

International Seabed Authority

Press Release



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SEABED ASSEMBLY HEARS SECRETARY-GENERAL'S REPORT, ELECTS PRESIDENT AND VICE PRESIDENTS, APPOINTS CREDENTIALS COMMITTEE

The upsurge in demand and increasing prices of metals on the world market is one major factor in the profitability and attractiveness of investments in deep seabed mining, Satya N. Nandan, Secretary-General of the International Seabed Authority, said in his final annual report to the Authority's Assembly this morning.

Mr. Nandan, who ends his third consecutive term of office at the end of this year, delivered his report as the Authority's fourteenth session continued in Kingston. He told the 155-member Assembly that the trend in the prices for cobalt, copper, nickel and manganese – the main metals that would be derived from seabed mining - continued to show strong upward movement. Consequently, land-based production had increased steadily to cope with increased demand. It was anticipated that supply would struggle to keep up with this increased demand, the report said.

Mr. Nandan commended the host country, Jamaica, for its strong support and cooperation in efforts to renovate the Jamaica Conference Centre which houses the Authority's Headquarters and conference facilities. "We enjoy the best of relations with the government of Jamaica", he told members of the Assembly.

Before hearing the report, the Assembly elected Ryszard Kotlinski, (Poland), as its president for the fourteenth session, with Italy, Uganda and Indonesia as vice-presidents, representing Western Europe, Africa and Asia, respectively. Also this morning, seven members were appointed to the Credentials Committee. They are: Burkina Faso, China, Finland, Japan, New Zealand, Russian Federation and Tanzania.

The Secretary-General's 26-page report (ISBA/13/A/2) provided an account of the Authority's work over the past twelve months as well as an overview of the present status of and prospects for deep seabed mining. Mr. Nandan said it was a great honour and privilege to serve the Authority over the past twelve years. In thanking the members for their trust and support, Mr. Nandan said he had great expectations of the organization. "It will become a very important institution in time," he said of the Authority.

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Secretary-General's report

The report, submitted to the Assembly under article 166, paragraph 4 of the United Nations Convention on the Law of the Sea, notes that the Authority's substantive work programme for the period 2008-2010 continued to focus primarily on the scientific and technical work necessary for the organization to carry out its functions.

The report also refers to the Endowment Fund for Marine Scientific Research in the Area which 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.

In 2007, the Assembly, on the recommendation of the Finance Committee, adopted detailed rules and procedures for the administration and utilization of the Endowment Fund. The Fund is administered by the secretariat of the Authority. The Secretary General report states that since February 2008, the secretariat has carried out a number of activities designed to draw the attention of the international donor community to the opportunities offered by the Fund and to encourage additional contributions.

The report states that for six of the seven former registered pioneer investors, 2006 marked the end of the first five-year programme of work since the contracts were first signed between them and the Authority. For the second five-year period - up to 2011 - the Secretary-General notes that all of the seven contractors planned to continue to work at the same slow pace as before. As at 31 March 2008, six contractors had accepted a revision of the contract proposed by the Secretary-General for the second five-year period.

In fulfilment of its responsibilities under the Convention, the Authority had been promoting and encouraging marine scientific research in the international seabed Area and disseminating the available results. Towards that end, it had been organizing workshops and seminars. The most recent workshop took place in Chennai, India, last February with 48 participants, including representatives of six of the eight current exploration contractors.

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

In a section on "Recent developments in deep seabed mining", the report states that at present, the trend in prices for the main metals to be derived in seabed mining – cobalt, copper, nickel and manganese – continued to show strong upward movement, particularly in the prices for cobalt. Consequently, land-based production had increased steadily to cope with increased demand. "Nevertheless, the midterm outlook for metal prices continues to be optimistic as it is anticipated that supply will struggle to keep up with demand as a result of rapid industrialization combined with fast growing markets in new end-users, such as (in the case of cobalt) superalloys and nickel metal hydride batteries".

The report said the Secretariat proposes to convene two further international workshops – in 2009 and 2010 respectively. The first will review the geological model of polymetallic nodule deposits in the Clarion-Clipperton Zone, while the second will ascertain the modalities for scientific collaboration in research on cobalt-rich ferromanganese crusts deposits in the international seabed Area.

Noting that the present report will be his last, Secretary-General observes that twelve years after his election on 21 March 1996, the necessary institutional framework to establish the Authority as an autonomous international organization had been completed. Substantial progress had also been made in implementing the tasks the Authority identified for itself in 1997. The regulatory framework for prospecting and exploration for polymetallic nodules was completed in 2000, while progress was being made in elaborating similar regimes for polymetallic sulphides and cobalt-rich ferromanganese crusts.

The Authority had also developed preliminary environmental guidelines for minerals exploration in the international seabed Area. A resource assessment of the areas reserved for the Authority had been completed. The Authority had made “greater progress than could have been anticipated in 1997” through its technical workshops and seminars.

One of the most important milestones in the life of the Authority, according to the Secretary-General, was the formal recognition given to the claims of the pioneer investors which brought them within the single regime created by the Convention and the 1994 Agreement. It demonstrated that the institutional structure of the new Authority could function effectively, and showed also the confidence that the contractors had in the system. That confidence had been reinforced with the acceptance of an entity sponsored by the Federal Republic of Germany as the eighth contractor.

The Secretary-General states further that it was essential for the future of the Authority’s wellbeing that the confidence in the system was maintained through the ongoing monitoring of contracts for exploration. The role of the Council in that respect was critical.

He adds that it would be particularly important in the coming years for the Council and its members to ensure that “at all times it acts in the best interests of the Authority and with the institutional objective of encouraging the orderly development of the resources of the deep seabed for the benefit of mankind firmly at the forefront”.

He observes that it was equally important that the Authority’s work should continue to be supported by a staff that was not only technically qualified but also able to offer advice to member States and to the Authority’s technical bodies on the highly complex and technical issues associated with the management of the resources of the seabed and the environment in which they occurred as well as on bringing deep seabed mining to fruition.

Discussion on the report

Canada, on behalf of the CANZ Group (Canada, New Zealand and Australia), underscored the Authority’s work relating to marine scientific research and supported the contribution of the Authority’s Endowment Fund towards achieving wider participation in such research. CANZ said it fully supported the rationale for a review clause in the draft regulations on sulphides and crusts. The representative said such a clause would ensure that the internationally agreed regulations reflected best practices and the new realities and challenges that the current framework did not envisage.

Senegal, like other delegations, was pleased at the increase in attendance at this year’s session. The representative commended the Authority for its involvement in international scientific projects, the most significant being the Kaplan Project. (The aim of the Kaplan Project was to assess levels of biodiversity, species range and gene flow in abyssal nodule provinces. The Secretary-General’s report described it as the most successful collaborative project to date between a group of international scientists and institutions and the Authority).

Senegal's representative also welcomed the training programme offered by the Federal Republic of Germany, and noted that such programmes played a vital role in the transfer of technological knowledge to developing countries.

Kenya noted the commitment of the host country to upgrade the facilities of the Jamaican Conference Centre. The delegation also welcomed the Endowment Fund for marine scientific research in the international seabed Area and expressed support for a progressive fee for application system provided for in both draft regulations on sulphides and crusts being considered by the Authority.

Brazil's representative clarified a statement in the report to indicate that it will host a seminar on the mineral resources of the international seabed Area from November 19 to 24, in Rio de Janeiro.

Indonesia appealed to member States to pay their outstanding contributions to the Authority's budget and suggested that the Secretariat's library be renamed the Satya Nandan Library, in recognition of the Secretary-General's contribution to the Authority. Mexico, Norway and the United Kingdom endorsed this idea.

Pointing to the limited knowledge of the economic and environmental impact of mining for sulphides and crusts, China cautioned against haste in the formulation of deep seabed mining regulations saying they should be based on all available information.

Fiji commended the Secretariat on having evolved into an entity that was highly qualified and capable of offering guidance to the technical organs of the Authority on highly complex matters pertaining to the management of deep sea resources.

Tanzania urged the Authority to continue to encourage technology transfer between developed and developing countries as a way to foster collaboration in marine scientific research for the benefit of all. Mexico proposed the creation of protected zones to further promote the objective of the resources of the deep seabed being the common heritage of mankind. Burkina Faso expressed pleasure at the increase in the number of States Parties to the Convention that have now signed the 1994 Agreement and encouraged others to follow suit.

Ghana called on members to support its government's nomination of the current Deputy to Secretary-General, Mr Nii Allotey Odunton, as the next Secretary-General of the Authority. Speaking on the poor attendance at meetings, the representative reminded the Assembly that it was the responsibility of all member states to strengthen the organs of the Authority. South Africa supported this view and applauded the efforts the Secretary-General had made to increase attendance. The Russian Federation urged the Secretariat to continue efforts to find the ideal dates to facilitate better attendance.

With regard to the status of contributions, the United Kingdom echoed Indonesia's concern that one-third of the members of the Authority were in arrears for a period of two years or more. The representative also said the Authority should be encouraged in its efforts to put training programmes in place for developing countries. In support of this, his country would be contributing \$29,000 to the Endowment Fund. Spain announced its plans to contribute \$30,000 to that Fund.

India welcomed the plans of the host government for the comprehensive refurbishment of the Conference Centre, at a cost of over Jamaican \$420 million. Sudan said the host country's allocation of resources for refurbishment of the conference facilities was proof of its commitment to supporting the work of the Authority.

Several delegations took the opportunity to pay tribute to Secretary-General, Satya N. Nandan. Fiji commended the Secretary-General for his dedicated service to the Authority. "This organization owes much of what it is to his leadership," he said. In a similar vein, the United Kingdom remarked that the Authority was greatly in his debt for the way he had guided the organization in its formative years.

The representative from Jamaica announced that his country's Deputy Prime Minister and Minister for Foreign Affairs, the Hon. Dr. Kenneth Baugh, would address Monday's meeting of the Assembly. He said the Minister would comment on the role and responsibilities of the host country in the work of the Authority. The Secretary-General was praised by Jamaica for his role in improving working relations between the Authority and the government and concluding notations on a Supplementary Agreement between them that was adopted by the Assembly in 2004.

Expressing his gratitude to and admiration for the Secretary-General, the representative of Norway said the Authority had several founding fathers, "but only one father since birth."

The Assembly will resume consideration of the Secretary-General's report when it meets again on Monday, June 2.

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