



**STATEMENT OF
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OF THE
INTERNATIONAL SEABED AUTHORITY**

**AGENDA ITEM 71 : OCEANS AND THE
LAW OF THE SEA**

**61ST SESSION OF THE GENERAL ASSEMBLY
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CHECK AGAINST DELIVERY

Madam President,

I wish to record my appreciation for the Secretary-General's Report on Oceans and the Law of the Sea (A/61/63 and A/61/63/Add.1) and for the Report on Sustainable Fisheries (A/61/154). As usual, these reports provide us with comprehensive accounts on recent development in the Law of the Sea, and together with the Report on the work of the Informal Consultative Process on the Law of the Sea (A/61/156) serve as essential background for the consideration by General Assembly of agenda 71 on Oceans and the Law of the Sea. I would like to compliment the Secretariat of the Division for Ocean Affairs and the Law of the Sea for preparing the reports.

I also wish to thank DOALOS Secretariat for their close cooperation with the Authority in areas of mutual interest and I specially wish to express my gratitude for the cooperation, assistance and friendship to the Director of DOALOS, Mr. Vladimir Golitsyn, as he prepares for his retirement. I also like to express my appreciation to the coordinators of the two draft resolutions before this Assembly as well as the sponsors of the two resolutions. I am particularly grateful for the references to matters relating to the International Seabed Authority in Parts V and VI of the resolution contained in document (A/61/L.30).

Since the 60th General Assembly, the International Seabed Authority held its 12th session at its headquarters in Kingston, Jamaica. During this session, the Authority elected one half of its Council members for a four-year term. It elected 15 members of the Finance Committee and 25 members of the Legal and Technical Commission. On the substantive aspects of its work the Council continued to consider the draft regulations for Prospecting and Exploration of Polymetallic Sulphides and Cobalt-Rich Ferromanganese Crusts in the international seabed area, which it had begun to consider at the previous session. In response to its request to the Secretariat at its previous session the Council had before it detailed analysis and elaboration on a number of issues in the draft regulations.

In responding to this request, the Secretariat had convened a workshop in 2006 specifically designed to address some of the technical issues which needed to be further elaborated. Following a discussion of the draft regulations the Council requested the Secretariat to present at the next session a revised draft on Polymetallic Sulphides taking into account the outcomes of the technical workshop and the discussions in the Council during the 12th session. The Council decided to give priority to the Regulations on Polymetallic Sulphides in 2007. The regulations concerning the Cobalt Rich Crusts will be considered in a separate set of regulations following the completion of the Regulations on Polymetallic Sulphides.

Madam President,

With the increase in our knowledge of deep sea marine mineral resources, there is growing recognition that such deposits are associated with specific faunas. There is also acknowledgement that for the purposes of the protection and conservation of the natural resources of the Area and the prevention of damage to the flora and fauna of the marine environment, additional knowledge must be acquired on the faunal species for which these deposits provide habitats. Such knowledge can best be developed using a standardized taxonomy for species identification, and through the acquisition of data and information on the distribution of faunal species in and around the deposits.

Accordingly, the Authority's first workshop in 2006 was on *Cobalt-Rich Ferromanganese Crusts deposits in the Area, and the Diversity and Distribution Patterns of Seamount Fauna*. It was held in March 2006. Its aims were to assess patterns of diversity and endemism of seamount fauna including the factors that drive these patterns; examine gaps in the current knowledge of these patterns with a view to encouraging collaborative research to address them, and to provide the Legal and Technical Commission with recommendations to assist it to develop environmental guidelines for future contractors.

The second workshop, on the *Technical and Economic Considerations for mining Cobalt-Rich Ferromanganese Crusts and Polymetallic Sulphides Deposits of the International Seabed Area* ("the Area"), was convened in August 2006. Its purpose was to address some of the issues that had been raised by the Council with regard to the draft regulations. It provided an opportunity for experts to outline the steps that may be taken by potential miners in their effort to identify commercial deposits of cobalt-rich ferromanganese crusts and polymetallic sulphides deposits in the Area, possible criteria for lease block selection under the draft regulations for the two types of deposits, technological issues associated with developing both mineral resources, the supply and demand for the metals of commercial interest in these deposits (cobalt, nickel, manganese, copper, lead, zinc, silver and gold), the outlook for these metals, in particular the demand for these metals in the fast growing economy of the People's Republic of China in the short, medium and long term, a cost comparison of implementing environmental regulations for a polymetallic sulphides mining operation in the Area and a comparable land-based mining operation for one or more of the same metals, and hypothetical mines of cobalt-rich ferromanganese crusts and polymetallic sulphides in the Area. The proceedings of these workshops are currently being prepared for publication by the Authority.

Madame President,

Interest in the mineral resources of the deep-seabed currently revolves around three types of deposits. The early interest of prospective miners was in polymetallic nodules. These potato-shaped objects contain nickel, copper, cobalt and manganese. More recently, since the discovery of two other types of deposits, namely polymetallic sulphides and cobalt-rich ferromanganese crusts, there has been considerable interest in mining these resources. Polymetallic sulphides (also known as massive sulphides meaning that the deposits are made up of at least 60 percent metallic sulphides), contain a range of metals which include copper, iron, gold, zinc and silver. Cobalt-rich ferromanganese crusts contain, inter alia, cobalt, iron, manganese, nickel, platinum and titanium.

With regard to polymetallic nodules, the pace of development of these resources has been slow. The Authority has issued exploration licenses to eight entities, all of them are state supported. It has always been my belief that until the private sector gets involved, the prospects for commercial mining of minerals from the deep sea floor will remain uncertain. So far, the two inhibiting factors for commercial mining have been the lack of development of mining technology and the price of metals. For commercial mining purposes the two are somewhat inter-related.

The rising demand for metals in emerging economies in recent years has caused metal prices to surge. According to the Economist magazine of September 10, 2006 "the prices of both oil and metal have roughly tripled since 2002.....the past few years have seen the sharpest rise in commodity prices in modern history, with metal prices in real terms gaining twice as much as the booms of 1970s and 1980s". It is therefore not surprising that the private sector has begun to show interest in marine mineral deposits. In this respect, recent developments in exploration and exploitation of polymetallic sulphides seem most promising.

In 1997, Nautilus Minerals Company, a private company, obtained exploration licenses for polymetallic sulphides in Papua New Guinea's waters. After extensive surveys to locate suitable deposits, the company went public, and has been able to attract partnerships and financing from some of the largest land-based mining companies in the world such as Barrick Gold Corporation (the leading producer of gold in the world), the Metalloinvest Group (Russia's largest iron ore producer and its 5th largest steel producer) through its Epion Holdings, AngloAmerican PLC, (the world's leading producer of platinum and diamonds and a significant producer of gold and iron ore), and Teck Cominco, (a world leader in the production of zinc, copper and coal). It has also secured the services of the Belgium based Jan De Nul company, (one of the world's leading international

dredging companies) to construct a specialized deep sea mining vessel for its mining operations. The 191 meter vessel, to be named the "Jules Verne", is expected to be completed in 2009 to meet Nautilus' targeted date for the commencement of commercial operations.

If indeed Nautilus and its partners are successful, the effect will be revolutionary in terms of seabed mining and the world's mineral resource base. Although, the world's first mining operation on the seafloor is most likely to take place in the national jurisdiction of a state, it is nevertheless an exciting prospect for the Authority. The technology developed for the operation and the experience gained in deep-sea floor mining can also be applied in the international seabed area where most of the seafloor deposits are to be found. The Authority has monitored the development of Nautilus closely, and its personnel and principals participate in workshops and seminars of the Authority.

Madame President,

An important mandate of the Authority is to promote marine scientific research in the international area and to provide opportunities for developing country scientists to participate in such activities. In order to be able to effectively discharge this responsibility, at its twelfth session the Assembly of the Authority,

adopted a resolution establishing an endowment fund for marine scientific research in the Area from the exploration fees paid to the Authority by Contractors for polymetallic nodule deposits (ISBA/12/A/11). The purpose of the Endowment Fund is to facilitate the participation of qualified scientists from developing countries, who neither have the capacity nor the opportunity to participate in research activities in the Area conducted by international scientists and Contractors or licensees of the Authority. It is expected that the knowledge and experience gained will assist developing countries in scientific research activities and in the management of marine areas under their jurisdiction.

Madame President,

I would like to take this opportunity to express my appreciation to members of the Authority who have contributed to the voluntary trust fund to enable the participation of developing country members of the Legal and Technical Commission and the Finance Committee in the work of these important bodies. It is gratifying to note that the contributions made to this fund have come from developed and developing countries. I appeal to those who have not yet contributed to consider doing so as full participation in the institutions of the Authority contributes to its effective operation.

One of the difficulties that the Authority continues to encounter is the lack of adequate participation of its Member States in its annual sessions. At the twelfth session, considerable discussion took place on this matter, and an appeal was made to delegations to impress upon their colleagues in New York on the need for them to participate in the annual sessions of the Authority. A proposal was made that the appeal be focused especially on landlocked countries, since they were the largest group of absentees and might not fully realize the relevance of ocean and seabed issues to their countries, especially as it concerns the international seabed area and its resources which are the common heritage of mankind and from which all states coastal and landlocked are to benefit. The Authority is currently developing rules and regulations for mining which will have a long-term effect on the system for deep seabed mining, including the potential proceeds for mining.

I therefore appeal to all Member States of the Authority to attend its annual sessions and participate fully in its work. It is an obligation that stems from being a party to the Convention. This is a matter of serious concern as it affects the quorum for meetings of the Assembly of the Authority. I am pleased that the issue of attendance is addressed in Part VI, paragraph 32 of the resolution contained in document A/61/L.30. The next session of the Authority will be held from 9th to 20th July, 2007.

Finally, Madame President, as the Chairman of the UN Conference that adopted the 1995 Fish Stocks Agreement, I would like to express my satisfaction at the outcomes of the Review Conference for that Agreement held earlier this year. The purpose of the Review Conference, in accordance with the terms of the Agreement, was to assess the effectiveness and adequacy of the provisions of this Agreement and, if necessary, to propose means of strengthening the substance and methods of implementation in order better to address any continuing problems in the conservation and management of straddling fish stocks and highly migratory fish stocks. The Review Conference has come up with proposals for a comprehensive set of measures which if implemented would go a long way towards strengthening the provisions of the Agreement and ensuring its better implementation. The General Assembly will, in resolution A/61/L.38, endorse these proposals of the Review Conference. The efficacy of these proposals however lie in their full and faithful implementation at regional and national levels. It is therefore the responsibility of all states, especially members of Regional Fisheries Management Organizations, to give effect to these measures through their organizations and also at national levels. I hope it will be possible for the Secretary-General to report to the General Assembly in due course on the progress made at regional and national levels in the implementation of the important and urgent measures contained in the proposals.
