INTERNATIONAL SEABED AUTHORITY TO OBSERVE TWENTIETH ANNIVERSARY AT ANNUAL SESSION (KINGSTON, 14-25 JULY 2014)

AGENDA ITEMS INCLUDES ELECTION OF NEARLY HALF EXECUTIVE COUNCIL, DRAFTING OF MARINE MINERALS MINING CODE AND CONSIDERATION OF APPLICATIONS FOR SEABED EXPLORATION CONTRACTS

The Jamaica-based International Seabed Authority will commemorate its twentieth anniversary, elect nearly half its executive Council and begin elaboration of a mining code for deep seabed polymetallic nodules in the Area beyond national jurisdiction when it convenes for its annual session in Kingston from 14 to 25 July 2014.

The development of the exploitation regulations has become urgent as the exploration contracts of the seven pioneer investors expire between March 2015 and March 2017. The 1982 United National Convention on the Law of the Sea and the 1994 Agreement relating to the Implementation of the Convention’s Part XI (seabed provisions) provide that the contractors must either apply for a plan of work for exploitation or seek an extension of their exploration contract. It is expected that some might apply for mining contracts. A key task for the Authority is the development of the mining regulations, including their financial terms.

The special day-long commemorative session will take place on Tuesday, 22 July although the twentieth anniversary itself falls on 16 November. The Authority was established upon the entry into force on 16 November 1994 of the Convention. The Convention was opened for signature on 10 December 1982 at Montego Bay, Jamaica.

The Authority, now with a membership of 166 (including the European Union), will formally begin its session on 15 July. Among the issues on its agenda are seven pending applications for exploration contracts in the seabed Area; the Authority’s 2015-2016 budget; election of 17 States Parties to the 36-member Council for the period 2015 to 2018; and the annual report of the Authority’s Secretary-General, Nii Allotey Odunto (Ghana), which reviews its accomplishments and future activities and programmes.

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The Authority is responsible for all mineral-related activities in the deep seabed Area beyond national jurisdiction. Its main tasks, as outlined in the Convention and the Agreement, include administering the mineral resources of the Area, the promotion and encouragement of marine scientific research in the deep seabed Area, and ensuring the effective protection of the marine environment from harmful effects arising from exploration and future exploitation. The Authority also organizes workshops on various aspects of seabed exploration and exploitation and disseminates information resulting from them.

Six workshops are to be convened by the Authority during 2014-2017. They will include the classification of the polymetallic nodule resources in exploration areas, standardization of the taxonomies of macrofauna and meiofauna associated with polymetallic nodules in contract areas in support of contract administration; exploration and exploitation technologies for cobalt-rich ferromanganese crusts, as well as on polymetallic sulphides. A workshop on megafauna associated with polymetallic nodules was held in Germany last year.

One of the workshops will be on article 82 of the United Nations Convention on the Law of the Sea which requires State parties to make payments or contributions in kind for exploitation of the non-living resources of the continental shelf beyond 200 nautical miles. The other will cover the environmental management plan for the Clarion-Clipperton Zone in the Pacific Ocean.

**Legal and Technical Commission**

One of the most important substantive matters before the twentieth session is the seven pending applications for exploration contracts in the seabed Area which is being considered by the Legal and Technical Commission.

On 27 January 2014, the Authority signed the first contract for exploration for cobalt-rich crusts with Japan Oil, Gas and Metals National Corporation (JOGMEC). A contract for exploration for cobalt-rich crusts was also signed with China Ocean Mineral Resources Research and Development Association (COMRA) in Beijing, China on 29 April 2014. A contract with the Government of the Republic of Korea was signed on 15 June 2014 at Seoul and on 24 June 2014 at Kingston. That brings the number of exploration contracts issued by the International Seabed Authority to 17.

During its February 2014 session, the Legal and Technical Commission considered applications submitted by the following: the Ministry of Natural Resources and Environment of the Russian Federation for exploration for cobalt-rich ferromanganese crusts; UK Seabed Resources Ltd. for exploration polymetallic nodules; the Government of India for exploration for polymetallic sulphides; and Ocean Minerals Singapore Pty Ltd. for exploration for polymetallic nodules. These were deferred from the nineteenth session in 2013.

Before the Commission are three new applications submitted in December 2013 by the following entities: the Federal Institute for Geosciences and Natural Resources of Germany (BGR) for approval of a plan of work for exploration for polymetallic sulphides in the Central Indian Ocean; the Cook Islands Investment Corporation (CIIC), sponsored by the Cook Islands,
for approval of a plan of work for exploration for polymetallic nodules; and the Companhia de Pesquisa de Recursos Minerais S.A. (CPRM), sponsored by Brazil, for exploration for cobalt-rich ferromanganese crusts.

The Commission’s recommendations on these applications will be submitted to the Council during the twentieth session. If all seven pending applications are approved, the Authority will have 26 exploration contracts in force.

On the polymetallic nodules exploitation code, the Commission has been requested by the Council to establish an appropriate fiscal framework that is fair for the industry, investors and the Authority’s member States, who are intended to be beneficiaries of seabed mining. It started work on the legal instrument at its February session. The Commission is reported to have considered a study commissioned by the Secretariat concerning different policy and financial objectives relating to a fiscal regime, comparable mining regimes and fiscal rates of payments and calculation methodologies and current best practices.

Following the Commission’s February session, the Secretariat launched a stakeholder survey in March 2014 to solicit information from the Authority’s members as well as all other stakeholders for the development of a regulatory framework for the exploitation of deep sea minerals. The responses received will be made available on the Authority’s website. The Commission will submit a progress report to the Council.

The Commission will consider matters referred to it by the Council, including proposed amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area; issues of monopolization of activities in the Area; conflict of interest; and issues relating to the operation of the future Enterprise, the mining arm of the Authority, particularly the legal, technical and financial implications for the Authority.

Furthermore, the Commission will consider the implementation of training programmes of exploration contractors as well as allocation of training opportunities. The contractors have a legal obligation to provide and fund those programmes for personnel from developing countries and the Authority.

The Commission will also review the annual reports of contractors, the implementation of the Environmental Management Plan for the Clarion-Clipperton Zone as well as information on data management.

**Council**

The Council, which oversees the implementation of the provisions of the Convention and the Agreement, will fill vacancies on the Legal and Technical Commission. Brazil, Argentina and Jamaica have nominated candidates to complete the terms of their nationals who have resigned.

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The Council will consider a report on the work of the Commission during its February and July sessions and take up any matters referred to it including recommendations on new applications for approval of plans of work for exploration in the Area. It will also act on recommendations on proposed revisions to regulation 21 of the Regulations on the Prospecting and Exploration for Polymetallic Sulphides in the Area (ISBA/16/A/12/Rev.1).

The Council will also consider a report and recommendations of the Finance Committee on a number of financial matters, including the proposed budget of the Authority for the financial period 2015-2016 and the scale of assessment for contributions to it.

It is the turn of the African Group to nominate a president of the Council for the session.

Finance Committee

The Finance Committee, at its meetings before the Authority’s session, will review the implementation of the Authority’s budget for 2013-2014 and cost-saving measures undertaken by the Secretariat. The Committee will also examine the Secretary-General’s proposed budget for the financial years 2015-2016 estimated at $8,616,770 and $8,304,345, respectively.

According to the Secretariat, as of 30 April, 68.7 per cent of the value of contributions to the 2014 budget due from the Authority’s members had been received. As at the same date, 43 members were in arrears of contributions for a period of two years or more.

Other matters on the Committee’s agenda include an audit report on the accounts of the Authority, a proposed museum for the Authority and a report on the status of the Voluntary Trust Fund, the International Seabed Authority Endowment Fund and the Working Capital Fund.

Voluntary Trust Fund

The voluntary trust fund for the participation of developing country members of the Finance Committee and the Legal and Technical Commission was established in 2002.

Since then, contributions totalling US$443,699 have been paid into the Fund. The last contribution of US$44,760 was made in September 2013 by Japan. The total amount paid out of the Fund as of 30 April 2014 is US$491,570. The balance now stands at US$154,038.

Endowment Fund

The Endowment Fund for Marine Scientific Research in the Area, established in 2006, promotes and encourages the conduct of collaborative marine scientific research in the international seabed area. It carries these out by supporting the participation in the research of qualified scientists and technical personnel from developing countries.

As at 30 April 2014, the capital of the Fund stood at US$3,417,038 with a total of US$428,932 being disbursed, in the form of awards, from the interest accrued on the capital.
A total of 56 scientists or government officials from developing countries have benefitted from financial support from the Endowment Fund. An advisory panel evaluates applications and makes recommendations to the Authority’s Secretary-General.

The Authority’s Secretariat maintains a network of institutions which provide opportunities for scientific collaboration, including research cruises, deep sea sample analysis, training and internship programmes.

**International Seabed Authority Museum**

A proposal will be submitted to the Finance Committee for the establishment of the International Seabed Authority Museum during the 2015 to 2016 biennium. The museum, to be constructed on the ground floor of the headquarters premises, is to cover an area of 6,344 square feet. The estimated cost of construction is $500,000, while its annual maintenance cost is estimated as $150,000.

Exhibits for the museum will be requested from contractors and other sources. It is expected that the museum will be open to the general public during intersessional periods.

**Assembly**

The Assembly, the Authority’s supreme body, in which all members are represented, is expected to elect, as its president, Antonio Francisco Da Costa e Silva Neto, Permanent Representative of Brazil to the International Seabed Authority. It is the turn of the Group of Latin American and Caribbean States to nominate a candidate for the position. Other regional groups can nominate a vice-president of the Assembly.

The Assembly’s agenda items include consideration of the annual report of the Secretary-General, adoption of the Authority’s budget and the scale of assessment for contributions to it, and elections to fill vacancies on the Council.

The terms of office of 17 Council members will end on 31 December 2014 in accordance with the Convention and the decisions of the Assembly. The election of their replacements will be based on a formula designed to ensure equitable representation of countries from various regional groups. These include the largest consumers or net importers of minerals to be derived from seabed mining; those with the largest investment in seabed mineral exploration; and the land-based exporters of minerals found on the seabed. Council members serve for four years.
The list of the 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, Ecuador, 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), Monaco, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Niue, Norway, Oman, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, 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, Swaziland, Sweden, Switzerland, Thailand, The former Yugoslav Republic of Macedonia, Timor-Leste, 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.