors held in January 2012, the secretariat has received more raw environmental data from the contractors and measures are being taken (subject to the availability of budgetary resources) to ensure that the data can be analysed, evaluated and standardized so as to facilitate the development of environmental baselines for the next phase of seabed mining.

The Commission noted that the programmes of most contractors continue to be prolonged scientific research campaigns, without any commercial viability. It recommended that all concerned contractors be requested to undertake, within the next five years, a preliminary economic evaluation of the feasibility of proceeding to exploitation. This would provide an indication of the level of returns that could be generated for any investment in the exploitation of nodules.

Training programme implementation

Each contractor, in accordance with the applicable regulations, is required to draw up a programme for the training of personnel of the Authority and developing States, to be approved by the Authority prior to the commencement of exploration under the contract. While the current applicants and contractors had complied with the applicable regulations, the Commission recommended that, pursuant to article 15 of annex III to the Convention, it would assist the Authority if training programmes were elaborated and specifically described in applications for approval of plans of work.

Environmental implication of activities in the Area

The Commission noted with concern that, as reported by the Secretary-General, there was currently no provision for funding from within the current budget of the Authority to review data provided by contractors, redesign the environmental database to accommodate the new data format and transposition of archive data into the new database, or integration metadata sheets with an online Geographic Information System. Furthermore, it was noted that the Authority should develop and strengthen scientific collaborations with appropriate groups and organizations in order to advance the understanding of topics relevant to the protection of the marine ecosystems from activities associated with mineral activities in the Area.

The Commission reviewed recommendations for guidance of contractors in the assessment of possible environmental impacts arising from exploration for minerals in the Area including polymetallic sulphides. It noted that this item had now become extremely urgent since contracts for exploration for polymetallic sulphides had already been issued and contractors were ready to launch their exploration programmes and related environmental baseline studies. It was agreed to take this matter up as a priority at the next meeting of the Commission.

Regarding the proposed amendments to the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area, the Commission agreed to prioritize this item at its next meeting.

- more -
Other Matters

Expressing regret at not being able to complete its agenda, as the time available to it was inadequate, the Commission suggested that consideration be given to holding two sessions in 2013, subject to the availability of resources. As far as possible, the Commission recommended that full services be provided for such meetings so that all members of the Commission could participate on an equal basis. The first session would take place early in the year, enabling the Commission to circulate its recommendations to the Council well in advance of the regular session of the Council. The second session of the Commission would continue to take place the week immediately prior to the session of the Council, as is presently the case.

Discussion on the report

Brazil opened the discussion on the report expressing support for the holding of two sessions of the Legal and Technical Commission in 2013. Several other delegations, including Cameroon, India, Japan, Mexico and South Africa, agreed that this would be a good plan given the increasing workload of the Commission.

The failure of some contractors to submit their annual reports in a timely manner, and to provide detailed financial statements, raised concerns among members of the Council. Chile suggested that all requests for information from the Secretariat to contractors should also be addressed to the sponsoring States of said contractors.

With regard to the issue of raw data not being reported in sufficient detail, Canada suggested making reference to Article 10 of Annex III of the Convention in the decision of the Council to approve the recommendations of the Commission. This article states that contractors having an approved plan of work for exploration of an area “shall have a preference and a priority among applicants for a plan of work covering exploitation of the same area and resources. However, such preference or priority may be withdrawn if the operator's performance has not been satisfactory.” Nigeria expressed surprise that contractors would not be in a position to provide their fieldwork data in digital format.

A number of delegations referred to the training programmes which contractors were required to offer to personnel of the Authority and developing States. Mexico and Chile endorsed the recommendation of the Commission that training programmes should be elaborated and specifically described in applications for approval of plans of work.

Japan urged the Commission to participate actively in the discussions of Ad Hoc Working Group of the General Assembly which studies issues relating to the conservation and sustainable use of marine biological diversity beyond areas of national jurisdiction. Argentina agreed that it was important for the Commission to have greater input in such fora and to be informed on work carried out by other organizations.

- more -
Discussion on the environmental management plan

At the seventeenth session, a proposal for an environmental management plan for the Clarion-Clipperton Zone (CCZ), embodied in the report of the Legal and Technical Commission as a draft decision (ISBA/17/C/13 Annex II), was submitted to the Council of the Authority.

The plan was formulated by the Commission over a three-year period and was built around data and assumptions from workshops held in 2007 and 2010. The plan called for the establishment of nine areas of environmental interest to protect the biodiversity and ecosystem structure, and functioning of the zone, from the impact of seabed mining.

The guiding principles of the plan included the concept of the common heritage of mankind, and the vision of the International Seabed Authority is of a sustainably exploited Clarion-Clipperton Zone that preserves representative and unique marine habitats and species.

The Commission Chairman stated that although critical data such as a standardized taxonomy report was absent, there was enough information for the plan to be approved. He added that as additional data was gathered, there could be modifications to the document.

The observation by the Chairman of the Commission was supported by a number of delegations who argued that it was time to approve the plan. Australia called for “immediate adoption” of the environmental management plan, saying it was not acceptable to wait until 2014 for new data. The member said the document as it stands, provides considerable flexibility should new data make changes necessary in the future. This was supported by Mexico, Brazil, Germany, Cuba, Argentina, The Netherlands, United Kingdom, Fiji, Japan, New Zealand and Jamaica. India pointed to insufficient data and said an environmental management plan should not be adopted without being addressed in “systematic manner.”

Following overwhelming support for the adoption of an environmental management plan for the Clarion-Clipperton Zone, the President gave Australia the go-ahead to draft a resolution for adoption during the eighteenth session.

The Council will continue deliberations when it resumes this afternoon.