

**STATEMENT BY THE SECRETARY-GENERAL OF THE  
INTERNATIONAL SEABED AUTHORITY TO THE EIGHTEENTH  
MEETING OF STATES PARTIES  
TO THE 1982 UN CONVENTION ON THE LAW OF THE SEA**

Mr. President,

I am very pleased once again to have this opportunity to provide a brief report to the meeting of States Parties on the work of the International Seabed Authority.

The 14th session of the Authority took place very recently in Kingston, Jamaica. Many delegations represented here took part in the session and it is not necessary for me to repeat in detail everything that took place during the meetings of the organs of the Authority. I would however like to use this opportunity to emphasise three key issues or developments in the work of the Authority.

First, States Parties will be aware that for the first time the Authority received two applications for approval of plans of work for exploration for polymetallic nodules in the areas reserved for the Authority. These applications were submitted by private sector entities incorporated in and sponsored by developing States. This is a very important development for a number of reasons.

First, it demonstrates that, contrary to the expectations of some, the private sector has sufficient confidence in the international regime that has been established by the Convention, the 1994 Agreement and the rules, regulations and procedures developed by the Authority, to apply for mine sites in the international seabed Area.

Second, it suggests that commercial mining of the resources of the seabed is moving rapidly closer to reality. To anyone who has been following global trends and developments in supply, demand and prices for the metals of primary commercial interest in seabed mining, this should come as no surprise. Global demand and prices continue to increase dramatically and show few signs of abating. Demand for manganese for example has grown by a compound annual average of 7.3% since 2001, and the demand for cobalt has risen by nearly 11% per annum over the past decade. Whilst it can be expected that land based mine capacity will increase to some extent to cope with the increased demand, it is also inevitable that mining companies will increasingly turn to the seabed as an additional source to meet the world's rising needs for minerals.

The two applications that have been made raise a number of complex technical issues that require careful consideration by the Legal and Technical Commission in accordance with the regulations that have been adopted by the Authority. Although the Commission made very good progress during the 14th session, it was unable to complete a recommendation to the Council in relation to the applications and will therefore continue its consideration of the applications at the next possible opportunity.

Second, the Legal and Technical Commission also commenced consideration of a very important proposal to set aside areas of the seabed in the main nodule province of the Pacific Ocean for the purposes of maintaining their ecological integrity and balance. The outline of this proposal was developed by a group of scientists as a follow-up to the Kaplan project, which presented its final report in 2007.

Through the Kaplan project, the Authority collaborated with a group of international scientists and agencies to assess biodiversity and gene flow across the entire Pacific nodule province. One of the key recommendations of the Kaplan project was to establish criteria for a representative network of ecologically-related areas where no exploration or mining activity should take place.

In taking up the proposal, the Legal and Technical Commission noted that several legal mechanisms are available under the Convention and the 1994 Agreement that could be used to designate such areas. However a number of complex issues need to be considered in detail. These include the size and location of areas, criteria for the establishment and the coordination of such areas with the existing obligations of contractors to propose impact reference zones and preservation reference zones for the exploitation phase. The Commission therefore requested a subgroup of ecological and legal experts from the Commission to continue to work on the proposal, with the assistance of the Secretariat, with a view to formulating a complete proposal for consideration by the Commission at the next session of the Authority in 2009.

Third, the Council, under the able Presidency of Ms. Liesbeth Lijnzaad of the Netherlands, continued to make progress on the draft regulations for prospecting and exploration for polymetallic sulphides in the Area. By the end of the session, the Council had completed a review of all those draft regulations that had been left pending at the end of the 13th session, although there remain a number of pending issues to be considered in more detail. The key issues of concern to delegations include the definition and configuration of the area to be allocated to contractors for exploration, the fees to be paid to the Authority and the question of how to deal with overlapping claims should that happen. These are difficult issues on which there are divergent views. Further reflection and more detailed analysis of the technical problems involved is required.

At the same time, it is important that the momentum gained over the past two years is not lost. It must be recalled that the initial request to develop a regulatory regime for polymetallic sulphides and cobalt-rich ferromanganese crusts was made in 1998. Under the Convention and the Agreement, the Authority is required to develop such regulations within three years of such a request. In this case, there has been a prolonged delay, not least because of the lack of detailed scientific knowledge surrounding the distribution and characteristics of the resources concerned. Since then however, much work has been done and the Authority has benefited from a broad range of technical and scientific opinion and advice. There is still more work to be done to complete the regulations. It would cause considerable uncertainty, and technical legal difficulties, for the Authority if an application for the approval of a plan of work covering these resources were to be made before the regulatory regime is complete. Under the Convention, the Authority would be obliged to consider such an application even if the regulations are not complete. It is to be hoped, therefore, that the Council would be able to complete its work on the draft regulations at its next session. In this respect, one of the important issues that was concluded at the 14th session, was agreement on a review clause, under which the Council would undertake an automatic review of the regulations five years following their approval. In addition, any member State of the Authority, the Legal and Technical Commission, or any contractor through its sponsoring State would also be able to request the Council to consider revisions to the regulations in the light of improved knowledge or technology.

Mr. President,

I should like briefly to draw the attention of States Parties to three further issues of an administrative and legal nature.

The first is a matter which I had raised at the last meeting of States Parties in 2007. This concerns the ratification of or accession to the 1994 Implementing Agreement relating to Part XI of the Convention. As is well-known, the current regime for the ocean is to be found in two instruments – the 1982 Convention and the 1994 Agreement. These have to be read together. Unfortunately, as I have mentioned in my annual report to the Assembly of the Authority each year, there remain a number of States which had ratified the 1982 Convention before the 1994 Agreement was adopted and which have not yet become parties to the Agreement. I am pleased to note that, during the past year, two States, Brazil and Uruguay, have both become parties to the 1994 Agreement. Unfortunately, there remain another 23 States which have not yet become parties to the 1994 Agreement. These States have been identified in the Annual Report of the Secretary-General. In most cases this is no doubt due to inadvertence. Nevertheless, I wish to repeat the suggestion I made to the last meeting of States Parties that the meeting request the Secretary-General of the United Nations, as the depositary, to write to the 23 States concerned drawing their attention to the incongruity that exists for them in relation to the Convention and the Agreement.

The second matter I wished to raise relates to the payment of outstanding contributions to the budget of the Authority. Although it was most encouraging to see that a number of States that had previously been in arrears paid all or part of their outstanding contributions immediately prior to the 14th session, it remains a matter of concern that there is still an appreciable number of States that are in arrears of their contributions. In some cases, the arrears involved, whilst not large amounts, cover periods of several years. In adopting the budget and scale of assessed contributions for the financial period 2009 to 2010, both the Council and the Assembly of the Authority made a strong appeal to members to pay all their outstanding contributions for previous years, as well as to pay future contributions on time and in full.

The third matter I wish to refer to is the attendance of members at the meetings of the Authority. While there was some improvement in the attendance of the members during the thirteenth session, the lack of adequate attendance remains a major problem for the Authority. There are important discussions and decision taking place at these meetings which are of interest to all States. I therefore, urge States Parties who are also members of the Authority to participate in these meetings and support the work of the Authority.

Mr. President,

I would like to close by informing the Meeting of States Parties to the Convention that this is the last report I shall make in my capacity as Secretary-General of the International Seabed Authority. My term of office expires on 31 December 2008 and, as most of you will be aware, the assembly at the 14th session elected Mr. Nii Allotey Odunton of Ghana as my successor. I would like to take this opportunity to once again congratulate Mr. Odunton on his appointment and to wish him all the best for the future. As you know, he has served as my deputy since I assumed office in 1996 and had previously served with the secretariat of the Preparatory Commission. I feel confident that with Mr. Odunton's appointment, continuity in the work of the Authority is assured and that the Secretariat, as a key organ of the Authority, is in safe hands. I wish him well.

Finally, I wish to recall that I have participated in the meetings of the States Parties since the 1982 United Nations Convention on the Law of the Sea entered into force in 1994. I was privileged to be elected as the first president of the Meeting of States Parties and was asked to continue until we completed the organizational phase of this body in 1996. Those were the formative years when we developed and adopted the rules of procedure for the conduct of business, prepared for the establishment of the International Tribunal of the Law of the Sea and conducted the first election of judges. We also decided to defer the election of members of the Commission on the Outer Limits of the Continental Shelf in order to allow for more ratifications. Since then this body has worked very efficiently, effectively and harmoniously. I hope that this spirit of corporation will

continue to prevail. When the Convention entered into force on 16 November 1994 it had 66 parties which has now grown to 155 and this will continue to grow. Such a broad support for the Convention attests to its universal acceptance which is also reflected in its uniform and consistent application in state practice. This is a remarkable achievement for what is a complex and comprehensive instrument having profound legal and political implications for all states in their relations to the ocean space.

I am pleased and honoured to have been associated with the Meeting of States Parties and take this opportunity to thank friends and colleagues who have participated and collaborated in these meetings over the past 14 years.

I wish you well.

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