



**STATEMENT**

**BY**

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SECRETARY-GENERAL OF THE  
INTERNATIONAL SEABED AUTHORITY**

**To the**

**TWENTY-FIFTH MEETING OF STATES PARTIES TO THE UNITED  
NATIONS CONVENTION ON THE LAW OF THE SEA**

**New York, 8-12 June 2015**

**CHECK AGAINST DELIVERY**

**Secretary General's Statement at the 25<sup>th</sup> Meeting of States Parties to the 1982  
United Nations Convention on the Law of the Sea  
UNHQ, New York, 8-12 June, 2015**

Mr. President,  
Excellencies,  
Distinguished Delegates,  
Ladies and gentlemen

**Introduction**

This year marks the commencement of the third decade of the life of the International Seabed Authority and it gives me great pleasure to present this report to the 25<sup>th</sup> Meeting of State Parties to the United Nations Convention on the Law of the Sea. At the outset, I join others to acknowledge and congratulate you Mr. President and the members of your bureau on your election; you are assured of Authority's support and co-operation.

**Acknowledgement**

On behalf of the members of the Authority, I warmly congratulate and welcome the State of Palestine on becoming a party to the Convention. By extension, on the 2<sup>nd</sup> of January, this year, the State of Palestine became the 167<sup>th</sup> member of the International Seabed Authority. Furthermore, I also wish to express here our appreciation to the Republic of Yemen for ratifying the 1994 Agreement.

**The 20<sup>th</sup> Anniversary of the Authority**

Mr. President

2014 marked the 20<sup>th</sup> Anniversary of the Authority. To celebrate that milestone, the Assembly of the Authority, during the 20<sup>th</sup> session, in a one-day special event, heard statements from distinguished guests, most of whom were instrumental in the establishment of the Authority. There was an address from the Prime Minister of Jamaica, the Honourable Mrs. Portia Simpson Miller and a statement from the Secretary-General of the United Nations which was delivered by the Assistant Secretary-General for Legal Affairs, Mr. Stephen Mathias. The Assembly also heard an address from Ambassador Tommy Koh, Ambassador-at-Large, in the Ministry of Foreign Affairs of Singapore and from Ambassador Satya N. Nandan of Fiji, the first Secretary-General of the Authority (1996-2008).

Also making presentations were Judge José Luis Jesus, member of the International Tribunal for the Law of the Sea and former Chair of the Preparatory Commission for the International Seabed Authority (1987-1994); Ambassador Hasjim Djalal, the first President of the Assembly of the Authority, Judge Vladimir Golitsyn, President of the Seabed Disputes Chamber of the International Tribunal for the Law of the Sea (on behalf of the President of the Tribunal), Ambassador Mumba Kapumpa, Zambia's Ambassador to the Republic of Korea; and Mr. Baïdy Diène of Senegal, former President of the Council of the International Seabed Authority (2004) and member of the Legal and Technical Commission (2002-2011). Regional Groups, member states and a number of observer organisations also presented statements to celebrate the occasion. The Authority is ready to progress boldly into its third decade of existence.

## **The 21<sup>st</sup> Session**

Mr. President

The 21<sup>st</sup> Session of the Authority is scheduled to be held in Kingston from 6 to 24 July 2015. The first week of meetings, from 6 to 10 July, will be devoted to meetings of the Legal and Technical Commission and the Finance Committee. The Assembly will formally convene on 14 July, followed by the Council. It is the turn of the Western European and Others Group (WEOG) to nominate a candidate for the Presidency of the Assembly and the Asia Pacific Group to nominate a candidate for the Presidency of the Council. Each of the other regional groups will be entitled to nominate a Vice-President each to both organs. There is also a Credentials Committee to be appointed. I encourage members and regional groups to coordinate on the issue of candidatures, preferably here in New York, in advance of the session.

## **The LTC**

Substantively, for the July session, the Commission is expected to consider matters that were referred to it by the Council, including issues related to the test of effective control, monopolization, abuse of dominant position as well as the consideration of the recommended template for annual reports of contractors. The Commission will also consider the issue of data management strategy and will be provided with terms of reference for a workshop on the implementation of the environmental management plan for the Clarion-Clipperton Zone and on guidelines for the identification of preservation reference zones and impact reference zones.

## **The Council**

The Council will take up matters referred to it by the Commission including the consideration of the report and recommendation on a new application for approval of plans of work for exploration of polymetallic nodules in the Area submitted by China Minmetals Corporation. The Council will also consider the procedures and criteria for the extension of approved plan of work, the procedures for the election in 2016 of members of the Commission and an update on the study of the laws, regulations and administrative measures adopted by sponsoring States and other members of the Authority with respect to activities in the Area. It will also consider an item relating to international cooperation and any other proposals and recommendations submitted by the Commission and the Finance Committee.

## **The Assembly**

Mr. President

The matters to be dealt with by the Assembly during the 21<sup>st</sup> session include elections to fill vacancies in the Finance Committee, consideration of applications for observer status and the general debate on my annual report. An additional item included in this year's agenda is the consideration by the Assembly of the terms of reference for the Article 154, periodic review of the Authority. Members will recall that, according to article 154, every five years from the entry into force of the Convention, the Assembly has to undertake a general and systemic review on how the international regime has operated in practice and take or recommend other organs of the Authority to take action to ensure proper functioning of the regime. Despite having gone through 5 of such 5 yearly intervals, no such review has ever been undertaken.

I had informed the Assembly in my report to the 20<sup>th</sup> session that since its establishment, the structure of the secretariat has remained virtually unchanged. In light of the growing interests in the development of marine minerals in the deep seabed, both within national jurisdiction and in the Area, and given the Secretariat's increased workload, in particular in the areas of contract administration and supervision, as well as the need to acquire further baseline environmental data for the lesser known deposits of polymetallic sulphides and cobalt-rich ferromanganese deposits, including the use of standardized taxonomies, to standardize the reporting of exploration results in particular resource data and together with the need to make progress on the development of an appropriate fiscal regime that would allow those contractors that are in a position to proceed to exploitation to do so, while at the same time safeguarding the interests of the members of the Authority as a whole, the time is now ripe for the Assembly to undertake a general and systematic review. The Assembly will also consider such other proposals and

recommendations that may be referred to it by the other organs and subsidiary bodies of the Authority, including the Finance Committee.

### **Status of Contracts for Exploration in the Area**

Mr. President

At the 20<sup>th</sup> session of the Authority, the Council approved seven plans of work for exploration submitted by the following entities: the Ministry of Natural Resources and Environment of the Russian Federation (for cobalt-rich ferromanganese crusts), UK Seabed Resources Ltd (for polymetallic nodules), the Government of India (for polymetallic sulphides), Ocean Mineral Singapore Pte Ltd. (for polymetallic nodules), The Federal Institute for Geosciences and Natural Resources of Germany (for polymetallic sulphides), Cook Islands Investment Corporation (for polymetallic nodules), and Brazil's Companhia de Pesquisa de Recursos Minerais (for cobalt-rich ferromanganese crusts).

I wish to report that as of now, the Authority has approved a total of twenty-six (26) Plans of Work and has entered into 15-year contracts for exploration with twenty-two (22) contractors. Fourteen (14) of these contracts are for exploration for polymetallic nodules, five (5) contracts for exploration for polymetallic sulphides and three (3) contract for exploration for cobalt-rich crusts. Four (4) contracts remains to be signed – one (1) for Sulphides, two (2) for Nodules and one (1) for Crust. With 22 signed contracts and four pending signature, the exercise of the supervisory functions with regard to contracts has increasingly occupied a growing part in the activities of the Authority in recent years.

### **Workshops and Seminar**

Mr. President

Since the 20th Session, the Authority has conducted two further workshops on data standardisation and resource clarification. The first of these workshops, on Polymetallic Nodules Resource Classification was held in Goa, India, from 13-17 October 2014. The second workshop on taxonomic methods and standardisation of macro fauna in the CCFZ was held at the East Sea Research Institute in Uljin, South Korea, from 23rd to 30th November 2014. Reports on these workshops will be submitted to the Commission. I wish to acknowledge and thank the Governments of India and the Republic of Korea for their assistance. Both workshops have implications for the mining code for polymetallic nodules currently being developed by the Authority. With regard to the workshop on polymetallic nodule resource classification, it was attended by representatives of contractors as well as by experts on land-based mineral resource classification from the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) and the United Nations International Framework Classification for Mineral Reserves and Resources (UNFC). All of whom made presentations.

As part of the standard clauses for exploration contracts, at the end of exploration, all contractors are to submit a report containing their “estimates of mineable areas when such areas have been identified, which shall include details of the grade and quantity of the proven, probable and possible polymetallic nodule reserves and the anticipated mining conditions”. Of the categories of resources noted in the clause, the only group that would be mined would be proven reserves – defined as a resource that under existing economic, technical and social conditions can be mined at a profit.

On the basis of the classification system for land-based mineral resources, it was concluded by the workshop that at present, no contractor had identified proven reserves of the metals of interest in polymetallic nodules, particularly in light of the fact that no tests of the collector device for mining the nodules have been conducted at the depths of the deposits or in a pilot mining study. It was recommended that the Authority support collaboration among the contractors to test their collector devices, conduct pilot mining tests and conduct environment impact assessments.

In the absence of these studies and with regard to the mining code for polymetallic nodules, the greatest impact will be on the financial models required for the fiscal regime.

The second workshop on taxonomic methods and standardization of macro fauna in the CCZ is part of a series of workshops being undertaken by the Authority to standardize the megafauna, macrofauna and microfauna in the CCZ where many of the polymetallic nodule contractors have their exploration areas and where an Environmental Management plan is being established. The third and final workshop in the series is to be convened in December 2015.

These efforts at standardizing the fauna in the CCZ will help to formulate the regulations regarding Environmental Impact Assessments for nodule mining.

I am also pleased to report that a sensitization seminar was hosted by the Government of the Republic of South Africa, on 17 to 19 March 2015, in Pretoria. The seminar focused on the activities of the Authority and on the challenges and opportunities available for collaborative research for African states in the Atlantic and Indian Ocean ridges. I wish to express here the Authority's gratitude to the Government of the Republic of South Africa and the SADC Region for hosting the Seminar.

### **Development of the Regulatory Framework for Exploitation**

Mr. President

At the 20<sup>th</sup> session, Council requested the Commission to continue its work on the regulations governing exploitation as a matter of priority and to make available to all members of the Authority and all stakeholders a draft framework for the regulation of exploitation as soon as possible after its February 2015 meeting.

I am pleased to report that in March 2015, in response to the Council's request, a report was issued by the Commission entitled: "*Developing a Regulatory Framework for Mineral Exploitation in the Area*" containing *inter alia*, a draft framework for the regulation of mineral exploitation in the Area. The draft framework was accompanied by a discussion of high level and strategic issues the Commission considers to be of significance in advancing the development of the Authority's rules, regulations and procedures. Additionally, the report contained an action plan to further such development. Member States and stakeholders were invited to submit comments on the report. As of 15 May, we have received a healthy number of responses and comments both from member States and stakeholders. These responses will be analyzed and placed before the Commission in their July session for consideration and deliberation.

### **Financial Mechanism**

Mr. President

On 31<sup>st</sup> March, the Authority issued a Discussion Paper aimed at the development and implementation of a payment mechanism for exploitation activities in the Area. The Paper sets out the main objectives and principles relevant to the development of rules, regulations and procedures in connection with a payment mechanism under the exploitation regime. Advancing a fair and equitable financial mechanism is particularly challenging and the main aim of the Discussion Paper is to act both as the starting point for discussion and to provide some structure and direction to that discussion. The Authority is conscious of the need to engage effectively with stakeholders on this matter, particularly current and potential investors in the Area. The Paper also highlighted the necessity to obtain the latest financial, economic data, estimates and projections in order to build financial models to support assumptions and future recommendations to the Council. Members of the Authority and all stakeholders were invited to comment on the Discussion Paper. A summary of the points raised by stakeholders and a plan for further development will be presented to the Commission in July.

### **The Protocol on Privileges and Immunity of the Authority**

Mr. President

As I conclude, I wish to once again draw the attention of members to the Protocol on the Privileges and Immunities of the International Seabed Authority. The Protocol was adopted in 1998 and entered into force on 31 March 2003. It provides essential protection to representatives of members of the Authority who attend meetings of the Authority or who travel to and from those meetings and also accords to experts on mission for the Authority such privileges and immunities as are necessary for the independent

exercise of their functions while on mission and for the time spent on journeys in connection with their mission.

There are currently only 36 members of the Authority that have become parties to the Protocol, namely: Argentina, Austria, Brazil, Bulgaria, Cameroon, Chile, Croatia, Cuba, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Guyana, India, Ireland, Italy, Jamaica, Lithuania, Mauritius, Mozambique, Netherlands, Nigeria, Norway, Oman, Poland, Portugal, Slovakia, Slovenia, Spain, Togo, Trinidad and Tobago, the United Kingdom and Uruguay.

In an effort to encourage other members of the Authority to become party, we have prepared a briefing note, interpreted both in English and French, further elaborating the provisions of the Protocol and describing the processes necessary for ratification, acceptance, approval or accession. Members of the Authority that are not yet party are strongly encouraged to take necessary the steps to become party to the Protocol at their earliest convenience.

### **Relation with the Host Country**

Finally Mr. President, as the Authority commences its 3<sup>rd</sup> decade of existence, I am happy to confirm that it continues to enjoy a cordial, warm and close relation with the Host Country, Jamaica. It is on this spirit that I invite all members to come to Kingston and participate in the 21<sup>st</sup> session of the Authority.

Thank you.