

International Seabed Authority

Press Release



**Fourteenth Session
Kingston, Jamaica
26 May - 6 June 2008**

Background Press Release

**SB/14/1
23 May 2008**

SEABED AUTHORITY TO ELECT NEW SECRETARY-GENERAL, AND HALF OF ITS POLICY-MAKING COUNCIL AT FOURTEENTH SESSION IN KINGSTON, 26 MAY - 6 JUNE 2008

The International Seabed Authority will elect a new Secretary-General and half its Executive Council and also continue work on a regulatory regime for sulphides and cobalt-rich crusts at its fourteenth session in Kingston, Jamaica, from 26 May to 6 June 2008.

The Authority will adopt the budget for the biennium 2009-2010 as well as a scale of assessment for contributions to it and consider a report of the outgoing Secretary-General, among other substantive matters.

Its technical body, the Legal and Technical Commission, has been meeting a week ahead of the main session from 19 May to continue its work on the draft regulations for cobalt-rich crusts and to consider applications sponsored by Nauru and Tonga for exploration licenses for deep seabed polymetallic nodules. It was also scheduled to consider the annual reports of the eight contractors for polymetallic nodule exploration while the 36-member Council will focus on the regulations for prospecting and exploration for polymetallic sulphides.

The Authority's 155-member Assembly, including the European Community, will elect the Secretary-General from among candidates proposed by the Council in accordance with article 166, paragraph 2 of the Convention, and elect one-half of the members of the Council in accordance with article 161 of the Convention. The current Secretary-General, Ambassador Satya N. Nandan of Fiji, is leaving at the end of the year after serving three successive four-year terms.

It will be recalled that, in accordance with article 161, paragraph 3, of the Convention, an election took place in 2006 for one-half of the members of the Council in each of the five interest groups referred to in paragraph 15 of Section 3 of the Annex to the 1994 Agreement relating to

- more -

the Implementation of Part XI of the Convention. The terms of office of the remaining one-half of the members of the Council who were elected in 2004 will expire on 31 December 2008. It is therefore necessary for the Assembly to elect 18 new members of the Council for the period 1 January 2009 to 31 December 2012.

The Authority was given the task of overseeing the exploration and development of resources in the international seabed Area beyond national jurisdiction under the Convention, as modified by the 1994 Agreement relating to the Implementation of Part XI (seabed provisions) of the Convention. December 10, 2007 marked the 25th anniversary of the opening of the Convention for signature at Montego Bay, Jamaica. The Authority itself came into existence with the entry into force of the Convention on 16 November 1994.

Sulphides

Work on the Regulations for polymetallic sulphides and cobalt-rich crusts began in 2002, two years after the Authority adopted a mining code to govern prospecting and exploration for polymetallic nodules in the international seabed Area.

Sulphides deposits are found at ocean ridges. Most sites have been located in mid-ocean at the East Pacific Rise, the Southeast Pacific Rise and the Northeast Pacific Rise, while cobalt-rich ferromanganese crusts are found throughout the global oceans on the flanks and summits of seamounts (submarine mountains), ridges and plateaux. The Council decided in 2006 to prepare separate sets of regulatory regimes for sulphides and for crusts, with priority given to the former.

At the thirteenth session in 2007, the Council completed a detailed reading of regulations 1 to 43 of the draft text contained in document ISBA/13/C/WP.1, and agreed on revisions to some of them. The discussions focused, primarily, on provisions dealing with the protection and preservation of the marine environment.

The Council will continue its work on the regulations with focus on key substantive issues such as the formula for determining the size of the exploration area for polymetallic sulphides; introduction of a progressive fee system for exploration; the schedule for relinquishment; and the system for participation by the Authority.

To assist the Council in its work, the Secretariat has prepared a paper (ISBA/14/C/4) which reviews the outstanding issues with respect to those core elements of the draft regime, and presents further revised suggestions for discussion. These include a provision for an automatic review of the regulations, five years following its approval by the Assembly. The paper states that revisions could be made as new relevant information becomes available. It also suggests that contractors should be permitted to make use of the review clause when needed.

Election of Secretary-General

In accordance with article 162, paragraph 2(b) of the Convention, the Council is required to propose to the Assembly a list of candidates for election of a successor to Secretary-General Satya N. Nandan whose term ends on 31 December 2008. Ambassador Nandan, a lawyer and a former Secretary for Foreign Affairs of Fiji, was elected as the Authority's first Secretary-General on 21 March 1996, re-elected in March 2000 and again on 3 June 2004.

Ghana has nominated Mr. Nii Allotey Odunton, who has been endorsed by the African Union. He is currently the Authority's Deputy to the Secretary-General. A mining engineer, Mr. Odunton was a senior official at the United Nations Office for Ocean Affairs and the Law of the Sea in New York for many years before being transferred to the Jamaica Office of the Law of the Sea in July 1988.

Cobalt-rich crusts

The Legal and Technical Commission will continue work on the draft regulations on prospecting and exploration for cobalt-rich crusts contained in document ISBA/13/LTC/WP.1. It will focus on the size of the area to be allocated for exploration and the progressive fee system. It will also evaluate the annual reports of the entities with contracts with the Authority to explore for polymetallic nodules in the international seabed Area under the mining code adopted in 2000.

Two applications for approval of plans of work for exploration for polymetallic nodules in areas reserved for the conduct of work by the Authority and developing countries have been received by the Secretary-General. The applications are sponsored by Nauru (Nauru Ocean Resources Inc.) and by Tonga (Tonga Offshore Mining Ltd.). In accordance with the Authority's Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area, the Commission will submit its recommendations to the Council.

The Commission will review and consider the annual reports of contractors submitted pursuant to the regulations for prospecting and exploration for polymetallic nodules in the Area.

The Commission is also expected to select candidates from a list submitted by the Secretary-General to participate in a training programme being organized by the newest contractor, the Federal Institute for Geosciences and Natural Resources of Germany. It will consider reports of the Secretary-General on the outcomes of a study on biodiversity, species ranges and gene flow in the abyssal Pacific nodule province (the Kaplan project). It will also examine the Authority's project to establish a geologic model of the Clarion-Clipperton Zone and the preservations reference areas in the Zone.

Finally, the Commission will be provided with a report on the outcome of the Authority's recent workshop on deep-sea mining technology which took place at Chennai, India, last February. Among the forty-eight participants were representatives of six of the eight current exploration contractors with the Authority.

Three working groups convened by that workshop considered the following topics: a model mining technology, processing technology, and the economics for a model mining venture. The first working group developed estimates for nodule mining ventures that would recover 1.5 million and 1.2 million wet tons of nodules. The second developed similar estimates for a nodule processing plant based on an annual capacity of 1.5 million tons, producing nickel, copper, cobalt and manganese. The third working group reviewed existing models of first generation polymetallic nodule mining systems and evaluated current trends in metal prices.

One of the key conclusions reached by the workshop, according to a report, was that metal prices, particularly those for nickel, are a major factor in the profitability and attractiveness of investment in deep seabed polymetallic nodule mining ventures.

Election of Council members

The Assembly will elect 18 new members of the Council for the period 1 January 2009 to 31 December 2012. They will replace the members whose term expires on 31 December 2008. At the Authority's twelfth session in 2006, the Assembly, in accordance with article 161, paragraph 3, of the Convention on the Law of the Sea, elected one-half of the Council members. The election involved each of the five interest groups referred to in paragraph 15 of Section 3 of the Annex to the 1994 Agreement relating to the Implementation of Part XI of the Convention. Their terms will expire on 31 December 2010. The elections are based on a formula designed to ensure equitable representation of countries from the five groups.

The groups are:

Group A: Four States from among the largest consumers or net importers of minerals to be derived from seabed mining;

Group B: Four States from those with the largest investment in seabed mining;

Group C: Four States that are major net exporters of the categories of minerals to be derived from the Area;

Group D: Six developing States representing special interests, including those with large populations, landlocked or geographically disadvantaged, islands, major mineral importers or potential producers of the categories of minerals to be derived from the Area, and least developed.

Group E: Eighteen States reflecting the principle of geographical distribution. Members may be re-elected from the same or different groups.

Finances

The Finance Committee will review the Secretary-General's proposed budget of \$12,752,400 for the Authority for the financial year 2009-2010, compared with the \$11,782,400 adopted in 2006 for the period 2007-2008. Details of the new budget proposals can be found in document ISBA/14/A/3 – ISBA/14/C/3. The proposed budget and the scale of assessment for contributions will be considered in sequence by the Council and the Assembly, taking into account any recommendations by the Finance Committee.

According to a draft of the Secretary-General's report, contributions outstanding from Member States for the period 1998-2007 totalled \$447,952. As at 31 March 2008, 57 members of the Authority were in arrears for a period of two years or more.

The Finance Committee will also consider the audit report for 2007, as well as reports on the status of both the voluntary trust fund and the International Seabed Authority Endowment Fund. The trust fund was established in 2002 to enhance the participation of members of the Finance Committee and the Legal and Technical Commission from the developing countries.

The International Seabed Authority Endowment Fund for Marine Scientific Research in the Area, as the Fund is formally known, was established in 2006 to promote and encourage the conduct of marine research in the international seabed area for the benefit of mankind as a whole. It is aimed, in particular, to support the participation of qualified scientists and technical personnel from developing countries in maritime scientific research programmes. A seven-member Advisory Panel for the Fund was appointed in April 2008.

Officials of the Secretariat, led by the Secretary-General, hosted a presentation on the Endowment Fund at United Nations Headquarters in New York on Wednesday, 30 April 2008.

Members of the Authority

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

The list of members is as follows:

Albania, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, 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, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic Republic of the 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 People's Democratic Republic, Latvia, Lebanon, Lesotho, Lithuania, Luxembourg, Madagascar, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Micronesia (Federated States of), Moldova, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Nigeria, Niue, 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 & Tobago, Tunisia, Tuvalu, Uganda, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Vanuatu, Vietnam, Yemen, Zambia, Zimbabwe.

* * * * *