



## Council

Distr.: General  
24 July 2013

Original: English

---

**Nineteenth session**  
Kingston, Jamaica  
15-26 July 2013

### **Statement of the President of the Council of the International Seabed Authority on the work of the Council during the nineteenth session**

1. The nineteenth session of the Council of the International Seabed Authority was held in Kingston from 16 to 23 July 2013.

#### **I. Adoption of the agenda**

2. At its 182nd meeting, on 16 July 2013, the Council adopted its agenda for the nineteenth session, as contained in document ISBA/19/C/1.

#### **II. Election of the President and Vice-Presidents of the Council**

3. At its 182nd meeting, on 16 July 2013, the Council elected Tobias Pierlings (Germany) as President of the Council for 2013. Subsequently, following consultations in the regional groups, the Council elected as Vice-Presidents the representatives of Cameroon (African States), Japan (Asia-Pacific States), Poland (Eastern European States) and Brazil (Latin American and Caribbean States).

#### **III. Report of the Secretary-General concerning the credentials of members of the Council**

4. At the 186th meeting, on 18 July 2013, the Secretary-General of the Authority informed the Council that, as of 17 July 2013, credentials had been received from 34 members of the Council. It was noted that, in accordance with the system agreed for the allocation of seats among the regional groups at the first session of the Council, Brazil, on behalf of the Latin American and Caribbean States, would participate in the meetings of the Council in 2013 without the right to vote. In 2014 it would be the turn of the Western European and other States to nominate a member of that group to participate in the deliberations of the Council without the right to vote.



#### **IV. Election to fill a vacancy on the Legal and Technical Commission**

5. At its 182nd meeting, on 16 July 2013, the Council elected Víctor Enrique Marzari (Argentina) to fill the vacancy on the Legal and Technical Commission left by the resignation of Mario Javier Oyarzábal (Argentina).

#### **V. Report on the status of contracts for exploration**

6. At its 182nd meeting, on 16 July 2013, the Council considered a report by the Secretary-General on the status of contracts for exploration (ISBA/19/C/8). As of 29 April 2013, the Authority had concluded 12 contracts for exploration for polymetallic nodules and two contracts for exploration of polymetallic sulphides. Three contracts for exploration still remained pending for signature, but it was anticipated that they would be signed before the end of 2013.

7. Some members urged the Secretary-General to continue all efforts to ensure that contractors provided data of high quality, which might be analysed and standardized to facilitate future research. One delegation raised concern over the sense of urgency of some contractors in view of the relatively short time left prior to the expiration of contracts, and further suggested the Council adopt some kind of standard criteria in reviewing any requests for contract extension.

#### **VI. Consideration and approval of the recommendations of the Legal and Technical Commission relating to applications for approval of plans of work for exploration**

8. At its 188th meeting, on 19 July 2013, the Council considered the reports and recommendations of the Legal and Technical Commission relating to the applications for approval of plans of work for exploration for cobalt-rich ferromanganese crusts submitted by China Ocean Mineral Resources Research and Development Association, sponsored by China (ISBA/19/C/2), and by Japan Oil, Gas and Metals National Corporation sponsored by Japan (ISBA/19/C/3). At the same meeting, the Council, on the recommendation of the Legal and Technical Commission, approved both plans of work for exploration for cobalt-rich ferromanganese crusts in the Area and requested the Secretary-General to issue the plans of work in the form of contracts between the International Seabed Authority and each of the applicants (ISBA/19/C/13 and ISBA/19/C/15).

#### **VII. Report of the Legal and Technical Commission**

9. At its 184th, 185th and 186th meetings, on 17 and 18 July 2013 respectively, the Council considered the summary report of the Chairman of the Legal and Technical Commission on the work of the Commission during the nineteenth session (ISBA/19/C/14). The Commission reported that the additional one-week session in February 2013 had enabled it to make progress on a number of important matters, including the issuance of recommendations for the guidance of contractors for the assessment of the possible environmental impacts arising from exploration for

mineral resources in the Area; the selection of candidates, and the adoption as an interim document of recommendations for the guidance of contractors and sponsoring States on the implementation of training programmes; the alignment of the nodules regulations with the sulphides regulations; and the review of the annual reports of contractors. The Commission had also considered six new applications for approval of plans of work for exploration and had completed its recommendations in respect of two of those applications. The Commission emphasized that it had been unable to complete its agenda owing to the overwhelming workload and inadequate time. The Commission recommended that it continue to hold two meetings in 2014 and that the first meeting be devoted to completing consideration of the outstanding applications and of issues relating to the exploitation code.

10. During the discussion of the activities of contractors, several delegations welcomed the creation of a secure website to streamline the Commission's working procedure and encourage its wider application in fulfilling the Commission's task. The proposal for a clear data management strategy was also welcomed. The need for an evaluation process incorporating key milestones with a threshold level for activities in the Area was endorsed by some delegations. Concerns and questions were raised over the proposed advice on requirements for applying for an extension of the exploration contract.

11. When discussing the training programmes, the significance of training to the developing countries was reaffirmed. Many delegations expressed their appreciation in regard to the Commission's decision to adopt the recommendations for guidance to contractors to implement their training obligations. Several delegations gave their support to the suggestion of a new position in the secretariat of the Authority for managing the training programmes. One delegation suggested that a tracking system for trainees should be developed and that their talents be fully utilized following the completion of training. Some delegations also emphasized the necessity of training being tailored to different levels. It was suggested that, when setting out the qualifications of candidates for training programmes and selecting the candidates, special consideration should be given to specific kinds of developing countries, such as small island developing countries and landlocked developing countries.

12. Several delegations expressed their disappointment with the Commission's failure to complete its work on four applications for approval of plans of work for exploration. A reasonable and creative working method was encouraged in striking the balance between dealing with applications in an expeditious manner and the need to give careful consideration to them.

13. A number of delegations commended the Commission's adoption of the recommendations for the guidance of contractors for the assessment of possible environmental impacts arising from exploration for marine minerals in the Area (ISBA/19/LTC/8). One delegation urged the Council to consider also the application of the environmental management plan for the Clarion-Clipperton Zone as a model for other marine minerals in the Area. Several delegations called upon the Commission to articulate ways to oversee the rights and legitimate interests of coastal States pursuant to article 142 of the United Nations Convention on the Law of the Sea. Some delegations pointed out that the differing characteristics of the different minerals should not be ignored when aligning the regulations on the issue of marine environmental protection. Two delegations felt that the review of the

environmental management plan for the Clarion-Clipperton Zone due in 2014 should be given priority in the Commission's next session.

14. The issue of monopolization of activities in the Area raised concerns among members of the Council. Several delegations stated that monopolization should be excluded from the management of the marine minerals in the Area. One delegation cautioned that there was nothing in the nodules regulations to monitor monopolistic behaviour. In that regard, several delegations shared the view that alignment of the nodules regulations with sulphides and crusts regulations had not been completed. One delegation suggested the practice of allotting blocks for exploration to consortia of commercial enterprises should be encouraged.

## **VIII. Report of the Interim Director-General of the Enterprise**

15. At its 189th, 190th and 191st meetings, on 19 and 22 July 2013 respectively, the Council considered the report of the Interim Director-General of the Enterprise.

16. The Council requested the Secretary-General, referring where appropriate to the Legal and Technical Commission and the Finance Committee, to carry out a study of the issues relating to the operation of the Enterprise (ISBA/19/C/6), in particular on the legal, technical and financial implications for the Authority and for States parties, taking into account the provisions of the Convention, the 1994 Agreement and the Regulations. The Council concluded, *inter alia*:

(a) That it was premature for the Enterprise to function independently;

(b) That the proposal for a joint venture between Nautilus and the Enterprise should no longer be an impediment to the consideration by the Legal and Technical Commission and the Council of applications for reserved areas by developing countries and other qualified applicants.

## **IX. Consideration and adoption of the revised Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area**

17. At its 190th and 191st meetings, on 22 July 2013, the Council considered the revised regulations on prospecting and exploration for polymetallic nodules in the Area as recommended by the Legal and Technical Commission. By its decision (ISBA/19/C/17), the Council, *inter alia*, adopted the amendments to the regulations as recommended by the Legal and Technical Commission with a further amendment to regulation 19. In the same decision, the Council requested the Legal and Technical Commission to make a recommendation to bring regulation 21 of the sulphides regulations into line with regulation 21 of the crusts regulations. The Council further requested the Legal and Technical Commission to review the provisions of the three sets of regulations relating to the monopolization of activities in the Area and the option of offering an equity interest in a joint venture arrangement with a view to aligning all three sets of regulations in this respect, and to make a recommendation thereon for consideration by the Council at its twentieth session in 2014.

## **X. Report of the Finance Committee**

18. At its 183rd, 187th, 188th, 191st and 192nd meetings, on 16, 18, 19, 22 and 23 July 2013 respectively, the Council considered, as a priority, the report of the Finance Committee (ISBA/19/A/7-ISBA/19/C/11), including proposed measures for the recovery of the costs relating to the administration of exploration contracts with the Authority. On the basis of a consensus reached in two meetings of the Council Bureau held on 19 and 22 July, the Council adopted a decision relating to financial and budgetary matters (ISBA/19/C/16), including a decision relating to overhead charges for the administration and supervision of exploration contracts, with the understanding that negotiations between the Secretary-General and applicants as referred to in paragraph 3 of the decision would be held in good faith, with the aim to ensure a level playing field for all the contractors with the Authority. One delegation felt the decision seemed to be inconsistent with the letter and spirit of article 140 (2) of the Convention. Another delegation referred to article 300 of the Convention relating to the duty of States parties to fulfil their obligation under the Convention in good faith. One delegation emphasized that paragraph 6 of the decision could not be interpreted as a precedent so that other administrative costs should be seen as direct and actual costs for exploration. One delegation stated that earlier in the session the Finance Committee had presented a draft decision which was acceptable and in full accordance with the Convention and the 1994 Agreement, but the decision with some redrafting might give rise to an erosion of the potential resources that should be distributed for the benefit of mankind. One delegation wished to place on record its concern with the current situation in which the member States, the great majority of whom did not carry out exploration projects, continued to subsidize a minority of contractors, companies and Governments that did.

## **XI. Report of the Secretary-General on the development of an exploitation code for polymetallic nodules in the Area**

19. At its 191st meeting, on 22 July 2013, the Council commended and took note of the report of the Secretary-General on the development of an exploitation code for polymetallic nodules in the Area. Several delegations lauded the gradual approach to exploitation of nodules by the proposed “staged” or “phased” licensing system. Many delegations expressed their satisfaction with the strong environmental approach. Discussions were also conducted on issues including corporate social responsibility, the engaging of stakeholders, a mining inspectorate, liability and indemnification for claims, a fiscal system, closure plans and a reporting mechanism. It was agreed that more in-depth studies should be done. The Legal and Technical Commission was also encouraged to review those issues while continuing its work on the drafting of the mining code.

## **XII. Status of national legislation**

20. At its 183rd meeting, on 16 July, the Council considered the report by the Secretary-General on the status of national legislation relating to deep seabed mining and related matters. Several delegations expressed their appreciation to the secretariat for setting up an online database on national legislation. One delegation emphasized that the national legislation should be in conformity with the

regulations. More than 10 delegations provided updates on their respective national legislation. One delegation requested the deletion of an act of its national legislation as this act was not pertinent to activities in the Area.

### **XIII. Other matters**

21. At the 192nd meeting, on 23 July 2013, two delegations emphasized that all working papers and official documents for consideration by the Finance Committee, except for restricted circulation documents, should be made available, including on the website, for all members of the Authority in order for them to have a clearer understanding of the discussions in the report of the Finance Committee. One delegation commended the presentation of the report of the chairman of the Legal and Technical Commission and suggested it should serve as a model for report presentation by other organs of the Authority.

### **XIV. Next session of the Council**

22. The next session of the Council will be held in Kingston in 2014 on dates to be established by the Assembly of the Authority. It will be the turn of the African States to nominate a candidate for the presidency of the Council in 2014.

---