



## Assembly Council

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#### Report of the interim Director General of the Enterprise

Agenda item 14 of the Council

#### Report of the interim Director General of the Enterprise

### Report on activities related to the Enterprise

#### Submitted by the interim Director General of the Enterprise

## I. Introduction

1. The purpose of the present report is to inform the Council and the Assembly of the International Seabed Authority of the activities undertaken and progress made by the interim Director General of the Enterprise during the period July 2025 to May 2026. It follows the previous reports of the interim Director General, presented during the twenty-ninth and thirtieth sessions of the Authority in July 2024 and 2025, respectively ([ISBA/29/A/6-ISBA/29/C/12](#) and [ISBA/30/A/5-ISBA/30/C/8](#)).

2. In accordance with article 170 of the United Nations Convention on the Law of the Sea and section 2 of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 (1994 Agreement), the Enterprise shall be the organ of the Authority that shall carry out activities in the Area directly, as well as the transporting, processing and marketing of minerals recovered from the Area. The Enterprise shall act in accordance with the general policies of the Assembly and shall be subject to the directives and control the Council. It also has the crucial role of facilitating the participation of developing States in activities in the Area. It is to enjoy autonomy in the conduct of its operations when it becomes independent of the secretariat.

3. The independent functioning of the Enterprise may be triggered by either of two events, namely, receipt by the Council of an application for a joint venture operation with the Enterprise or approval of a plan of work for exploitation for an entity other than the Enterprise. If the trigger event is an application for a joint venture operation with the Enterprise, the Council must consider whether such an operation with the Enterprise accords with “sound commercial principles”. As already underscored in the previous reports, neither the Convention nor the Agreement define what is meant by the phrase “sound commercial principles”. If the Council is satisfied that joint

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\* [ISBA/31/A/L.1](#).



venture operations with the Enterprise accord with sound commercial principles, it has the obligation to issue a directive for the independent functioning of the Enterprise.

## **II. Functions of the interim Director General**

4. It is recalled that the functions of the interim Director General are outlined in section 2, paragraph 1, of the annex to the 1994 Agreement, namely:

(a) Monitoring and review of trends and developments relating to deep seabed mining activities, including regular analysis of world metal market conditions and metal prices, trends and prospects;

(b) Assessment of the results of the conduct of marine scientific research with respect to activities in the Area, with particular emphasis on research related to the environmental impact of activities in the Area;

(c) Assessment of available data relating to prospecting and exploration, including the criteria for such activities;

(d) Assessment of technological developments relevant to activities in the Area, in particular technology relating to the protection and preservation of the marine environment;

(e) Evaluation of information and data relating to areas reserved for the Authority;

(f) Assessment of approaches to joint venture operations;

(g) Collection of information on the availability of trained manpower;

(h) Study of managerial policy options for the administration of the Enterprise at different stages of its operations.

5. In addition, the interim Director General was mandated, by the Council, the following functions:

(a) To represent the interests of the Enterprise with regard to the development of the regulatory regime for activities in the Area;

(b) To ensure coherence and synergies between the work of the Enterprise and the decisions and regulations agreed upon by the governing bodies of the Authority;

(c) To support the development of projects in cooperation with developing States for improving scientific understanding of the Area;

(d) To prepare draft rules, regulations and procedures for the administration and management of the Enterprise once it begins to function independently of the secretariat of the Authority;

(e) To represent the Enterprise in international meetings, conferences and proceedings, as may be required;

(f) To manage the office of the interim Director General of the Enterprise;

(g) To perform other duties as required.

### **III. Activities of the interim Director General**

#### **A. Participation in discussions on the draft regulations on exploitation of mineral resources in the Area**

6. The interim Director General attended the second part of the thirtieth session and the first part of the thirty-first session of the Council and participated in negotiations on the draft regulations on exploitation of mineral resources in the Area, in order to provide the Council with the views of the Enterprise on issues relevant to its interests, as well as to make comments and offer textual suggestions in relation to the draft regulations as a whole.

7. During the first part of the thirty-first session, in addition to contributing to the negotiations on the draft regulations through the making of textual suggestions, the interim Director General presented to the Council a joint paper and a table, developed in collaboration with the United Kingdom of Great Britain and Northern Ireland, on the treatment of the Enterprise in the draft regulations.

8. The paper is based on two alternative definitions of the term “contractor” that were submitted by the interim Director General of the Enterprise during the thirtieth session of the Council.

9. The Council was informed that the primary goal in submitting the paper was to ensure that the Enterprise is integrated seamlessly into the regulations on exploitation and to ensure that the legal framework for the Enterprise is not only conceptually sound but also commercially and operationally viable.

10. The statements by delegations on both proposed definitions for the term “contractor” revealed their interest in ensuring that the regulations adequately reflect how the Enterprise is treated in relation to contractors whenever obligations are applicable to both entities and where they are not in accordance with the provisions of the Convention and the 1994 Agreement. It is expected that the Council will continue to examine the matter during the second part of its thirty-first session.

11. Prior to the presentation of the joint paper, the interim Director General and the United Kingdom delegation met with regional groups and individual delegations to obtain their feedback on the proposals.

#### **B. Study of managerial and administrative policy options for the Enterprise**

12. During the reporting period, work continued on the study of managerial and policy options for the administration of the Enterprise at the different stages of its operationalization, building on earlier efforts on the subject.

13. At this stage, the Enterprise exists within the secretariat. The focus is on minimizing overhead costs while building a foundation for future independence. In view of its limited resources, the Enterprise relies on the secretariat for certain administrative functions.

14. Within the context of discussions for joint venture arrangements in accordance with section 2, paragraph 2, of the annex to the 1994 Agreement, while bearing in mind the evolutionary approach of its operations, emphasis is being placed on a lean model that prioritizes cost-effectiveness.

15. The Council should note that, through joint venture arrangements, the partner will provide capital and technology while the Enterprise will provide reserved areas,

inter alia. Discussions on potential joint venture arrangements are also focused on capacity-building where joint venture partners train Enterprise personnel in areas in which the Enterprise lacks the requisite expertise.

16. It is also submitted that given the current “lean” status of the Enterprise – consisting of the interim Director General and a single Research Assistant – the strategy for fulfilling section 2, paragraph 1 (h), must focus on leveraging existing Authority resources while building the regulatory and structural blueprints for future independence from the secretariat.

17. Correspondingly, preliminary work has begun on the drafting of internal rules and regulations on specific administrative, financial and personnel rules that will govern the Enterprise once it is functioning independently from the secretariat, in keeping with the Convention.

18. These steps are necessary to ensure that when a trigger event occurs (such as an application for a joint venture operation), the Council is not caught off guard and the Enterprise can utilize an existing managerial structure rather than scrambling to build one from scratch.

### **C. Monitoring and review of trends in the mining industry**

19. The interim Director General continued to monitor and review trends and developments relating to deep seabed mining activities and conducted analysis of world metal market conditions and metal prices, trends and prospects.

20. The Enterprise was represented at the meetings of the International Nickel Study Group, the International Lead and Zinc Study Group and the International Copper Study Group and a joint seminar of the Study Groups held in Lisbon in April 2026. Attendance at these meetings is consistent with the provisions of section 2, paragraph 1 (a), of the annex to the 1994 Agreement.

21. In summary, the market outlooks by metal, as discussed by the Study Groups, are as follows:

(a) International Nickel Study Group:

(i) *Market balance.* The market is expected to shift from a 283,000-ton surplus in 2025 to a 32,000-ton deficit in 2026;

(ii) *Production and demand.* Primary global nickel production is forecast to reach 3.715 million tons, with usage projected to be 3.747 million tons;

(iii) *Outlook.* Global demand remains resilient, driven primarily by electric vehicle battery technology, despite a recent slowdown prompted by energy market fluctuations;

(b) International Lead and Zinc Study Group:

(i) *Zinc market.* Global demand for refined zinc metal is forecast to see continued growth in 2026, supported by infrastructure and the rapidly emerging zinc battery market;

(ii) *Lead market.* Global demand for refined lead metal is anticipated to increase by 1.1% to 13.72 million tons;

(c) International Copper Study Group:

(i) *Market balance.* The Study Group flipped its earlier forecast and is now calculating that the 2026 refined copper market will see a 96,000-ton supply surplus rather than the previously anticipated deficit;

(ii) *Production and demand.* Global refined copper usage is expected to grow by 1.6% in 2026. While primary production remains marginally constrained by localized disruptions, secondary production from scrap is expanding and will be a major driver of future supply;

(iii) *Outlook.* In 2027, the Study Group forecasts that the surplus will widen to 377,000 tons as secondary refining operations expand.

22. The joint seminar hosted by the Study Groups addressed critical energy challenges regarding the availability, affordability and adequacy of supply for the mining and metals sector. Discussions highlighted the essential role of metals in the energy transition, the impact of global trade policies on supply chains and the need for significant investment to scale up sustainable operations.

23. In addition to the above, the Enterprise also monitored and analysed world metal market conditions based on information provided by other sources, such as Bloomberg, the International Monetary Fund and the World Bank. On the basis of that information, the following observations can be made:

(a) As at 9 April 2026, the world metal market showed a strong performance as metal prices were surging. Metals such as copper soared to as much as \$13,012 per metric tonne in January, while nickel rose close to \$18,000 per metric tonne;

(b) The surging price of oil and the volatility and uncertainty characterizing the geopolitical landscape are key factors influencing the increasing price of metals;

(c) The demand for copper, cobalt, nickel and manganese continues to grow. A major contributing factor is the reduction in supply to the market that results from the underinvestment in mining and the strong demand from the electric vehicle and renewable energy sector. In 2025, there were supply disruptions to the market when mines cut or stopped production as concerns grew because of ageing mines and plants, which continued to drive prices up, particularly that of copper;

(d) The price of copper has been trending up over the past three years. The highest recorded monthly average was in January when prices hit \$13,012 per ton, which reflected an 11% increase between December 2025 and January 2026. The price remained above \$12,500 per ton in February and March 2026. These are the highest copper prices in years – the closest peak came in May 2024, when it was at \$10,139 per ton. In January 2025, the price of copper was \$8,916 per ton. The current price is more than 40% higher than the same period in 2025. Figures going as far back as 2017 show copper prices never rising above \$10,000 per ton, and current prices have surpassed the forecasted 2025 and 2026 figures of \$8,200 per metric tonne and \$8,000 per metric tonne, respectively.

#### **D. Assessment of available data relating to reserved areas**

24. The Council should note that the information received from the Secretariat indicates that the assessment of available data relating to reserved areas remains the same as that reflected in the previous report.

25. By correspondence dated 8 September 2025, the Secretary-General was informed of an application for exploration in reserved areas in the Clarion-Clipperton Zone submitted by Impossible Metals Bahrain.

26. By a notification dated 9 September 2025, the interim Director General informed the Secretary-General that, under the provisions of regulation 17 (2) of the regulations on prospecting and exploration for polymetallic nodules in the Area, it had no objection to the said application. The application is still before the Legal and Technical Commission.

27. The Council should also note that it has been brought to the attention of the interim Director General of the Enterprise that the areas concerned in applications for mineral exploration and/or exploitation in the Clarion-Clipperton Zone, outside the legal framework of the Convention and the 1994 Agreement, overlap with areas reserved for the Enterprise. These areas amount to approximately 80,000 km<sup>2</sup>.

28. The Council should also be alert to the fact that the utilization of reserved areas outside of the legal framework of the Convention and the 1994 Agreement is of very serious concern to the Enterprise as it has the potential to undermine the future ability of the Enterprise to participate directly in activities in the Area. The inability of the Enterprise to engage in activities in the Area would also undermine the principle of the common heritage of humankind. In addition, it would affect the clear balance that the Convention and the 1994 Agreement has created to ensure that developing countries also participate in activities in the Area.

## **E. Assessment of approaches to joint venture operations**

29. Under section 2, paragraph 1 (f), of the annex to the 1994 Agreement, the interim Director General is required to conduct assessment of approaches to joint venture operations. Paragraph 2 of section 2 provides that the Enterprise shall conduct its initial deep seabed mining operations through joint ventures.

30. Consistent with this mandate, the interim Director General of the Enterprise continues to actively pursue the conclusion of a joint venture arrangement, which, if it accords with sound commercial principles would enable one of the triggers under the 1994 Agreement for the independent operation of the Enterprise.<sup>1</sup>

31. Approaches were made to member States, contractors and other entities on this matter. Very encouraging discussions are currently under way with an entity that is looking at potential joint ventures not only for the exploration and exploitation of deep seabed minerals but also for the transporting, processing and marketing of minerals recovered from the Area.<sup>2</sup> The Council will be updated on the progress of these discussions and its approval sought if discussions lead to negotiations for a joint venture arrangement.

32. The opportunity was taken during the participation of the interim Director General at the annual contractors' meeting, held in Goa, India, from 18 to 20 September 2025 on the theme: "From mandate to action: realizing the Enterprise functions through contractor engagement for a sustainable Area," to promote the subject.

33. The occasion was used to present a conference room paper on a draft joint venture agreement, and it was emphasized that the text was for discussion purposes only, as a formal document must be approved by the Council.

34. A similar approach was taken at the Underwater Minerals Conference, held at St. Pete Beach, Florida, United States of America, from 9 to 14 November 2025.

35. The Council is reminded that one of the issues that continued to be raised by some potential joint venture partners was the continued legal uncertainty surrounding the failure to adopt regulations on exploitation for minerals in the Area, as an impediment in moving forward on this matter.

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<sup>1</sup> Annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 (1994 Agreement), sect. 2 (2).

<sup>2</sup> United Nations Convention on the Law of the Sea, art. 170 (1).

## **F. Transfer of technology**

36. The assessment of technological developments relevant to activities in the Area, in particular technology relating to the protection and preservation of the marine environment,<sup>3</sup> is part of the ongoing work of the Enterprise at the current stage of its operations.

37. At a webinar organized for member States on 25 February 2026 entitled “The evolutionary mandate of the Enterprise: legal framework and environmental technology assessment”, the topics addressed included the following:

- (a) Technology transfer under the 1994 Agreement;
- (b) Technological innovation for monitoring activities in the oceans and on the seabed;
- (c) TRIDENT: project, updates and tech insights for long-term deep-sea monitoring;
- (d) Quantifying suspended sediment with broadband acoustics: implications for deep-sea mineral extraction.

38. In their feedback, member States present lauded the initiative to address these topics at the webinar, as it enabled them to gain a better understanding of the importance of technology geared towards the protection of the marine environment as an essential component in the deep seabed mining regime.

## **G. Participation in conferences, meetings and workshops**

39. In his presentation “From mandate to action: realizing the Enterprise functions through contractor engagement for a sustainable Area” at the 2025 annual contractors’ meeting, held in Goa, the interim Director General highlighted the following areas:

- (a) The mandate of the Enterprise at the current and future stages of its operations;
- (b) Contractor engagement with the Enterprise; namely, financial resources and joint ventures; technical expertise and technology transfer; environmental stewardship and data-sharing;
- (c) Benefits of collaboration.

40. Participation in the meeting allowed for greater understanding of different aspects of the work being done by contractors and how the knowledge of the Enterprise on seabed mining could be expanded, having regard to the limited resources at its disposal at the current time and recognizing also that a number of obligations applicable to contractors apply to the Enterprise, except where otherwise stated in the applicable law.

41. It also exposed the Enterprise to cutting-edge technology and expertise, as well as enabling contractors to learn of benefits to be accrued in partnership with the Enterprise, inter alia.

### **Underwater Minerals Conference 2025**

42. The interim Director General was invited to participate in the 2025 Underwater Minerals Conference, held at St. Pete Beach, Florida, from 9 to 14 November 2025.

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<sup>3</sup> 1994 Agreement, sect. 2, para. 1 (d).

43. The Conference brought together key stakeholders in the industry, including private contractors, other industry personnel, scientists, officials from the Authority and other officials.

44. As a future contractor in the deep seabed Area, and in view of its current mandate under section 2 of the annex to the 1994 Agreement, the Enterprise was able to obtain a wider perspective on several areas related to the latest developments in, inter alia: marine mineral exploitation; risk and management of marine minerals, deep-sea mining risks, challenges and lessons from offshore industries, international technical standards for seabed mining; and key findings of mid-water plume modelling for commercial-scale polymetallic nodule collection.

45. At the request of the organizers of the Conference, the interim Director General gave a presentation entitled “The Enterprise: from principle to partnership.”

46. Important outcomes of the meeting include contact with a private contractor with whom the interim Director General continues to engage in discussions related to the conclusion of a joint venture agreement, in addition to the establishment of linkages with scientists involved in technology related to deep seabed mining, two of whom gave presentations at a webinar organized for member States by the Enterprise in February 2026.

#### **African Academy for Deep Sea Diplomacy, Yaoundé, 9–13 February 2026**

47. A capacity-building and training workshop was organized by the Authority and the International Relations Institute of Cameroon, based on a memorandum of understanding between them approved by the Assembly in July 2023.

48. The interim Director General gave a presentation on the topic “The Enterprise – Africa’s gateway to deep-sea mining”.

49. Participants at the workshop benefited from elaboration on the following items under the topic:

(a) Legal foundation: article 170 of the United Nations Convention on the Law of the Sea;

(b) Evolution via the 1994 Agreement;

(c) The mandate of the Enterprise at this stage of its operations;

(d) The regime of reserved areas (the “site bank”);

(e) Financial and operational status;

(f) Annex IV- the Statute of the Enterprise, its structure and unique financial benefits;

(g) Technology transfer;

(h) Potential joint venture arrangements between the Enterprise and individual African States or a consortium of African States.

#### **Webinar: “The evolutionary mandate of the Enterprise: legal framework and environmental technology assessment”**

50. The webinar was organized in response to requests from a number of States for additional information on the role and functions of the Enterprise following the presentation of the report of the interim Director General to the Council and Assembly at the thirtieth session.

51. It was held on 25 February 2026, and welcome remarks were delivered by the Secretary-General of the International Seabed Authority, Leticia Carvalho.

52. The webinar was divided into two sessions. The first session addressed the topics: “Legal mandate of the Enterprise”; “Technology transfer under the 1994 Implementation Agreement”; “Reserved areas under the United Nations Convention on the Law of the Sea: mechanism, implementation”; and the “Current status of ISA exploration”.

53. The second session focused on the following: “Technological innovation for monitoring of activities in the oceans and on the seabed”; “TRIDENT: project, updates and tech insights for long-term deep-sea monitoring”; and “Quantifying suspended sediment with broadband acoustics: implications for deep-sea mineral extraction”.

### **Meetings of the International Nickel Study Group, the International Lead and Zinc Study Group and the International Copper Study Group, Lisbon, 20–22 April 2026**

#### **1. Strategic context and objectives**

54. The interim Director General attended the joint sessions of the International Nickel Study Group, the International Copper Study Group and the International Lead and Zinc Study Group, held in Lisbon from 20 to 22 April 2026. As these three United Nations-affiliated intergovernmental bodies share a specialized secretariat, their concurrent meetings represent the premier global forum for base metal transparency, bringing together sovereign Governments, industrial stakeholders and regulatory observers.

#### **2. Key outcomes and value to the Enterprise**

55. **Market intelligence and forecasting.** Direct access to the Groups’ updated statistical databases and 2026/2027 macroeconomic forecasts provided critical clarity on global supply-demand balances, secondary recycling trends and mine/smelter project pipelines. This intelligence directly validates the Enterprise’s long-term commercial assumptions.

56. **Strategic positioning in the green transition.** Active participation positioned the Enterprise at the centre of high-level dialogues regarding the roles of copper, nickel, lead and zinc in the global energy transition, advancing battery technologies and infrastructure grid stability.

#### **3. Impact for Council consideration**

57. The interim Director General’s attendance reinforces the Enterprise’s standing as an active global participant in critical mineral value chains. The data and strategic networks secured during these meetings will directly inform upcoming investment allocations, risk mitigation protocols and sustainability benchmarks, reinforcing the Enterprise’s competitive and regulatory resilience.

### **Meeting with the British Institute of International and Comparative Law**

58. On 15 October 2025, a meeting was held between the Enterprise and the British Institute of International and Comparative Law on the continued implementation of the memorandum of understanding concluded between the International Seabed Authority (on behalf of the Enterprise) and the Institute in December 2024.

59. The meeting focused on areas of collaboration that resulted in the participation of a representative of the Institute as a presenter in the webinar held for member States in February 2026.

60. Other areas of cooperation are ongoing.
61. The interim Director General also participated in intersessional work of various informal working groups and friends of the President on different areas covered under the draft regulations on exploitation of mineral resources in the Area.

#### **IV. Final remarks and recommendation**

62. The Council and the Assembly are invited to take note of the present report.
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