

International Seabed Authority

Press Release



Twelfth Session
Kingston, Jamaica
7 - 18 August 2006

Background Press Release

**SB/12/1
4 August 2006**

SEABED AUTHORITY TO CONSIDER DRAFT REGULATIONS FOR MARINE SULPHIDES AND COBALT-RICH CRUSTS EXPLORATION

**To adopt 2007-2008 Budget, elect new Council members, and all the members of the
Finance Committee and Legal and Technical Commission
at Twelfth Session, Kingston 7-18 August**

The International Seabed Authority will resume its elaboration of new regulations on prospecting and exploration for sulphides and cobalt-rich crusts in the deep oceans beyond national jurisdiction at its 12th session in Kingston, Jamaica from 7 to 18 August. It will also elect half of the members of its Council, and elect all of the members of the Finance Committee and the Legal and Technical Commission.

The Authority is also required to consider and adopt a budget and scale of assessments for contributions to the budget for the financial period 2007 to 2008. The Assembly will consider the annual report of the Secretary-General. The main substantive work of the Council is to continue work on the draft regulations on prospecting and exploration for polymetallic sulphides and cobalt-rich ferromanganese crusts. The Finance Committee will consider a detailed proposal regarding the establishment and use of a special endowment fund from the balance of the registration fees paid by former registered pioneer investors.

The session will be preceded by a workshop convened by the Authority (31 July-4 August) on technological and economic considerations for mining the two marine mineral deposits, cobalt-rich ferromanganese crusts and polymetallic sulphides. At the eleventh session in 2005, the Council completed a first reading of the draft regulations but sought further analysis and elaboration on a number of issues. The workshop is expected to provide the Authority with information on the prospects for mining these mineral resources.

The Authority, an autonomous intergovernmental organization with a current membership of 148, including the European Union, was established under the 1982 United Nations Convention on the Law of the Sea, as modified by the 1994 Agreement relating to the

Implementation of Part IX (seabed provisions) of the Convention. Its tasks, as outlined in the Convention, are to organize and control all mineral-related activities in the international seabed area (“the Area”) beyond national jurisdiction.

The Regulations

Further work on the draft regulations on prospecting and exploration for polymetallic sulphides and cobalt-rich ferromanganese crusts will take place in the Council, which will have before it a revised text addressing some of the technical issues raised during the Authority’s eleventh session. The secretariat will also provide additional technical papers and analyses dealing with such issues as the size of the exploration areas, the proposed system for allocating exploration blocks and the way that would operate in practice.

The papers will further cover concerns raised in the Council about the risk of environmental damage from exploration for sulphides and crusts; the need for appropriate provisions to resolve overlapping claims, and the proper reflection in the draft text of anti-monopoly provisions contained in Annex III of the Convention on the Law of the Sea.

The draft text, prepared by the Authority’s Legal and Technical Commission, comprises 43 regulations and four annexes. Nine provisions are concerned with protection and preservation of the marine environment from activities in the international seabed Area. The draft regulations are based on the regime for prospecting and exploration for polymetallic nodules and the model clauses developed by the secretariat in 2001.

Polymetallic sulphides are concentrated at sites along an active submerged volcanic mountain range that extends through ocean basins. Polymetallic sulphides also occur at sites associated with volcanic island chains such as those along the western boundary of the Pacific Ocean. Cobalt-rich ferromanganese crusts are oxidized deposits of cobalt-rich iron and manganese layers formed by the precipitation of minerals from cold seawater onto hard seabed surfaces. In addition to the cobalt found in both types of deposit, sulphides also contain manganese, iron, other metals and rare earth elements, while crusts include copper, lead, nickel, zinc, gold and silver.

Elections

The Authority’s legislative body, the Assembly, will elect half the membership of the 36-member Council to replace States whose current term expires at the end of December 2006. Council members are elected for four-year terms, with half the membership chosen every second year on a rotating basis. The members to be elected at the forthcoming session will serve from 2007 through 2010, except the very few which, through prior understanding, accept to relinquish their seat early in favour of others. The election is based on a formula designed to ensure equitable representation of countries from five groups, including those engaged in seabed mineral exploration and the land-based producers of minerals found on the seabed. Members may be re-elected from the same or different groups. It is the turn of the Eastern European Group to nominate a candidate for the Presidency of the Council.

There will be other elections for membership in the Finance Committee and the Legal and Technical Commission. The terms of office of all the current members expire on 31 December 2006. The elections will be conducted respectively by the Assembly and the Council. The Finance Committee must include representatives of the five largest contributors to the Authority's budget. Members of the Legal and Technical Commission, though nominated by States, serve in their personal capacity. Under the Convention on the Law of the Sea, Commission members must not have financial interest in activities relating to deep-seabed exploration or exploitation. The term of office for members of both bodies is five years.

Finances

The Secretary-General proposes a \$12,198,000 budget for the biennium 2007-2008 and requests that the Authority establish a scale of assessment for contributions to the budget based on that of the United Nations, as adjusted for differences in membership. (ISBA/12/A/3 - ISBA/12/C/4). A budget of \$10,800,000 was previously adopted for the financial period 2005-2006. It is estimated that the Authority's budgetary requirements for 2007 and 2008 will amount to \$6,018,100 and \$6,179,900, respectively. The budget proposal for the new biennium will be considered in sequence by the Finance Committee, the Council and the Assembly before its adoption.

According to the annual report of the Secretary-General (ISBA/12/A/2), as at 31 May 2006, 78 per cent of the value of the contributions to the 2006 budget due had been received from 31 per cent of the membership. Contributions outstanding for prior periods (1998-2005) totaled \$358,672. The report also states that as at 31 May 2006, 51 members were in arrears for a period of two years or more.

The balance of the Voluntary Trust Fund established in 2002 stood at \$38,985 as at 31 May 2006, the report also states. The Fund was established in 2002 to enhance the participation of members from the developing countries in the meetings of the Legal and Technical Commission and the Finance Committee. There are terms and conditions for its use.

Endowment Fund

During the forthcoming session, the Secretary-General will submit a detailed proposal (Note by the Secretariat, ISBA/12/FC/L.1) on the establishment and use of a special endowment fund from the balance of the registration fees paid by former pioneer investors. This now stands at \$2,880,958, including cumulative interest of \$1,412,121.

A draft decision annexed to the Note would have the Assembly establish the International Seabed Authority Endowment Fund whose purposes shall be to promote and encourage the conduct of marine scientific research in the international seabed Area for the benefit of mankind as a whole.

The Fund shall support the participation of qualified scientists and technical personnel from developing countries in international marine scientific research programmes and also provide opportunities for international technical and scientific cooperation in activities in the international seabed Area including through training, technical assistance and scientific cooperation programmes.

By the draft text, the Assembly would decide that the initial capital of the Endowment Fund shall comprise the balance remaining as at 18 August 2006 from the application fees of the pioneer investors and Germany together with the interest accrued on them. (Germany's application to become a registered contractor was approved at the last session).

The Assembly would also decide that the administration, utilization and control of the fund shall be governed by the Provisional Rules of Administration of the International Seabed Authority Endowment Fund, the text of which is attached to the draft and in accordance with the Financial Rules and Regulations of the International Seabed Authority. Members of the Authority, other States, relevant international organizations, non-governmental organizations, academic and technical institutions, philanthropic organizations and individuals shall be invited to make contributions to the Fund.

Reports of contractors

During the first week of the session, the Legal and Technical Commission will consider, among other issues, the annual reports of the contractors on their plans of work for seabed activities in the international Area, and a progress report on the establishment of a geological model of polymetallic nodule deposits in the Clarion-Clipperton fracture zone in the Pacific Ocean (CCZ). Much of the year was spent in gathering data and information required for the project, including data on nodule grade and abundance, and of the selected proxies. A meeting is expected to be convened by the end of 2006 to determine the most appropriate way to develop model components.

The Legal and Technical Commission will also examine the report and recommendations of a workshop on cobalt-rich crusts and the diversity and distribution patterns of seamount fauna which was held in Kingston, the Authority's headquarters, from 27 to 31 March 2006. The workshop assessed patterns of diversity and endemism of seamount fauna including the factors that drive them. It also examined gaps in current knowledge of those patterns to encourage collaborative research to address them.

Thirty-eight participants from 15 countries attended the workshop, organized by the Authority in collaboration with the Seamounts Group of the Census of Marine Life. It is hoped that the recommendations of the workshop will help the Commission in future to develop guidelines for contractors on environmental impact assessment.

Secretary-General's report

The Assembly will consider the annual report of the Secretary-General (ISBA/12/A/2) which reviews the Authority's work since the eleventh session and outlines the future work programme of the secretariat.

The Secretary-General notes that during the past year, the structure of the secretariat continued to evolve in line with the proposals presented in the programme of work for the period 2005-2007. The technical capabilities of the secretariat were further strengthened by the recruitment of a marine geologist and a geographic information systems officer. A major upgrade of the existing website - launched in 1997 - was planned this year to provide greater functionality and ease of access to users.

The report observes that for the seven former registered pioneer investors, 2006 marks the end of the first five-year programme of work since contracts were issued. This therefore provided an opportunity for the contractors to submit a comprehensive account of their operations and the results achieved during the period as well as a review of their expenditure.

Future work programme

The Authority will continue to implement its current work programme (2005-2007) with emphasis on its supervisory functions covering exploration contracts; the development of an appropriate regulatory framework for the future development of the mineral resources of the international seabed Area; and the promotion and encouragement of marine scientific research in the Area, among others.

A comprehensive review and evaluation of the current programme would be prepared for consideration by the Authority's thirteenth session in 2007 at which time the 2008-2010 work programme would be presented.

It is proposed to convene a workshop in 2007 on the standardization of environmental data and information required to be submitted by contractors under the regulations on prospecting and exploration for polymetallic sulphides and cobalt-rich crusts in the international seabed Area, and another workshop to review the results of the Geological model of polymetallic nodule deposits in the CCZ and its Associated Prospectors Guide. Two seminars are also planned during the new financial period to inform government officials, marine policymakers and scientists at national-regional institutions of the Authority's work. Another objective would be to promote the participation of scientists from institutions in developing countries in the marine scientific research being undertaken in the international seabed Area by international research organizations. The Authority's contributions to the seminars will be restricted to providing resource personnel.

Members of the Authority

All parties to the Law of the Sea Convention are automatically members of the International Seabed Authority.

Members of the Authority are:

Albania, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Belize, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Cameroon, Canada, Cape Verde, Chile, China, Comoros, Cook Islands, Costa Rica, Cote d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic Republic of Congo, Denmark, Djibouti, Dominica, Egypt, Equatorial Guinea, Estonia, European Community, 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 Peoples Democratic Republic, Latvia, Lebanon, Lithuania, Luxembourg, Madagascar, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Micronesia (Federated States of), Monaco, Mongolia, Mozambique, Myanmar, Namibia, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Nigeria, 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, The former Yugoslav Republic of Macedonia, Togo, Tonga, Trinidad and Tobago, Tunisia, Tuvalu, Uganda, Ukraine, United Kingdom, United Republic of Tanzania, Uruguay, Vanuatu, Viet Nam, Yemen, Zambia and Zimbabwe.
