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पृथ्वी विज्ञान मंत्रालय
GOVERNMENT OF INDIA
MINISTRY OF EARTH SCIENCES

D.O.No.MoES/ISBA/08/2015-PC II

11/05/15

His Excellency Mr. Odunton,

Kindly refer to your letter (Note no.96/15) dated 13th March,2015, seeking comments on a report entitled "Developing a Regulatory Framework for Mineral Exploitation in the Area". Accordingly, I am enclosing herewith the comments on the report.

2. The Ministry of Earth Sciences avails itself of this opportunity to renew to Secretariat of the ISBA the assurances of its highest consideration.

With warm regards,

Yours Sincerely,

(M.P.Wakdikar)

Encl: As above

H.E. Mr. Nii Allotey Odunton,
Secretary General,
International Seabed Authority,
14-20, Port Royal Street,
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Developing a Regulatory Framework for Mineral Exploitation in the area

The comments are provided below pertaining to polymetallic nodules for specific issues. At this stage, we are not offering our comments in respect of other mineral resources and other specific issues.

Part II Applications for approval of plans of work for exploitation in the form of contracts

Form of application

It may be noted that the mining technology for exploitation of deep sea mineral resources such as polymetallic nodules, polymetallic sulphide and cobalt crust is yet to be developed. In view of the above, there is requirement of providing flexibility while designing the format of applications. Consequently, the choice of single or multiple locations for exploitation and the corresponding feasibility studies/EIA/EMP should be best left with the contractor.

Financial and technical capabilities

Financial capability need not be demonstrated where State or State controlled bodies are directly involved in the investment.

Feasibility study

It is suggested to include activities like transportation, processing etc in commercial viability assessment and the feasibility report be prepared by an expert engineering agency appointed by the Contractor.

Social impact assessment and action plan (SIA)

In view of absence of social communities in deep sea environment, the aspect pertaining to social impact assessment, SIA could be best deleted.

Closure plan

It is suggested to change the "Closure plan" to "Winding up plan" implying withdrawal of all physical activities, equipment etc.

Size and location of exploitation area(s) covered by the plan of work

We reiterate our position provided under "form of application"

Public review of the Environmental Impact statement and Environmental management plan [and social impact assessment and Closure plan]

The review process should be discussed to generate clarity on the nature of participants.

Part III Contract for exploitation

Duration of contracts/renewal

It is suggested to have tenure of contract of 20-25 years with subsequent extension of 15 years.

The renewal application should not be treated as fresh application.

Part IV Protection and preservation of the marine environment

Environmental bonds and performance guarantees

There is a need to identify specific elements of guarantees and their financial valuations.

Seabed sustainability fund

Once the exploitation commences, any funding for research should not be loaded on the Contractors. Thus, multiplicity of payments by contractors must be avoided to simplify the payment structure that should be limited to royalties.

Section 3: Summary of the response of the Legal and Technical Commission to Stakeholder Survey submissions

Activities in the Area – clearly defined boundary points?

It is our understanding that the boundary points do not refer to physical sea boundary points but to the role and jurisdiction of the respective organizations in accordance with the relevant international law.

The transition between exploration and exploitation phases

This appears not relevant since, the exploitation would commence after signing of the contract.

In addition to above, we suggest a comprehensive study relating to multiple contractors working in a geographical domain, for example, Clarion Clipperton Zone, etc.