

# International Seabed Authority



**Fifteenth Session  
Kingston, Jamaica  
25 May – 5 June 2009**

**Background Press Release**

**SB/15/01  
May 2009**

---

## **SEABED AUTHORITY TO FINALIZE REGULATORY REGIMES FOR PROSPECTING AND EXPLORATION FOR POLYMETALLIC SULPHIDES AND FERROMANGANESE CRUSTS**

The International Seabed Authority will attempt to resolve all outstanding issues in the draft regulatory regimes for prospecting and exploration for polymetallic sulphides and cobalt-rich ferromanganese crusts in the deep seabed with the aim of adopting the texts at its fifteenth session in Kingston, Jamaica from 25 May to 5 June 2009.

Work on the two sets of regulations covering operations in the international seabed area beyond the limits of national jurisdiction is being carried out in two organs of the Authority: the Council, which is drafting the regulations for polymetallic sulphides and its expert body, the Legal and Technical Commission, working on the draft for ferromanganese crusts.

The Authority, an autonomous 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 Convention, is under pressure to conclude work on the draft regulations at its fifteenth session. The United Nations General Assembly at its 63<sup>rd</sup> session in 2008 adopted a resolution (63/111) on ocean affairs and law of the sea which, inter alia, “encourages the finalization of the regulations for prospecting and exploration for polymetallic sulphides as soon as possible.....” The Authority was established in 1994 with the entry into force that year of the 1982 United Nations Convention on the Law of the Sea.

The Convention, as refined by the 1994 Agreement relating to the Implementation of Part XI (seabed provisions) of the Convention, empowers the Authority to organize and control all mineral-related activities in the international seabed area.

Other substantive matters on the Authority's agenda include audit reports on its operations for 2008, its voluntary trust fund and the status of the International Seabed Authority's Endowment Fund for Marine Scientific Research. These will be considered first in the Finance Committee, and like other important issues, later reviewed in sequence in the policy-making Council before action is taken in the Authority's supreme body, the Assembly, to which all its 157 Member States and the European Community belong.

For the first time in nearly fifteen years, the Authority will be meeting with a new Secretary-General in charge of its Secretariat. At its fourteenth session in 2008, the Assembly elected, by acclamation, Nii Allotey Odunton of Ghana, deputy to the Secretary-General since 1996, for a four-year term beginning from 1 January 2009. Mr. Odunton succeeded H.E. Ambassador Satya N. Nandan of Fiji, who retired at the end of 2008 after three successive four-year terms in office starting in 1996.

The Authority's members, who are parties to the Convention, will examine the report of the Secretary-General which reviews the Authority's activities since the fourteenth session, its future programmes, as well as the prospects for deep seabed mining and exploration. The debate on the report will take place in the Assembly with a member of the Latin American and Caribbean States presiding.

### **Legal and Technical Commission**

As in previous years, the Legal and Technical Commission will start its meeting a week prior to the main session, from 18 to 22 May 2009. It will evaluate, as it had been doing since 2002, reports submitted by contractors - now eight - which have been prospecting and exploring for polymetallic nodule deposits under exploration licenses from the Authority.

The contractors are Yuzhmorgeologiya (Russian Federation), Interoceanmetal Joint Organization (Bulgaria, Cuba, Czech Republic, Poland, Russian Federation and Slovakia), the Government of the Republic of Korea, China Ocean Mineral Resources Research and Development Association (China), Deep Ocean Resources Development Company (Japan), Institut français de recherche pour l'exploitation de la mer (France), the Government of India and the Federal Institute for Geosciences and Natural Resources (Germany).

The Commission was to have continued its consideration of two new applications for exploration licenses for polymetallic nodule deposits in the Clarion-Clipperton zone in the Central Pacific Ocean at this session. The applications, which were submitted to the Authority last year by Nauru Ocean Resources Inc. and Tonga Offshore Mining Ltd., both privately owned companies, sponsored by the governments of Nauru and Tonga, cover areas reserved for the conduct of activities by the Authority or by developing countries. Consideration of these applications, the first by a private sector applicant sponsored by a developing State, will be postponed at the request of Nauru Ocean Resources Inc. and Tonga Offshore Mining Ltd., in light of current global economic circumstances and other concerns. Under the United Nations Convention on the Law of the Sea, all mineral-related activities in the international seabed area are to be conducted under a “parallel system” ensuring benefits to enterprises concerned with exploiting them and the entire international community, represented by the Authority.

Furthermore, the Commission will also examine a proposal to set aside certain areas of the Central Pacific Ocean (Clarion-Clipperton Zone) for environmental protection purposes as well as safeguarding biodiversity. It is envisaged that no exploration or mining activity will take place in those areas. The proposal is considered a major development in the Authority’s work. The Commission will forward its recommendations to the Council.

The Commission will attempt to complete its work on draft regulations for prospecting and exploration for cobalt-rich ferromanganese crusts deposits that are found on the flanks and summits of seamounts throughout the world’s oceans. It made considerable progress on the draft text at its session last year, recommending its adoption by the Council, but with a revision of certain of its provisions (ISBA/15/LTC/3). These included the acceptance of a 20-square kilometre block as a basic unit for defining the exploration area; a progressive fee system which the Council should be empowered to review every five years; and the inclusion of an anti-monopoly clause in the text.

The Commission also endorsed a proposal for the automatic review of the regulations every five years or at any time the development of a scientific knowledge so required. At the end of its session, it requested the Secretariat to prepare a revised text incorporating its recommendations and also fully aligning it with the adjustments to the draft regulations on polymetallic sulphides agreed to by the Council at the 2007 and 2008 sessions. The document has been issued as ISBA/15/LTC/CRP.1. The Commission is expected to adopt the revised text and formally submit it to the Council.

## **Council**

The main business of the Council will be the continuation of a detailed examination of the draft regulations for prospecting and exploration for polymetallic sulphides deposits rich in copper, gold, silver and zinc that are the products of volcanic hot springs which are no longer active, especially in the western Pacific Ocean. At the 2008 session, the Council resolved many outstanding issues, particularly those relating to the environment. A significant achievement was an agreement to include a comprehensive review clause to ensure future re-examination of some important provisions of the regulations in the light of experience, improved scientific knowledge and conducive economic circumstances.

However, other issues still remain (ISBA/15/C/WP.2), including overlapping claims (regulation 23); a proposed new provision on termination in the event of force majeure (annex 4, section 17.5); and the enforceability of decisions by competent courts or tribunals (annex 4, section 25.2). The Council also requested the Secretariat to provide information on the proposed quantum of the fee for exploration.

Some Council members expressed a wish to specifically revisit other provisions of the draft regulations, including the frequency and duration of extensions to contracts for exploration of the deep seabed (regulation 29(2)); and the technical data and information to be submitted with an application by contractors. The Secretariat working paper provides additional background material on those remaining issues as well as a summary of progress to date.

There was no consensus on the question of a formula for determining the size of the exploration area, although the matter was discussed at great length during the fourteenth session. The Secretariat's working paper states that while there was broad agreement concerning the use of a clustered block system and the number of such blocks that might be allocated to each contractor, concerns remained about the appropriate spatial distribution of blocks within a particular geographical area.

The Council will also take up the report of the Legal and Technical Commission covering its work during the session as well as any other matters referred to it by the Commission.

It is expected that a technical briefing will be provided to the Council on the work of the International Cable Protection Committee, a global organization with a rotating secretariat currently based in the United Kingdom, which represents the telecommunications and the cable-laying industry.

At the outset of its session, the Council will elect a President – expected to be from the African Group - and vice-Presidents, followed by the adoption of its agenda. By a formula agreed to in 1996 (ISBA/A/L.8), the Group of Latin American and Caribbean States will nominate a member who will participate in the Council’s deliberations in 2009 without the right to vote in order to achieve equitable geographical representation in the 36-member body.

### **Endowment Fund**

An important development in the work of the Authority is the establishment in 2006 of the International Seabed Authority Endowment Fund to promote and encourage marine scientific research in the international seabed area. The Fund is administered by the Authority’s Secretariat which has established partnerships with a number of leading scientific and technical institutions to provide training opportunities for personnel from developing countries. An advisory panel has been appointed by the Secretary-General to evaluate applications for assistance from the Fund.

Three awards have been made. InterRidge, a non-profit organization, received \$30,000 to help fund two marine science fellowships each year for the next three years (2009-2011). InterRidge is concerned with promoting all aspects of mid-ocean ridge research. The second award of 25,000 euros went to the Rhodes Academy of Oceans Law and Policy in March 2009. It will fund a number of student fellowships for individuals from developing countries as well as expand the Academy’s training programme to cover issues relating to marine science. A third award, in May 2009, has been made to the National Institute of Oceanography, Goa, India, to help finance a number of training fellowships for nationals of developing countries. Application forms for this programme (known as TAP-MAR) have recently been posted on the Authority’s web site [www.isa.org.jm](http://www.isa.org.jm).

Since its establishment, contributions to the Fund have been made by the Governments of Mexico (\$2,500), Spain (\$25,514) and the United Kingdom (\$29,800). As at 31 December 2008, the capital of the Fund stood at \$2,689,603, with accumulated interest of \$289,022.

### **Secretary-General’s report**

The Secretary-General’s report (ISBA/15/A/2) to be presented to the Assembly under article 166, paragraph 4, of the 1982 United Nations Convention on the Law of the Sea, provides an account of the Authority’s work since its last

session as well as a brief overview of the present status of and prospects for deep seabed mining.

The report also highlights some recent developments with respect to marine scientific research and emphasizes the need for ongoing international collaboration, including between relevant intergovernmental organizations, to ensure effective protection and preservation of the marine environment.

The report states that the Authority's substantive work programme for the period 2008-2010, approved at the thirteenth session in 2007, continues to focus primarily on the scientific and technical work necessary for the execution of the organization's functions.

Two international workshops are planned during the period: the first in 2009 will review the geological model of polymetallic nodule deposits in the Clarion-Clipperton zone. The objective of the second workshop, scheduled for 2010, will be to ascertain the modalities for scientific collaboration in research on cobalt-rich ferromanganese crusts deposits in the international seabed area in order to address the standardization requirements for environmental data required for mining.

The Authority's workshops are aimed at obtaining the views of recognized experts in the protection of the marine environment and other specific subjects under consideration by the organization. Proceedings of the workshops are published as books and on the Authority's website.

A sensitization seminar on the 1982 United Nations Convention on the Law of the Sea, the work of the International Seabed Authority and on marine mineral resources of the South Atlantic Ocean, was convened jointly by the Authority and the Nigerian Inter-ministerial Standing Committee on the International Seabed Authority in Abuja, Nigeria, from 24 to 26 March 2009. The seminar was entitled: Exploration and exploitation of deep seabed mineral resources in the Area: challenges for Africa and opportunities for collaborative research in the South Atlantic Ocean.

The seminar also discussed a proposal developed at a similar sensitization seminar held in Brazil in November 2008 for collaborations by the States bordering the South and Equatorial Atlantic Ocean for increased research on the mineral resources in that part of the Area.

The Secretary-General's report anticipates that two issues in particular would assume greater importance in the Authority's work in the near future. They are its implementation of the provisions of article 82 of the Convention and the relationship between the measures taken by the Authority for the protection of the marine environment and the commitments expressed by the international community towards coherent global measures for the protection of biodiversity in areas beyond the limits of national jurisdiction.

Article 82 gives the Authority the responsibility to collect and distribute revenues contributed by States and individual operators from their exploitation of non-living resources of the outer continental shelf for the benefit of the international community. To explore issues associated with the implementation of the article, the Authority, in collaboration with the Royal Institute for International Affairs of the United Kingdom (Chatham House), organized a workshop in February 2009.

The participants concluded that notwithstanding the current global economic conditions, the exploration and exploitation of the outer continental shelf was moving inexorably closer, particularly in relation to hydrocarbons. Other resources of potential significance included gas hydrates, which are abundant. It could easily be anticipated that the first commercial production of resources from the outer continental shelf would occur by 2015.

The report notes that the implementation of article 82 raised practical issues for the Authority as well as for individual producer States. Among the key issues for the Authority were how it should interact with producer States and how it should devise a scheme for distribution of payments and contributions that might be received in the future.

According to the report's own conclusion, prospects for commercial production of metals from deep seabed mining remained highly uncertain and appeared to have suffered a setback as a result of the global economic downturn. Nevertheless, considerable public and private sector interest in exploration work remained for better understanding and characterizing the mineral resources of the deep seabed.

### **Members of the 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, Congo, 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, Liberia, 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, Switzerland, 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.

\*\*\*\*\*