



**MINISTERIO  
DE RELACIONES  
EXTERIORES**



**UN-OHRLS**

# **Workshop on the Participation of LLDCs in the Regime of the Area and the Benefit-Sharing Mechanism under UNCLOS**



**13 - 15 October 2026**



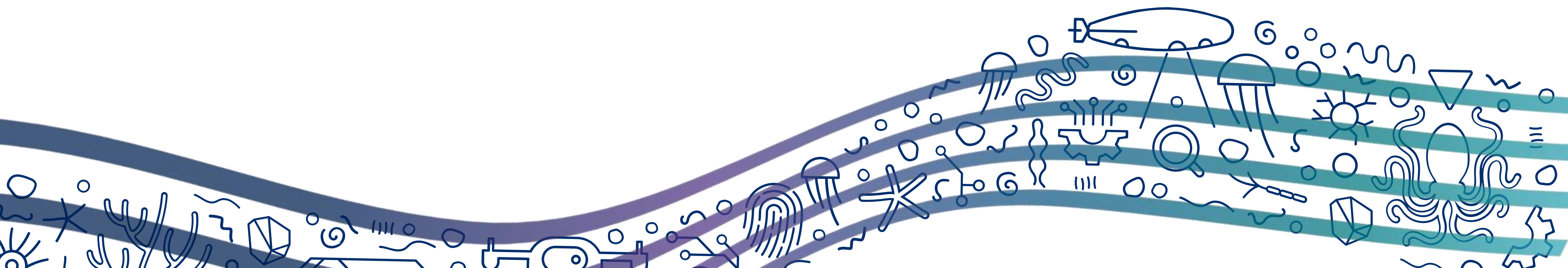
**Santa Cruz de la Sierra,  
Plurinational State of Bolivia**





# The Role and Functions of the Enterprise and Opportunities Associated with Reserved Areas for developing countries, including LLDCs

Presenter: Mr. Eden Charles, Interim Director-General of the Enterprise





# The Role of the Enterprise, Operationalization of Reserved Areas, Joint Ventures and the Jus Cogens Principle of Common Heritage



## Legal Foundations:

- UNCLOS & 1994 Implementation Agreement
- International Seabed Authority (ISA)





# Fundamental Legal Basis



Legal Architecture & Customary Law

## The Common Heritage of Mankind as a Norm of Jus Cogens

### Key Pillars:

1. **Article 136 UNCLOS:** The Area and its resources are the common heritage of mankind. Vests all rights in humanity as a whole, guaranteeing equal participation for LLDCs.
2. **Customary Jus Cogens Norm:** Peremptory norm of international law. Widely recognized as non-derogable, securing non-discriminatory benefit distribution regardless of geographic constraints.
3. **Article 311(6) UNCLOS:** Absolute prohibition of derogation. States Parties shall not be party to any agreement in derogation of the Common Heritage principle.



# LLDC Legal Standing in the Area



Equitable Participation

## Rights and Protections for LLDCs in the Regime of the Area

### Key Pillars:

- 1. Overcoming Geographic Disadvantages:** UNCLOS Part XI explicitly offsets land-locked status by granting equal access rights to ocean mineral wealth.
- 2. Equitable Financial & Economic Benefit-Sharing:** Article 140 guarantees distribution of financial royalties and economic benefits taking special account of LLDCs.
- 3. Mandated Institutional Representation:** Guaranteed seats on the ISA Council and subsidiary bodies under Section 3 of the 1994 Agreement Annex.





# The Role & Functions of The Enterprise



Operational Arm of the ISA

## The Role and Core Mandate of The Enterprise

### Key Pillars:

- 1. Direct Mining Organ:** Empowered under Article 170 to carry out seabed activities directly, including transport, processing, and marketing.
- 2. Developing Country Catalyst:** Designed specifically to operationalize participation for developing nations lacking independent capital.
- 3. Commercial Equity Entity:** Enables commercial deep seabed activities on sound market principles while fulfilling equity mandates.



# The Role & Functions of The Enterprise

(continued)



## Key Pillars:

4. UNCLOS establishes the ISA and the Enterprise to ensure that mineral-rich deep seabed resources serve all nations equitably.
  - **Article 136:** Designates the Area and its resources as the common heritage of mankind.
  - **Article 140:** Mandates that activities be organized to benefit mankind as a whole, taking particular account of developing states.
  - **Article 170:** Formally establishes the Enterprise as the specific operational arm of the ISA.

Through direct commercial and logistical engagement, the Enterprise operationalizes equity rather than relying solely on indirect taxation or state-private partnerships.

- **Direct Seabed Mining:** Undertakes independent exploration and exploitation operations in reserved areas.
- **Logistical Integration:** Engages in transport, processing, and marketing chains to maximize returns.
- **Equitable Yield Distribution:** Channels financial proceeds and technological access directly back to developing nations.



# Statutory Mandate under the 1994 Agreement



Statutory Mandate • 1994 Agreement Annex

## Section 2, Paragraph 1: Statutory Functions under Sub-paragraphs

- **Monitoring Deep Seabed Mining & Metal Markets:** Track developments in deep ocean mining and world metal market conditions.
- **Assessing Marine Scientific Research:** Evaluate MSR results in the Area, focusing on environmental impact assessments.
- **Assessing Data Relating to Reserved Areas:** Analyze geological and resource data for areas reserved for the Authority and developing states.
- **Compiling Data on Trained Manpower:** Maintain data on technical capacity and expertise required for future seabed operations.
- **Assessing Administrative Options:** Prepare operational frameworks for the step-by-step institutional functioning of the Enterprise.
- **Assessing Technological Options:** Assess technological capabilities for performing the functions of the Enterprise.
- **Evaluating Joint Venture Proposals:** Evaluate JV proposals to establish commercial operations in reserved areas on sound market terms.
- **Drafting Rules, Regulations & Procedures:** Draft operational, safety, and governance rules for activities in the Area as necessary.



# Strategic Importance of Section 2 to LLDCs



LLDC Strategic Impact

## How Section 2 Functions (a)–(h) Directly Empower LLDCs

### Key Mechanisms:

- 1. Capacity Building & Human Capital:** Directly addresses LLDC technical skill gaps by identifying training requirements and facilitating exposure to seabed mining technology, seabed metallurgy, and data science.
- 2. De-Risked Access & JV Entry:** Provides LLDCs with evaluated data on reserved areas and structured joint-venture templates, enabling commercial entry without high upfront exploration costs.
- 3. Market Protection & Governance:** Assists land-based LLDC mineral producers from market disruption, while ensuring LLDCs actively shape environmental standards and seabed regulations.





# Work of the Interim Director-General (2024–2026)



Interim Director-General Mandate (2024–2026)

## Key Milestones & Reports to the Council and Assembly

### Progress Roadmap:

#### 2024 — Foundational Baseline:

- Formalized administrative mechanisms under ISA Secretariat.
- Initiated comprehensive study of managerial policy options for early-stage Enterprise operations.
- Assessment of joint-venture operational models with commercial entities and developing states.

#### 2025 — Operational Preparation:

- Detailed inventory and technical evaluation of reserved areas allocated to the Enterprise.
- Established framework for collecting data on trained manpower from developing states and LLDCs.
- Consultations on sound commercial principles for incoming JV proposals.





# Reserved Areas Mechanism



Equalizing Resource Access

## Opportunities in Reserved Areas for Developing Countries & LLDCs

### Key Pillars:

- 1. The Parallel System:** Developed States Applicants contribute banked, prospected seabed areas of equal commercial value for ISA reservation.
- 2. Exclusive LLDC Access:** Reserved areas are held exclusively for the Enterprise or developing countries, including LLDCs.
- 3. De-Risked Entry:** Pre-prospected sites substantially reduce upfront exploration risk and technological entry barriers.



# Marine Scientific Research & Capacity Building



Scientific Advancement

## Marine Scientific Research (MSR) & Technology knowledge

### Key Pillars:

- 1. Article 143 MSR Rights:** LLDCs possess full rights to participate in scientific programs studying abyssal ecosystems and seabed geology.
- 2. Mandatory Capacity Building:** Contractors in reserved areas must provide training programs and technical knowledge to LLDC personnel.
- 3. Data Sharing Initiatives:** Empowers land-locked institutions with direct access to global oceanic scientific datasets.





# Joint Ventures Call to Action



Strategic Call to Action

## Joint Venture Agreements: Singular & Consortium Models with the Enterprise

### Key Pillars:

- 1. Singular LLDC JVs:** An individual LLDC enters direct commercial partnership with the Enterprise in a reserved area site.
- 2. Regional Consortium JVs:** Multiple LLDCs partner in a joint consortium to share operational costs, technological expertise, and equity benefits.
- 3. Section 2 Compliance:** JVs must adhere to standard market practices, risk management, and environmental protection standards.



# Institutional Catalysis & Council Decision

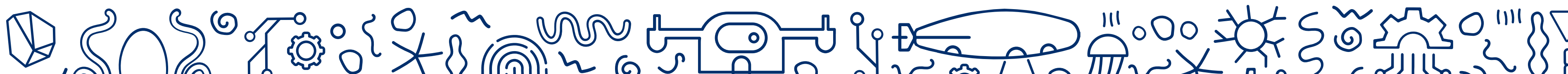


## Institutional Catalysis

### Commercial Success as the Trigger for Independent Operation

#### Triggers:

- **The Council Decision Mandate:** The successful negotiation and approval of a commercially sound Joint Venture Agreement negotiated by the Interim Director-General, or the approval of a plan of work for an entity other than the Enterprise, are the triggers whereby the ISA Council is obligated under Section 2 of the 1994 Agreement Annex to take the decision for the **independent operation** of the Enterprise.
- **Effects:**
  - Transition to Autonomous Governing Board
  - Full Director-General Appointment by Assembly





# Contemplated Future Work of the Enterprise



Future Action

## Contemplated Work & Strategic Objectives for the Enterprise

### Key Pillars:

- 1. Standardized JV Contracts:** Finalize model joint venture contract terms incorporating equitable profit-sharing and environmental protection guidelines.
- 2. Institutional Autonomy Plan:** Complete organizational blueprints for independent financial management, staffing, and governance post-Council approval.



# Deep Seabed Minerals & Green Transition

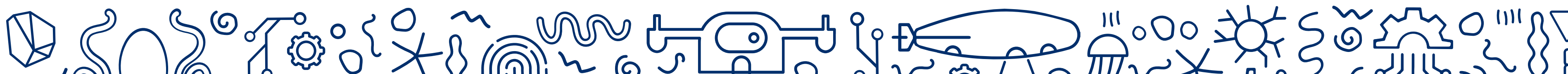


Global Energy Context

## Deep Seabed Minerals and the Green Transition

### Key Pillars:

- 1. Critical Battery Metals:** Polymetallic nodules contain high concentrations of Nickel, Cobalt, Copper, and Manganese essential for clean technology.
- 2. Combating Climate Change:** It has been advanced that deep ocean minerals are vital inputs for global decarbonization and renewable energy infrastructure.
- 3. Environmental Safeguards:** Participation ensures LLDCs help shape the work of the Enterprise in developing environmental standards for its future operations.





# Sustainable Development & The Blue Economy



Economic Transformation

## Integrating LLDCs into the Global Sustainable Blue Economy

### Key Pillars:

- 1. SDG 14 (Life Below Water):** Ensuring sustainable marine resource governance for land-locked states.
- 2. SDG 13 (Climate Action):** Supplying metals required to power decarbonization globally.
- 3. SDG 17 (Partnerships for Goals):** JVs with the Enterprise can assist in bringing technology and capital to LLDCs.



# Conclusion & Strategic Roadmap



Conclusion & Roadmap

## Realizing the Promise of the Common Heritage

### Summary Statement:

By forming Joint Ventures with the Enterprise in Reserved Areas, LLDCs can operationalize their rights under Article 136 (Common Heritage), drive sustainable development, and trigger an independent Enterprise for the benefit of all humanity.





# Action Items for LLDCs



- 1. Form LLDC Consortia:** Collaborate to pool resources and technical personnel.
- 2. Propose Enterprise JVs:** Engage with the Interim Director-General to review reserved area data and submit JV proposals.
- 3. Uphold Jus Cogens Norms:** Maintain strict adherence to non-derogable common heritage standards and environmental precautionary principles.



# Thank you

