

**BRIEFING NOTE FROM H.E. OLAV MYKLEBUST, PRESIDENT OF THE COUNCIL OF THE INTERNATIONAL SEABED AUTHORITY FOR THE TWENTY-FOURTH SESSION, SECOND PART OF THE SESSION OF THE COUNCIL, 16-20 July 2018**

**16 July 2018, 238<sup>th</sup> meeting**

*Agenda item 11. Draft regulations for exploitation of mineral resources in the Area*

1. In view of our forthcoming meetings in July 2018, I thought it helpful to provide delegations with some thoughts on this agenda item 11 in order that appropriate preparations can be made in advance of our meetings.
2. Delegations will recall that the Council decided to consider this agenda item in an informal setting during its March 2018 meetings. This was conducive to open and constructive dialogue between the delegations. It is for this reason, and with a view to making substantive progress on this item 11, that I am proposing that the Council meets again in an informal setting to resume its consideration of the draft regulations on exploitation of mineral resources in the Area.
3. Despite the complex and challenging task faced by delegations in March 2018, we were able to achieve our goal in reviewing a number of common themes arising from submissions to the draft regulations issued in August 2017, as well as addressing a number of requests to the Legal and Technical Commission to help them advance the development of the regulations at their 2018 meetings (see ISBA/24/C/8).
4. Following the meeting of the Commission in March 2018 (see ISBA/24/C/9), I was delighted to see progress being made in the delivery of a revised text of the draft regulations in May 2018 by the Secretariat based on the Commission's discussions (see ISBA/24/LTC/WP.1, ISBA/24/LTC/WP.1/Add.1) together with a related commentary on the text and areas for further consideration by the Commission (see ISBA/24/LTC/6). Although the documents are currently available in the English language only, I understand from our colleagues in the Secretariat that the text should be made available in all official languages during this June month.
5. The Commission will devote time to the consideration of the revised text in July 2018, and will provide the Council with a report on matters they wish the Council to consider and provide guidance thereon, together with a Council working paper containing the draft regulations and any proposed modifications by the Commission to the revised text issued in May 2018. That said, I would encourage delegations to digest the current revised text presented to the Commission in ISBA/24/LTC/WP.1.
6. As delegations will also recall, the Council requested that the Commission collaborate with the Finance Committee on a number of matters (see ISBA/24/C/8 at para. 22(j)). The Commission and Committee are scheduled to meet on 13 July 2018, and I expect that they will provide us with guidance on relevant work programmes, including advancing the development of financial terms. I would also draw the attention of delegations to a note prepared by the Secretariat providing a summary of the functions of the organs of the Authority in relation to the preparation of rules, regulations and

procedures on exploitation of mineral resources in the Area and in relation to the system of compensation envisaged under article 151 (10) of the United Nations Convention on the Law of the Sea (see ISBA/24/C/10).

7. As regards financial terms for future exploitation contracts, I have invited experts from MIT to join us again at our first meeting on 16 July 2018 to update us on the progress of the economic model presented to us in March 2018.

8. I note from our Indicative Programme of Work, that some 7 meetings are devoted to the discussion of the draft regulations. While we do not have sufficient time to undertake a regulation-by-regulation analysis, I would propose that we reflect on the structure of the draft, the general content of its relevant Parts, and get a sense in the room of where we can reach a tentative consensus on particular regulatory provisions, and those provisions that will require further reflection and detailed consideration by the Council and the Legal and Technical Commission.

9. I would welcome ideas at our meeting as to how to proceed and make progress on advancing development of the financial model in an open and inclusive manner, including the possibility of setting up an ad hoc open-ended working group. In this regard, we will consider input from the Commission and the Finance Committee on a suggested working methodology.

10. As to the effective protection of the marine environment, I look forward to receiving the Commission's further guidance on the development of relevant standards and guidelines, including proposed terms of reference for related workshops.

11. Finally, I would also welcome your ideas on how we advance our consideration of the draft regulatory text, including the possibility of setting up ad hoc open-ended working group and the need for inter-sessional meetings.

12. I am confident that we can again find a solid approach for the Council to conduct its business to progress further the development of the regulations in a constructive manner and cooperative spirit.

Olav Myklebust

15 June 2018