



Seventh Annual Contractors' Meeting

Busan, Republic of Korea

30 September 2024
OPENING REMARKS

Mr. Michael W. Lodge,
Secretary-General of the International Seabed Authority

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Honourable **Dr. Do-Hyung Kang**, Minister for Oceans and Fisheries, Government of the Republic of Korea,

Dr. Hyi-Seung Lee, President of the Korea Institute of Ocean Science and Technology (KIOST),
Ladies and Gentlemen

Allow me to welcome you all to the 7th Annual Contractors' Meeting, organized this year in the beautiful coastal city of Busan. I sincerely regret not being able to attend the meeting in person due to competing demands on my time for the next couple of months. I also would like to welcome the participation, for the first time, of the Interim Director General of the Enterprise.

I am pleased to say that the Legal and Technical Commission is again represented during this meeting. This is important, because the Commission is a key participant in the contract management system. It not only provides necessary guidance to contractors but also has a role to play in assessing the performance of contractors against their contractual obligations. I can't think of any better expert from the Commission than Korea's very own **Dr. Se-Jong Ju**.

Colleagues,

One of my first actions when I took office as Secretary-General in 2017 was to launch this annual consultation between the secretariat and contractors. I felt that it was important to provide a neutral space for contractors to come together with the secretariat to discuss technical matters relating to the implementation and management of contracts, as well as to discuss common challenges and identify possible areas for collaboration.

It is a great satisfaction to me, therefore, to see that the annual consultation has now reached its seventh edition. I am also happy to see that the meeting has continued to rotate around different countries and regions, which also provides an excellent opportunity for contractors and hosting sponsoring States to share experiences and showcase their achievements. It was also intended from the beginning that the secretariat's role would be to coordinate the meeting, but that the agenda would be driven by the

priorities of contractors. This includes allowing for closed sessions to facilitate direct dialogue between contractors through which you can discuss how to improve coordination of efforts and identify any issues that need to be brought to the attention of the Commission and the Secretariat.

The theme of this year's meeting is **“Fostering dialogue and collective actions for effective regulatory compliance of activities carried out in the Area.”** This theme resonates strongly with the strategic goals and values of the International Seabed Authority in encouraging stakeholder dialogue and engagement in relation to all activities in the Area.

One of the common issues that has been highlighted by many contractors in their annual reports is the ongoing need for certainty around the Exploitation Regulations. It is evident that lack of certainty makes long-term planning and investment difficult. The Council has been made aware of this through the report of the Chair of the Commission. I remain optimistic that, with the intersessional work of the Council agreed to during the second part of the twenty-ninth session, significant progress can be achieved in 2025 to ensure that the regulations are robust and reflect the aspirations of all stakeholders.

Other current challenges that will benefit from discussion and better mutual understanding include the recently adopted criteria established by the Commission for identifying contractors that are at risk of non-compliance and the modalities for exchanging views between the Commission and contractors. These involve important issues of due process and liability that need to be understood by all parties. I know that contractors are also rightly concerned about issues such as the right of peaceful protest at sea and proposed routing of submarine cables in exploration areas.

Colleagues,

Another important innovation has been the establishment of the Compliance Assurance and Regulatory Management Unit (CARMU) in the Secretariat, as the principal point of entry for contractors in dealing with the Secretariat and through which, as a principal organ of the Authority, the Secretariat fulfils its specific responsibilities under UNCLOS, the 1994 Agreement and the rules, regulations and procedures with respect to the supervision of activities in the Area.

I am pleased that during 2024 CARMU has been further strengthened by the recruitment of two additional staff, and even more that member States have allocated more resources to CARMU in the next budget cycle, including the recruitment of a further staff member.

Two staff of CARMU are attending this meeting and they will provide updates on the implementation of the 2024 annual work plan, the implementation of the agreed actions of last year's meeting, and information on several milestones that they have accomplished this year. I have also asked a senior legal expert from the Secretariat to attend this meeting and to provide legal advice and guidance.

Colleagues,

There is still much to do.

The recent approval of India's application for approval of a plan of work for exploration by Council, the expected submission of three Environmental Impact Statements this year, and the anticipated submission of an application for approval of a plan of work for exploitation by a contractor, means that the work of the Secretariat and the Commission are only going to increase.

At the same time, we need to accelerate progress on some specific objectives such as the establishment of the Seabed Mining Register and continue to refine and improve internal processes for interactions with contractors. You would have noted that CARMU has been proactive in organising meetings with representatives of contractors in the margins of the first and second parts of the twenty-ninth session of the Authority and this is part of our efforts to increase interactions with contractors and promote mutual understanding.

I hope that these efforts will continue in 2025 and beyond.

In closing, I would like to recognise the efforts of the Government of the Republic of Korea and KIOST for providing the necessary resources and support to my staff in organising this meeting. To the honourable Minister and your team, I say, ‘Thank you very much for all your assistance’.

I wish you well with your deliberations for this meeting and also take this opportunity to say a very fond farewell to many of you.

When you next visit the Secretariat building, you will see a new display panel in the Nii Allotey Odunton to commemorate and recognize the pioneer investors, including photos of the signing ceremonies of the very first exploration contracts from 2001. You may even see young versions of some of you and an even younger version of me in those photos. I well recall drafting those first set of contracts, checking them word for word and organizing the signing ceremonies. It has been a long journey since then, which I have been privileged to share with many of you and in the process build up a mutual trust, confidence and understanding.

I have been honoured to have your trust and support over the years. I wish you well as you continue to pursue your goals and aspirations for the development of marine mineral resources and assure you of my ongoing support for your work.

With those words, I am pleased to declare the seventh annual contractors’ meeting open.