



CALL FOR PROPOSAL 2024/OEMMR/007

Consultancy on the development of a project document on long-term monitoring for informed stewardship of the Area

Deadline for submission: ~~1 November 2024~~ 8 November 2024

BACKGROUND

1. The International Seabed Authority (ISA) is an international organization established under the 1982 United Nations Convention on the Law of the Sea and the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea. ISA is the organization through which States Parties to the Convention shall, in accordance with the regime for the seabed and ocean floor and subsoil thereof beyond the limits of national jurisdiction (the Area) established in Part XI and the Agreement, organize and control activities in the Area, particularly with a view to administering the resources of the Area.
2. In addition, ISA is required to promote and encourage the conduct of marine scientific research in the Area and coordinate and disseminate the results of such research (UNCLOS, art. 143). In this context, ISA is entrusted with an important role as a global repository of data and information relating to the Area and the marine environment and its resources.
3. Within the context of the ISA's Action Plan in support of the United Nations Decade of Ocean Science for Sustainable Development (ISBA/26/A/17), adopted by the Assembly in December 2020, the ISA Secretariat has engaged several strategic, technical and financial partnerships to facilitate the development and implementation of projects and initiatives to advance the strategic research priorities identified in the Action Plan.
4. The sustainable use of the ocean and its resources, a core principle of the 1982 United Nations Convention on the Law of the Sea (UNCLOS), demands a fine balance between human activities and proper conservation and management measures. Sustained observations of the marine environment and biodiversity are crucial to understanding changes in the ocean ecosystems, managing ocean resources and

assessing progress towards internationally agreed goals and targets of the UN 2030 Agenda, in particular sustainable development goal 14.

5. Observations of the ocean's physical, chemical, geological and biological characteristics have greatly increased over the last 40 years but continue to face challenges related to i) data acquisition, management and reporting, ii) technological, financial and human capacity and iii) governance.

6. ISA is the only intergovernmental organization entrusted with the stewardship of the global commons in areas beyond national jurisdiction (ABNJ), with 30 years of experience, data and knowledge in establishing effective governance. Owing to the inherent challenges associated with conducting environmental assessment and monitoring in the deep sea, a proactive initiative to ensure coordinated, sustained deep ocean observations and accurate ocean prediction systems is particularly required in the Area.

7. ISA's institutional knowledge of the marine environment and ecosystems in the Area, together with its coordinated efforts to promote scientific research, place it in a key position to develop a scientifically sound framework for assessing the deep ocean environment in ABNJ.

8. In this context, the ISA Secretariat is preparing a project document to conceptualize the approach of regional monitoring and mobilize partners and resources to pilot its implementation in one of the regions where mineral exploration activities occur. The design of a targeted observation programme at the regional level will build on the growing amount of data and information collected by ISA contractors and hosted by the ISA DeepData database and in synergy with other scientific programmes and initiatives. In addition, the project will facilitate the development of modelling instruments for assessing the environmental status and forecasting resilience of deep-sea ecosystems.

9. ISA is seeking a consultant with requisite experience and expertise in (i) long-term ocean observations, (ii) project design, management and evaluation and (iii) familiarity with environmental status assessments.

10. Proposals in line with the scope of work in the appended Terms of Reference are to be submitted via email to rfp@isa.org.jm on or before ~~1 November 2024~~ **8 November 2024**.

11. Proposals should be concise but reflect a clear methodology demonstrating the competence and expertise of the potential consultant to carry out the tasks described in the Terms of Reference and including an itemized financial proposal. The résumé of every team member who would be assigned to this project should be attached to the proposal.

12. Potential consultants are to send their requests for clarifications or questions regarding this call for proposals via email: rfp@isa.org.jm.

GENERAL INSTRUCTIONS

13. Proposals must be expressed in English and should be valid for a minimum period of 60 days. The currency for fees quoted must be United States dollars.
14. Potential consultants must complete Annex A and attach it to the proposal.
15. It is the responsibility of the potential consultant to ensure that proposals reach ISA on or before the deadline.
16. Submission of a proposal shall be deemed to constitute an acknowledgement by the applicant of the General Conditions of Contracts for the services of Consultants and Individual Contractors (Annex C).
17. ISA implements a zero-tolerance policy on fraud and other proscribed practices, including corruption, unethical practices and obstruction. ISA is committed to preventing, identifying and addressing all such acts and practices against ISA and third parties involved in its activities.
18. ISA requests that every potential consultant prevents and avoids conflicts of interest by disclosing clearly to ISA any involvement or possible conflict of interest in the preparation of their proposal.

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ANNEX A – BIDDER INFORMATION FORM

Date: (day, month, year)

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| 1. Full name of company: |
| 2. Legal address: |
| 3. Email address: |
| 4. Attach a copy of the certificate of registration |
| 5. Provide a general description of your related experience in the field, including experience in planning oceanographic field surveys, if any: |
| 6. Supply information regarding your experience for the past 5 years which is relevant to the services required, including experience in developing and implementing scientific projects in the field of oceanography or related ocean and environmental sciences: |
| 7. Provide any additional information that you consider key in meeting/exceeding the requirements: |
| 8. Are there any indicting circumstances that ISA should be made aware of? Please provide details: |
| 9. Name and signature of authorized representative: |



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ANNEX B – TERMS OF REFERENCE

Organization: International Seabed Authority (ISA)

Position type: Consultancy

Job title: Consultant – project document on long-term monitoring for informed stewardship of the Area

Duration: Two months

Starting date: Immediate

Reporting to: Environmental Coordinator

ORGANIZATIONAL CONTEXT

The sustainable use of the ocean and its resources, a core principle of the 1982 United Nations Convention on the Law of the Sea (UNCLOS), demands a fine balance between human activities and proper conservation and management measures. Sustained observations of the marine environment and biodiversity are crucial to understanding changes in the ocean ecosystems, managing ocean resources and assessing progress towards internationally agreed goals and targets of the UN 2030 Agenda, in particular sustainable development goal 14.

Observations of the ocean's physical, chemical, geological and biological characteristics have greatly increased over the last 40 years but continue to face challenges related to i) data acquisition, management and reporting, ii) technological, financial and human capacity and iii) governance.

ISA is the only intergovernmental organization entrusted with the stewardship of the global commons in areas beyond national jurisdiction (ABNJ), with 30 years of experience, data and knowledge in establishing effective governance. Owing to the inherent challenges associated with conducting environmental assessment and monitoring in the deep sea, a proactive initiative to ensure coordinated, sustained deep ocean observations and accurate ocean prediction systems is particularly required in the Area.

ISA's institutional knowledge of the marine environment and ecosystems in the Area, together with its coordinated efforts to promote scientific research, place it in a key position to develop a scientifically sound framework for assessing the deep ocean environment in the Area.

The design of a targeted observation programme at the regional level will build on the growing amount of data and information collected by ISA contractors and hosted by the ISA DeepData database and in synergy with other scientific programmes and initiatives. It will also build on and complement the work carried out by individual contractors in establishing environmental baselines and monitoring potential environmental impacts that may arise from their activities. Initial discussions contributing to the identification of relevant indicators took place in a recent [workshop on developing a scientific approach to identifying key deep-sea taxa for effective protection of the marine environment in the Area](#) (Seoul, Republic of Korea, June 2024). An effective monitoring programme will be guided by the development of the Mining Code, including associated standards and guidelines and environmental thresholds, as well as relevant ISA policies, such as regional environmental management plans.

OBJECTIVE

The objective of this consultancy is to develop a project document to conceptualize the approach of regional monitoring and mobilize partners and resources to pilot its implementation in one of the regions where mineral exploration activities occur.

SCOPE OF WORK

In close collaboration with the ISA Office of Environmental Management and Mineral Resources (OEMMR) and consultation with potential partners and relevant initiatives, the consultant shall undertake the following tasks:

- 1) Identify relevant ocean observation programmes and initiatives in the Central Pacific Ocean region
- 2) Develop an integrated results and resources framework, including estimated detailed budget and timeline, as well as clear linkages between activities, expected outputs and outcomes
- 3) Identify strategies for risk management, resource mobilization and partnership-building
- 4) Defining the metrics (e.g., SMART indicators, baselines and targets) that will be used to monitor and measure the progress towards the expected results identified.

OUTPUTS AND TIMELINE

Under the overall supervision of the Director of OEMMR and direct supervision of the Environmental Coordinator, the consultant will produce the following outputs to be completed in two months upon signature of a contract:

- Output 1 (one week after contract signature): Final workplan
- Output 2 (three weeks after output 1): Consultation with relevant stakeholders finalized
- Output 3 (two weeks after output 2): First draft project document
- Output 4 (28 February, two weeks after output 3): Revised draft project document

TERMS OF PAYMENT

For this consultancy, proposed fees should be in line with Level C of page 21 of ISA's Administrative Instruction on consultants [ISBA/ST/AI/2021/1](#) as relevant professional experience and specialized/technical knowledge and skills are required.

The amount to be agreed would be paid in three instalments as follows:

- 20 per cent upon the delivery and approval of output 1
- 30 per cent upon the delivery and approval of output 2 and
- 50 per cent upon the delivery and approval of outputs 3 and 4.

The agreed fee will be deemed to include all costs to be incurred in undertaking all the tasks outlined above.

QUALIFICATIONS AND SKILLS

ISA is seeking a consultant with requisite experience and expertise in (i) long-term ocean observations, (ii) project design, management and evaluation and (iii) familiarity with environmental status assessments.

The consultant should possess the following qualifications/skills:

- An advanced degree (Master's or above) in a field related to oceanography, ocean sciences or related fields
- A minimum of 5 years in developing and implementing projects related to marine scientific research in oceanography and ocean sciences
- Experience in project designing, management and evaluation
- Excellent written and oral communication skills (English)
- Experience in planning oceanographic field surveys is desirable
- Experience in engaging various stakeholders, including scientific institutions, international organizations and private entities, is desirable
- Experience in working with intergovernmental organizations is desirable
- A good level of familiarity with the work of ISA is an asset.

SELECTION / EVALUATION

All proposals will be reviewed by a committee. Selection will be based on the following:

- Experience in the relevant field
- The financial proposal
- Availability to carry out the project between December 2024 and January 2025.

Only shortlisted applicants will be contacted.

MODALITIES OF WORK

The work shall be performed at the consultant's home base with scheduled virtual meetings with ISA Secretariat staff, as required.

To facilitate timely and accurate outcomes by the consultant, the OEMMR Director and the OEMMR Environmental Coordinator will make reasonable and practical efforts to respond promptly to the consultant's queries and provide the necessary reference material as identified by the consultant, where feasible.

MONITORING

The consultant will report to and receive guidance from the Environmental Coordinator, who will review and approve the deliverables/outputs following close consultation and cooperation with the relevant offices in the Secretariat.

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ANNEX C – GENERAL CONDITIONS OF CONTRACTS FOR THE SERVICES OF CONSULTANTS AND INDIVIDUAL CONTRACTORS

1. Legal status

1. The consultant or individual contractor shall have the legal status of an independent contractor vis-à-vis the ISA. The contractor [Any representative or employee of the contractor]¹ shall not be regarded, for any purpose, as being either a staff member of ISA, under the Staff Regulations and Rules of ISA, or an official of ISA, for purposes of the Protocol on the Privileges and Immunities of the ISA. Accordingly, nothing within or relating to the contract shall establish the relationship of employer and employee, or of principal and agent, between ISA and the contractor.

¹ Where the contractor is an institutional or corporate consultant, the term “contractor” as used in the present General Conditions includes its representatives and employees.

2. Standards of conduct

2. The contractor shall neither seek nor accept instructions from any authority external to the ISA in connection with the performance of the obligations under the contract. Should any authority external to ISA seek to impose any instructions on the contractor regarding the contractor’s performance under the contract, the contractor shall promptly notify ISA and shall provide all reasonable assistance required by ISA. The contractor shall not take any action in respect of the performance of the contract or otherwise related to the contractor’s obligations under the contract that may adversely affect the interests of ISA and the contractor shall perform the obligations under the contract with fullest regard for the interests of ISA. The contractor warrants that the contractor has not offered and shall not offer any direct or indirect benefit arising from or related to the performance of the contract or the award thereof to any representative, official or employee of ISA. The contractor shall comply with all applicable laws, ordinances, rules and regulations bearing upon the performance of the obligations under the contract.

3. The contractor acknowledges and agrees that any breach of any of the provisions hereof shall constitute a breach of an essential term of the contract and, in addition to any other legal rights or remedies available to any person, shall give rise to grounds for termination of the contract. In addition, nothing herein shall limit the right of ISA to refer any alleged breach of the foregoing standards of conduct to the relevant national authorities for appropriate action.

4. The contractor may not at any time communicate any information to any other person, Government or authority external to ISA or known to them by reason of their association with ISA that has not been made public, except in the course of their duties or by authorization of the Secretary-General or any designate by the Secretary-General; nor shall the contractor at any time use such information to private advantage. These obligations do not lapse upon termination of the contract with ISA.

3. Title rights, copyrights, patents and other proprietary rights

5. Title to any equipment and supplies that may be furnished by ISA to the contractor for the performance of any obligations under the contract shall rest with ISA and any such equipment shall be returned to ISA upon completion of work under the contract or when no longer needed by the contractor. Such equipment, when returned to ISA, shall be in the same condition as when delivered to the contractor, subject to normal

wear and tear and the contractor shall be liable to compensate ISA for any damage or degradation of the equipment beyond normal wear and tear.

6. ISA shall be entitled to all intellectual property and other proprietary rights, including but not limited to patents, copyrights and trademarks, with regard to products, processes, inventions, ideas, know-how or documents and other materials that the contractor has developed for ISA under the contract and that bear a direct relation to or are produced, prepared or collected in consequence of, or during the course of, the performance of the contract and the contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for ISA. However, to the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the contractor: (a) that pre-existed the performance by the contractor of the obligations under the contract; or (b) that the contractor may develop or acquire, or may have developed or acquired, independently of the performance of the obligations under the contract, ISA does not and shall not claim any ownership interest thereto and the contractor grants to ISA a perpetual licence to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the contract. At the request of ISA, the contractor shall take all necessary steps, execute all necessary documents and, generally, assist in securing such proprietary rights and transferring or licensing them to ISA in compliance with the requirements of the applicable law and of the contract. Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents and other data compiled or received by the contractor under the contract shall be the property of ISA, shall be made available for use or inspection by ISA at reasonable times and in reasonable places, shall be treated as confidential and shall be delivered only to authorized officials of ISA upon completion of work under the contract.

4. Confidential nature of documents and information

7. Information and data that are considered proprietary by either ISA or the contractor or that are delivered or disclosed by one of them (“discloser”) to the other (“recipient”) during the course of performance of the contract and that is designated as confidential (“information”) shall be held in confidence and shall be handled as follows: the recipient of such information shall use the same care and discretion to avoid disclosure, publication or dissemination of the discloser’s information as it uses with its own similar information that it does not wish to disclose, publish or disseminate and the recipient may use the discloser’s information solely for the purpose for which it was disclosed. The recipient may not disclose confidential information to any other party unless with the discloser’s prior written consent. Subject to and without any waiver of the privileges and immunities of ISA and its officials, the contractor may disclose information to the extent required by law, provided that the contractor will give ISA sufficient prior notice of a request for the disclosure of information in order to allow ISA to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made. ISA may disclose information to the extent required pursuant to the UNCLOS and the Agreement relating to the Implementation of Part XI of the UNCLOS of 10 December 1982 and the rules, regulations and procedures of ISA. The recipient shall not be precluded from disclosing information that is obtained by the recipient from a third party without restriction, is disclosed by the discloser to a third party without any obligation of confidentiality, is previously known by the recipient or is developed at any time by the recipient completely independently of any disclosures hereunder. These obligations and restrictions of confidentiality shall be effective during the term of the contract, including any extension thereof and, unless otherwise provided in the contract, shall remain effective following any termination of the contract.

8. Confidential information means information that:

- (a) Is by its nature confidential;
- (b) Is designated by ISA as confidential;
- (c) The contractor knows or ought to know is confidential.

9. Confidential information does not include information that:

- (a) Is or becomes public knowledge by means other than by breach of the contract;
- (b) Is in the possession of the contractor without restriction to disclosure before the date of receipt from ISA;
- (c) Has been independently developed or acquired by the contractor;
- (d) Was in the possession of the contractor prior to the commencement date of the contract;
- (e) Is obtained by the contractor from a third party that is free to divulge the same.

10. ISA may at any time require the contractor to give a written undertaking, in a form required by ISA, relating to the non-disclosure of confidential information. In the written undertaking, the contractor is required to acknowledge that the provisions of article 168 of the UNCLOS related to the responsibilities of the staff of ISA apply, mutatis mutandis, to the contractor. The contractor shall promptly arrange for all such undertakings to be given.

5. Travel, statement of good health and service-incurred death, injury or illness

11. If the contractor is required by ISA to travel beyond commuting distance from his or her usual place of residence, such travel shall be at the expense of ISA and shall be governed by conditions equivalent to the relevant provisions of the administrative instruction of ISA on official travel. In such cases, the travel expenses borne by ISA shall not exceed the cost of travel by the least costly economy class regularly available or its equivalent when by air, unless a higher standard is approved in advance by, or on behalf of, the Secretary-General of ISA.

12. Prior to the commencement of the contractor's services in any offices or premises of ISA or before engaging in any travel required by ISA or connected with the performance of the contract, the contractor shall submit a certificate of good health provided by a medical practitioner for himself or herself, or for the representative or employee concerned and certify that he or she, or the representative or employee concerned, is in possession of medical or health insurance during the period of the contractor's services. The contractor shall provide such a certificate of good health and certification of the medical or health insurance that includes medical treatment as soon as practicable following the signature of the contract. The contractor warrants the accuracy of any such certificate of good health, including but not limited to confirmation that the contractor has been fully informed regarding the requirements for inoculations for the country or countries to which travel may be authorized.

13. The contractor shall be responsible for assuming all costs that may be incurred in relation to the certificate of good health and medical or health insurance.

14. In the event of the death, injury or illness of the contractor that is attributable to the performance of services on behalf of ISA under the terms of the contract while the contractor is travelling at ISA's expense or is performing any services under the contract in any offices or premises of ISA, [the representative or employee of] the contractor or his or her dependants, as appropriate, shall be entitled to compensation equivalent to that provided under appendix B to the Staff Rules of ISA.

6. Prohibition on assignments and modifications

15. The contractor may not assign, delegate, transfer, pledge or make any other disposition of the contract, of any part thereof or of any of the rights, claims or obligations under the contract except with the prior written authorization of ISA and any attempt to do so shall be null and void. The terms or conditions of any supplemental undertakings, licences or other forms of agreement concerning any goods or services to be provided under the contract shall not be valid and enforceable against ISA or in any way constitute an

agreement by ISA thereto, unless any such undertakings, licences or other forms of agreement are the subject of a valid written undertaking by ISA.

16. No modification or change in the contract shall be valid and enforceable against ISA unless provided by means of a valid written amendment to the contract signed by the contractor or a duly authorized representative thereof and a duly authorized representative of ISA.

7. Subcontractors

17. In the event that the contractor requires the services of subcontractors to perform any obligations under the contract, the contractor shall obtain the prior written approval of ISA for any such subcontractors. ISA may, at its sole discretion, reject any proposed subcontractor or require such subcontractor's removal without having to give any justification therefor and such rejection shall not entitle the contractor to claim any delays in the performance or to assert any excuses for the non-performance of any of the obligations under the contract. The contractor shall be solely responsible for all services and obligations performed by its subcontractors. The terms of any subcontract shall be subject to and shall be construed in a manner that is fully in accordance with, all of the terms and conditions of the contract. The contractor shall not assign work to be performed under the contract to any person other than those accepted by ISA in the form of written notification.

8. Use of the name, emblem or official seal of ISA

18. The contractor shall not advertise or otherwise make public for purposes of commercial advantage or goodwill that the contractor has a contractual relationship with ISA; nor shall the contractor in any manner whatsoever use the name, emblem or official seal of ISA or any abbreviation of the name of ISA in connection with its business or otherwise without the written permission of ISA.

9. Indemnification

19. The contractor shall indemnify, defend and hold and save harmless ISA and its officials, agents and employees from and against all suits, proceedings, claims, demands, losses and liability of any kind or nature, including but not limited to all litigation costs and expenses, attorney's fees, settlement payments and damages, based on, arising from or relating to:

(a) Allegations or claims that the use by ISA of any patented device, any copyrighted material or any other goods or services provided to ISA for its use under the terms of the contract, in whole or in part, separately or in combination, constitutes an infringement of any patent, copyright, trademark or other intellectual property right of any third party;

(b) Any acts or omissions of the contractor or of any subcontractor or anyone directly or indirectly employed by them in the performance of the contract that give rise to legal liability to anyone not a party to the contract, including, without limitation, claims and liability in the nature of a claim for workers' compensation.

10. Insurance

20. The contractor shall pay ISA promptly for all loss, destruction or damage to the property of ISA caused by the contractor or of any subcontractor or anyone directly or indirectly employed by them in the performance of the contract.

21. The contractor shall be solely responsible for taking out and for maintaining adequate liability and property damage insurance required to meet any of the obligations under the contract and in respect of any tort action or tort claim arising out of the contractor's acts or omissions related to the contract, as well as for arranging, at the contractor's sole expense or at that of its representative or employee, such life, health and other forms of insurance as the contractor may consider to be appropriate to cover the period during which the contractor provides services under the contract. The contractor shall, upon request by ISA, provide proof of such insurance.

22. The contractor acknowledges and agrees that none of the insurance arrangements that the contractor may make shall in any way be construed to limit the contractor's liability arising under or relating to the contract.

11. Encumbrances and liens

23. The contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with ISA against any moneys due to the contractor or to become due for any work done or against any goods supplied or materials furnished under the contract or by reason of any other claim or demand against the contractor.

12. Force majeure and other changes in conditions

24. In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the contractor shall give notice and full particulars in writing to ISA of such occurrence or cause if the contractor is thereby rendered unable, wholly or in part, to perform the obligations and meet the responsibilities under the contract. The contractor shall also notify ISA of any other changes in condition or the occurrence of any event that interferes or threatens to interfere with the contractor's performance of the contract. Not more than 15 days following the provision of such notice of force majeure or other changes in condition or occurrence, the contractor shall also submit a statement to ISA of estimated expenditures that will likely be incurred for the duration of the change in condition or the event. Upon receipt of the notice(s) required hereunder, ISA shall take such action as it considers, at its sole discretion, to be appropriate or necessary in the circumstances, including the granting to the contractor of a reasonable extension of time in which to perform any obligations under the contract.

25. If the contractor is rendered permanently unable, wholly or in part, by reason of force majeure to perform the obligations and meet the responsibilities under the contract, ISA shall have the right to suspend or terminate the contract on the same terms and conditions as provided for below, under "Termination", except that the period of notice shall be five days instead of any other period of notice. In any case, ISA shall be entitled to consider the contractor permanently unable to perform the obligations under the contract in the case of the contractor's suffering any period of suspension in excess of 30 days.

26. Force majeure as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, strikes or other labour disturbances, riots, floods, storms, earthquakes, fires or any other acts of a similar nature or force, provided that such acts arise from causes beyond the control and without the fault or negligence of the contractor.

13. Termination

27. Either party may terminate the contract before the expiry date of the contract, in whole or in part, upon giving written notice to the other party. The period of notice shall be 5 days in the case of contracts for a total period of less than two months and 14 days in the case of contracts for a longer period. The initiation of conciliation or arbitral proceedings, as provided below, shall not be deemed to be a cause for or otherwise to be in itself a termination of the contract.

28. ISA may, without prejudice to any other right or remedy available to it, terminate the contract forthwith in the event that: (a) the contractor is adjudged bankrupt, is liquidated or becomes insolvent, applies for a moratorium or stay on any payment or repayment obligations, or applies to be declared insolvent; (b) the contractor is granted a moratorium or a stay or is declared insolvent; (c) the contractor makes an assignment for the benefit of one or more of the contractor's creditors; (d) a receiver is appointed on account of the insolvency of the contractor; (e) the contractor offers a settlement in lieu of bankruptcy or receivership; or (f) ISA reasonably determines that the contractor has become subject to a materially adverse change in the financial condition that threatens to endanger or otherwise substantially affect the ability of the contractor to perform any of the obligations under the contract.

29. In the event of any termination of the contract, upon receipt of notice of termination by ISA, the contractor shall, except as may be directed by ISA in the notice of termination or otherwise in writing: (a) take immediate steps to bring the performance of any obligations under the contract to a close in a prompt and orderly manner and, in doing so, reduce expenses to a minimum; (b) refrain from undertaking any further or additional commitments under the contract as of and following the date of receipt of such notice; (c) deliver all completed or partially completed plans, drawings, information and other property that, if the contract had been completed, would have been required to be furnished to ISA thereunder; (d) complete performance of the work not terminated; and (e) take any other action that may be necessary, or that ISA may direct in writing, for the protection and preservation of any property, whether tangible or intangible, related to the contract that is in the possession of the contractor and in which ISA has or may be reasonably expected to acquire an interest.

30. A contractor may terminate the contract if: (a) ISA is in arrears of any payment due under the contract for more than 30 days; (b) ISA is in breach of any of the terms or conditions under the contract.

31. In the event of any termination of the contract, ISA shall only be liable to pay the contractor compensation on a pro rata basis for no more than the actual amount of work performed to the satisfaction of ISA in accordance with the requirements of the contract. Additional costs incurred by ISA resulting from the termination of the contract by the contractor may be withheld from any amount otherwise due to the contractor from ISA.

14. Non-exclusivity

32. ISA shall have no obligation respecting and no limitations on, its right to obtain goods of the same kind, quality and quantity, or to obtain any services of the kind described in the contract, from any other source at any time.

15. Taxation

33. Article 183 of the UNCLOS provides, inter alia, that within the scope of its official activities, ISA, its assets and property, its income and its operations and transactions, authorized by the Convention, shall be exempt from all direct taxation and that goods imported or exported for its official use shall be exempt from all customs duties. ISA shall not claim exemption from taxes that are no more than charges for service rendered.

34. In the event that any governmental authority refuses to recognize the exemptions of ISA from such taxation and customs duties, the contractor shall immediately consult with ISA to determine a mutually acceptable procedure. ISA shall have no liability for taxes, duty or other similar charges payable by the contractor in respect of any amounts paid to the contractor under the contract and the contractor acknowledges that ISA will not issue any statements of earnings to the contractor in respect of any such payments.

16. Settlement of disputes

35. **Amicable settlement.** ISA and the contractor shall use their best efforts to amicably settle any dispute arising out of the contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the applicable Conciliation Rules of the United Nations Commission on International Trade Law (UNCITRAL), or according to such other procedure as may be agreed between the parties in writing.

36. **Arbitration.** Any dispute between the parties arising out of the contract, or the breach, termination or invalidity thereof, unless settled amicably as provided above, shall be referred by either of the parties to arbitration in accordance with the applicable UNCITRAL Arbitration Rules. The number of arbitrators shall be three. The language to be used in arbitral proceedings shall be English. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. The arbitral tribunal shall have no authority to award punitive damages. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy or claim.

17. Privileges and immunities

37. Nothing in or relating to the contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of ISA and its officials.

18. Miscellaneous

38. The contract may be executed by parties with the use of electronic signatures in several counterparts, each of which shall be an original but all of which shall together constitute one and the same instrument.

39. The contract embodies the entire agreement and understanding between the contractor and ISA and supersedes any and all prior agreements and understandings between parties.